

**ZIGBEE ALLIANCE**  
**PARTICIPATION AGREEMENT**

**Parties:**

ZIGBEE ALLIANCE

("ZIGBEE" or "ALLIANCE")

508 Second Street  
Suite 206  
Davis, CA 95616

Attn: Elizabeth Bunker

\_\_\_\_\_  
Corporate Name ("**Participant**")

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
Phone

This Participation Agreement ("**Participation Agreement**") is made as of the date accepted by ZIGBEE as set forth below. By executing this Participation Agreement, Participant agrees to be bound by the terms and conditions attached to this cover page.

**ZIGBEE ALLIANCE**

**Participant**

\_\_\_\_\_  
President and CEO

Date Accepted: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

# **PARTICIPATION AGREEMENT**

## **TERMS AND CONDITIONS**

### **1. Incorporation**

The ALLIANCE is organized as a nonprofit corporation under the laws of the State of California. The Articles of Incorporation and initial form of Corporate Bylaws of the ALLIANCE are set forth in **Exhibit 1 ("Corporate Documents")**. By executing this Participation Agreement, Participant consents to the form of the Corporate Documents. Participant acknowledges that the Corporate Documents may be amended from time to time in accordance with the provisions of the Corporate Documents and as may be allowed by law. The ALLIANCE has filed for tax exempt status under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, and Participant agrees not to engage in activities for or on behalf of the ALLIANCE that may adversely affect the nonprofit or tax-exempt status of the ALLIANCE.

### **2. Purposes of ALLIANCE**

The ALLIANCE is a non-profit mutual benefit corporation formed to promote the use of two-way wireless communications standards for consumer electronics, home and building automation, industrial controls, PC peripherals, medical sensor applications, toys and other related applications.

The purposes for which the ALLIANCE is organized are to:

- (a)** Bring about the existence of a broad range of interoperable consumer and industrial devices by promoting open industry Specifications for unlicensed, untethered, peripheral, control and entertainment devices;
- (b)** Provide a forum and environment whereby the Promoter, Participant and Adopter Members of the ALLIANCE may meet to approve suggested revisions and enhancements to Specifications; make appropriate submissions to established agencies and bodies with the purpose of ratifying Specifications as an international standard; and provide a forum whereby users may meet with developers and providers of related products and services to identify requirements for interoperability and general usability;
- (c)** Educate the business and consumer communities as to the value, benefits and applications for wireless consumer products and services through public statements, publications, trade shows demonstrations, seminar sponsorships and other programs established by the ALLIANCE;

- (d) Protect the needs of consumers and increase competition among vendors by supporting the creation and implementation of uniform, industry-standard conformance test procedures and processes which assure the interoperability of wireless consumer products and services;
- (e) Maintain relationships and liaison with educational institutions, government research institutes, other technology consortia, and other organizations that support and contribute to the development of the Specifications and standards; and
- (f) Foster competition in the development of new products and services based on Specifications developed and/or adopted by the ALLIANCE in conformance with all applicable antitrust laws and regulations.

The ALLIANCE and its Promoter, Participant and Adopter Members shall individually and collectively be committed to open competition in the development of products, technology and services, and Promoter, Participant and/or Adopter Members shall not be restricted in any way from designing, developing, marketing and/or procuring hardware, software, systems, technology or services. Implementation or use of specific Adopted Specifications is voluntary. No Promoter, Participant and/or Adopter Members shall be required or obliged to implement Adopted Specifications by virtue of being a Promoter, Participant or Adopter Member, as applicable, of the ALLIANCE.

### **3. Participation as a Participant; Dues**

Subject to the terms of **Section 9**, upon acceptance of this Participation Agreement by the ALLIANCE and payment of the appropriate dues, Participant shall hold the status of a Participant of the ALLIANCE for a period of twelve (12) months commencing on the acceptance date. Subject to the terms of **Section 9**, Participant may renew its Participant status for subsequent twelve (12) month periods by paying any then-current annual dues established by the Board of Directors. Failure to pay annual or specially assessed dues when due shall result in termination and/or non-renewal of Participant's status pursuant to **Section 9(d)**. Participant dues are non-refundable, except in the case of a distribution upon the event of a dissolution as set forth in the Corporate Bylaws. The Board of Directors may increase or decrease the annual dues required of Participants in accordance with the Corporate Bylaws. All dues shall be used in furtherance of the purposes of the ALLIANCE. Subject to the survival provisions of **Section 9(e)**, upon expiration or termination of the Participant's status as a Participant of the ALLIANCE, all rights and privileges provided and/or granted to Participant and/or any Affiliate of Participant pursuant to **Section 4** of this Participation Agreement and/or pursuant to any policies and procedures of the ALLIANCE shall terminate.

### **4. Duties and Rights of Participants**

The duties, rights, privileges and obligations of Participants shall be determined by the Board of Directors from time to time. Unless otherwise determined by the Board of

Directors, Participant shall not be entitled to any voting rights with respect to the business or proceedings of the ALLIANCE.

The designated contact and representative of Participant is identified by Participant on the first page of this Participation Agreement. The designated representative of Participant may be changed by Participant from time to time upon prior written notice to the ALLIANCE.

If Participant is a consortium, association or other similar organization or otherwise has members or sponsors, the rights and privileges granted to Participant as a Participant shall extend only to Participant, and not to Participant's members or sponsors.

## 5. Intellectual Property Rights

Participant agrees to the terms and conditions of the Intellectual Property Rights ("*IPR*") Policy attached hereto as **Exhibit 2**. Participant acknowledges and understands that the IPR Policy may be revised from time to time in accordance with the provisions of the Corporate Bylaws.

## 6. Confidential Information

Except as otherwise identified by Participant, any information Participant submits or discloses to the ALLIANCE, including any committee or working group thereof, shall be treated as non-confidential and shall be available to all Promoter, Participant and Adopter Members of the ALLIANCE without restriction. Any information pertaining to the business of the ALLIANCE which Participant submits or discloses to the ALLIANCE, including any committee or working group thereof, and which is: (a) marked by Participant as "**Confidential**" information, or (b) if orally disclosed, identified as Confidential prior to disclosure and reduced to writing and marked as Confidential within three (3) business days from the date of disclosure, shall be treated as Confidential information with respect to third parties, except for any portion thereof that constitutes information: (c) rightfully in the public domain other than by a breach of a duty to the disclosing party; (d) rightfully received from a third party without any obligation of confidentiality; (e) rightfully known to the receiving party without any limitation on use or disclosure prior to its receipt from the disclosing party; (f) independently developed by employees of the receiving party; or (g) generally made available to third parties by the disclosing party without restriction or disclosure. Such Participant Confidential information shall be maintained by each Promoter, Participant and Adopter Member of the ALLIANCE in confidence with at least the same degree of care that it uses to protect its own proprietary information and in no event with less than reasonable care, and each Promoter, Participant and Adopter Member of the ALLIANCE that receives such Participant Confidential information shall only use such Confidential information for the ALLIANCE purpose for which it was submitted. In the event a Promoter, Participant and/or Adopter Member of the ALLIANCE breaches the obligation of confidentiality with respect to Confidential information of Participant, the sole and exclusive remedy of Participant shall be to seek recourse against the breaching Promoter, Participant and/or Adopter Member of the ALLIANCE and the ALLIANCE shall

have no liability with respect to such breach. Third parties seeking access to Participant's Confidential information that has been provided to the ALLIANCE must reach an agreement with Participant as a condition for being provided the Participant's Confidential information. Participant Confidential information will not be included in an ALLIANCE Adopted Specification unless Participant waives its confidentiality. The rights and obligations set forth in this **Section 6** shall expire three (3) years after the date the Participant discloses or submits the Participant Confidential information to the ALLIANCE or to any other Promoter, Participant and/or Adopter Members of the ALLIANCE.

## 7. Prohibited Activities

Participant agrees to the terms and conditions of the Antitrust Guidelines attached hereto as **Exhibit 3**.

## 8. Application to Affiliates

### (a) Definition

"**Affiliate**" shall mean, with respect to Participant, any entity controlling, controlled by or under common control with Participant, where "control" means direct or indirect ownership of or the right to exercise: (i) greater than fifty percent (50%) of the outstanding shares or securities entitled to vote for the election of directors or similar managing authority of the subject entity; or (ii) greater than fifty percent (50%) of the ownership interest representing the right to make decisions for the subject entity. Notwithstanding the foregoing, Affiliate shall not mean any entity that has previously been or which is currently a Promoter, Participant or Adopter Member of the ALLIANCE.

### (b) Rights of Affiliate

As of the effective date of this Participation Agreement and subject to all the terms of this Participation Agreement, including without limitation, this **subsection (b)** and **subsection (c)** below, Affiliates of Participant shall have the right to exercise the rights and benefit from the licenses granted to Participant hereunder, provided that such Affiliates acknowledge and agree to be bound by: (i) all terms and conditions set forth in **Sections 5** through **22** of this Participation Agreement; and (ii) any policies and procedures applicable to Participants and/or Affiliates of Participant as may be determined by the Board of Directors from time to time. For purposes of the foregoing Sections of this Participation Agreement, all references to "Participant" shall be deemed to also include such Affiliates of Participant. The rights granted under this **Section 8** shall terminate immediately upon: (iii) the Affiliate's material breach of any of its obligations under this **Section 8**; or (iv) termination or expiration of this Participation Agreement pursuant to **Section 9**.

### (c) Right to Bind

An Affiliate of Participant shall not have the right to exercise the rights granted to Participant hereunder until the Board of Directors, or at the direction of the Board of Directors, an officer of the ALLIANCE reviews and approves of such Affiliate's participation in the ALLIANCE through this Participation Agreement. As a condition of such approval, the Board of Directors, or at the direction of the Board of Directors, an officer of the ALLIANCE, may require written documentation that such Affiliate has duly authorized Participant and/or Participant has the corporate authority to bind such Affiliate. The Board of Directors, or at the direction of the Board of Directors, an officer of the ALLIANCE, may require additional proof of the relationship between Participant and such Affiliate and/or may impose additional conditions or terms governing such Affiliate's participation in the ALLIANCE through this Participation Agreement at any time, including, without limitation, prior to any access and/or use of any intellectual property or Confidential information by Participant and/or any Affiliate under the terms of this Participation Agreement.

## **9. Term and Termination**

### **(a) Term**

Participant acknowledges that the ALLIANCE shall have a perpetual corporate term. This Participation Agreement shall commence on the acceptance date and remain in effect until the earlier of: (i) expiration of the ALLIANCE's corporate term; (ii) such time as Participant elects not to renew its Participant status as provided in **Section 3**; (iii) such time as Participant elects to voluntarily withdraw as a Participant of the ALLIANCE as provided in **Section 9(b)**; and (iv) termination of Participant's status as a Participant as provided in **Section 9(c)**.

### **(b) Voluntary Withdrawal as Participant**

Upon written notice to the ALLIANCE, Participant shall have the right to withdraw as a Participant of the ALLIANCE. Upon such withdrawal, Participant shall have no right to receive a refund of any previously paid dues, and the terms of **Section 9(e)** shall apply.

### **(c) Termination of Participation**

Upon the affirmative vote of not less than two-thirds (2/3) of the Board of Directors, the ALLIANCE shall have the right to terminate Participant's status as a Participant of the ALLIANCE for cause. The term "for cause" shall mean Participant's failure to materially comply with its obligations under this Participation Agreement. Upon such termination, Participant shall have no right to receive a refund of any previously paid dues and the terms of **Section 9(e)** shall apply.

### **(d) Failure to Pay Annual or Specially Assessed Dues**

Participant acknowledges that Participant status is conferred on an annual basis and that any renewal of participation, or in the case of a special assessment, continuation of participation, is contingent upon payment of the applicable dues. If Participant fails to pay the applicable annual or special assessment dues when required: (i) Participant's status in the ALLIANCE will not be renewed in the case of failure to pay the annual dues or will be terminated in the case of failure to pay the specially assessed dues; (ii) Participant shall be entitled to continue participation only upon re-application to the ALLIANCE; (iii) Participant waives any notice or process requirements in connection with such non-renewal and/or termination of participation status; and (iv) the terms of **Section 9(e)** shall apply.

**(e) Survival**

Upon expiration or termination of a Participant's status as a Participant of the ALLIANCE: (i) the following terms shall survive: (A) this **Section 9(e)** and **Sections 6, 11** and **12** of this Participation Agreement; and (B) Sections 2 and 3 of the IPR Policy with respect to Necessary Claims of the Participant and of other Promoter, Participant and/or Adopter Members incorporated into or a part of any Adopted Specifications existing prior to the effective date of expiration or termination of such Participant's status as a Participant; and (ii) the terms of Sections 2 and 3 of the IPR Policy shall not apply to any portions of Proposed Specifications which have been expressly identified and affirmatively withdrawn from the Proposed Specifications by such Participant prior to the effective date of expiration or termination of such Participant's status as a Participant.

**10. Disclaimer of Warranties**

**NEITHER PARTY HERETO MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ANY SOFTWARE, DOCUMENTATION, INTERFACES, SAMPLE IMPLEMENTATIONS, SPECIFICATIONS OR ANY OTHER ITEMS PROVIDED OR MADE AVAILABLE TO PARTICIPANT, THE ALLIANCE OR ANY OTHER PARTICIPANT, PROMOTER AND/OR ADOPTER MEMBER OF THE ALLIANCE, OR WITH RESPECT TO ANY STANDARD OR INTERFACE OR SPECIFICATIONS APPROVED, PROMOTED OR ENDORSED BY THE ALLIANCE OR ANY OTHER PROMOTER, PARTICIPANT AND/OR ADOPTER MEMBER OF THE ALLIANCE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT ANY OF THE FOREGOING ITEMS DO NOT INFRINGE OR CONSTITUTE A MISAPPROPRIATION OF THE PROPRIETARY RIGHTS OF ANY THIRD PARTIES. EACH PARTY AGREES THAT ALL SUCH ITEMS ARE PROVIDED OR MADE AVAILABLE HEREUNDER "AS IS."**

**11. Limitation of Liability**

Except for the indemnity obligations under **Section 12** below, neither party shall be liable to the other for any indirect, special, exemplary, consequential, special or punitive damages, including without limitation, lost profits even if advised of the possibility of such damages. In addition to the foregoing, with respect to Participant's participation in the ALLIANCE, the ALLIANCE shall not be liable to Participant for any direct, indirect, incidental, consequential, special or punitive damages including, without limitation, lost profits, sustained or incurred by Participant which are not attributable to the actions or inactions of the ALLIANCE under this Participation Agreement.

## **12. Indemnification**

Participant shall indemnify, defend and hold harmless the ALLIANCE and its directors, officers, employees, representatives, agents, attorneys, successors and assigns (collectively, the "**Indemnified Parties**") from and against any and all claims, suits, proceedings, liabilities, obligations, judgments, causes of action, costs and expenses (including reasonable attorneys' fees) to the extent arising out of or resulting from Participant's failure to materially comply with any of its obligations under this Participation Agreement. The Indemnified Parties promptly shall notify Participant of any such claims, suits or proceedings and, at Participant's sole cost and expense, reasonably cooperate with Participant in the defense of such claims, suits or proceedings. Participant's cumulative liability pursuant to this **Section 12** shall not exceed One Hundred Thousand Dollars (\$100,000).

## **13. Insurance**

The ALLIANCE may purchase and maintain insurance on behalf of any person who is or was a director, committee member, officer, employee or working group member of the ALLIANCE covering the activities of such persons related to the business of the ALLIANCE.

## **14. Notices**

Any written notice required or permitted to be delivered pursuant to this Participation Agreement shall be in writing and shall be deemed delivered: (a) upon delivery if delivered in person; (b) three (3) business days after deposit in the United States mail, registered or certified mail, return receipt requested, postage prepaid; (c) upon transmission if sent via telecopier, with a confirmation copy sent via overnight mail, provided that such overnight delivery is received by the sender; and/or (d) one (1) business day after deposit with a national overnight courier, provided that such overnight delivery is received by the sender, in each case addressed to the following:

If to Participant:

The Contact/Representative at the address  
identified on the cover page of this  
Participation Agreement



If to the ALLIANCE:

ZIGBEE ALLIANCE  
508 Second Street, Suite 206  
Davis, CA 95616  
Attention: Elizabeth Bunker  
Tel: (530) 564-4565

or to such other individual or address as may be specified by either party hereto upon notice given to the other.

## **15. Binding Nature and Assignment; Transfer of Participation Interest**

This Participation Agreement shall be binding on the parties and their successors and assigns. Participant shall not assign or otherwise transfer its participation interest nor this Participation Agreement, or any part hereof, whether by operation of law, change of control (including a merger, exchange of stock or otherwise) or otherwise, without the prior written consent of the ALLIANCE. Any assignment or transfer or attempted assignment or transfer by Participant in violation of the terms of this Section shall be null and void and of no force or effect.

## **16. Media Releases and Use of Trademarks and Logos**

ALLIANCE agrees that Participant shall have the right to list the ALLIANCE's name and logo on Participant's web site and advertising and promotion materials in accordance with guidelines to be adopted by the ALLIANCE. Except as provided above or as may be allowed pursuant to written instructions or guidelines issued by a party, neither party shall use the name or any trademark or logo of the other party without such other party's prior consent. By executing this Participation Agreement, Participant agrees that the ALLIANCE shall have the right to list Participant's name and logo on the ALLIANCE web site and advertising and promotion materials, in accordance with written instructions and limitations provided to the ALLIANCE by Participant.

## **17. Counterparts**

This Participation Agreement may be executed in one (1) or more duplicate originals, all of which together shall be deemed one and the same instrument.

## **18. Severability**

If any provision of this Participation Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable any other part of this Participation Agreement, but this

Participation Agreement shall be construed as not containing the particular provision or provisions held to be invalid or unenforceable.

## **19. Waiver**

No delay or omission by either party to exercise any right occurring upon any non-compliance or default by the other party with respect to any of the terms of this Participation Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either of the parties hereto of any of the covenants, conditions or agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof or of any covenant, condition or agreement herein contained.

## **20. Governing Law**

This Participation Agreement, and all the rights and duties of the parties arising from or relating in any way to the subject matter of this Participation Agreement or the transaction(s) contemplated by it, shall be governed by, construed and enforced in accordance with the laws of the State of California (excluding any conflict of laws provisions of the State of California that would refer to and apply the substantive laws of another jurisdiction).

## **21. Relationship of Parties**

Nothing set forth in this Participation Agreement shall be deemed or construed to render the parties as joint venturers, partners or employer and employee.

## **22. Entire Agreement; Modifications**

This Participation Agreement, together with the Corporate Documents, sets forth the entire, final and exclusive agreement between the parties as to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, between the parties. This Participation Agreement may be modified only pursuant to a writing executed by authorized representatives of the ALLIANCE and Participant.

**EXHIBIT 1**

**ARTICLES OF INCORPORATION  
AND CORPORATE BYLAWS**

**(SEE ATTACHED Articles of Incorporation – Corporate By-laws are available on the ZIGBEE website, [www.zigbee.org](http://www.zigbee.org))**

# **ARTICLES OF INCORPORATION**

**OF**

## **ZIGBEE ALLIANCE**

I.

The name of this corporation is ZIGBEE ALLIANCE.

II.

- A. This corporation is a nonprofit mutual benefit corporation organized under the Non-profit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.
- B. The Corporation's main purpose is to bring about the existence of a broad range of interoperable consumer devices by establishing open industry specifications for unlicensed, untethered, peripheral, control and entertainment devices anywhere in and around the home. The Corporation's efforts may include, but are not limited to developing and adopting open software, establishing interoperability and certification programs, and improving market conditions through user education, training and other support programs.

III.

The name is the State of California of this corporation's initial agent for service of process is:

Deepak Kamlani, CEO & Founder, Global Inventures  
c/o ZIGBEE ALLIANCE  
2694 Bishop Dr., Suite 275  
San Ramon, CA, USA 94583

IV.

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

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Deepak Kalmani, Incorporator

# EXHIBIT 2

## Zigbee Alliance

### Intellectual Property Rights Policy

From and after the date that this Intellectual Property Rights Policy ("**IPR Policy**") is adopted, the IPR of the Alliance and its Members shall be governed prospectively by this IPR Policy, all in accordance with the terms of the Zigbee Alliance Bylaws. Recognizing that the Alliance is an open participation organization whose activities are focused on encouraging the rapid advancement of interface Specifications for consumer electronics, home and building automation, industrial controls, PC peripherals, medical sensor applications, toys and other related applications, this IPR Policy is designed to maximize widespread adoption of Specifications. In furtherance of the objective of widespread adoption, the Alliance and its Members agree that barriers to industry use of Adopted Specifications should be limited as much as possible. Capitalized terms used in this Exhibit are defined in **Section 7** of this Exhibit or the applicable Member Agreement.

1. **IPR Categories.** IPR shall be categorized as follows:

- (a) Adopted Specifications;
- (b) Alliance IPR; and
- (c) Joint IPR

with each category subject to the further terms set forth in this IPR Policy.

2. **Optional Disclosure of Necessary Claims.** Each Member may, but shall not be required to, disclose whether such Member has any Necessary Claims (including without limitation, any Necessary Claims of an Affiliate of a Member and/or a Non-Member) relating to the applicable Proposed Specifications or Adopted Specifications. The Alliance shall develop a declaration form to be used by Members in disclosing the above, which form shall be consistent with the terms of this **Section 2**.

3. **RANDz License for Necessary Claims.** Each Member agrees to grant to each other Member a RANDz License to its Necessary Claims.

4. **Alliance IPR and IPR Contributed to the Alliance.** All right, title and interest in and to any and all IPR, software and documentation created or developed by individuals employed or retained by the Alliance shall vest in the Alliance ("**Alliance IPR**"), and the Alliance shall be free to use and publish any research results, ideas, algorithms, techniques and other information developed for or by the Alliance as determined by the Board of Directors. Members shall have rights to Alliance IPR as determined by the Board of Directors. The Alliance owns all right, title and interest in and to the copyrights in the Adopted Specifications and Proposed Specifications.

5. **Joint IPR.** IPR developed jointly by the Alliance and either: (a) a Member pursuant to a separate agreement with the Alliance defining the scope of the work to be performed by such Member; or (b) a contractor acting in their capacity as such, shall be jointly owned by the Alliance and the applicable Member ("**Joint IPR**"). Each joint owner shall be entitled to exercise all rights of ownership as provided by law without, however, an obligation of accounting from one to the other. The Member acknowledges and agrees that the Alliance will make Joint IPR available to all Members pursuant to terms and conditions determined by the Board of Directors. For the purposes of the foregoing, the term "jointly" shall mean that at least one Member employee and one Alliance employee or contractor assigned to the

Alliance qualify as co-inventors as a matter of U.S. patent law, in the case of patentable subject matter, or qualify as co-authors as a matter of U.S. copyright law, in the case of copyrightable subject matter.

**6. Clearinghouse Activities.** The Alliance may serve, upon such terms and conditions as may be established by the Board of Directors, as a clearinghouse for the purposes of collecting and distributing any royalties or license fees due to any applicable Members and/or Non-Members in connection with the licensure and/or use of Adopted Specifications.

**7. Definitions.**

"*Adopted Specifications*" means the Specifications that have been approved or adopted by the Alliance pursuant to the procedures set forth in the Corporate Bylaws.

"*Adopter*" means any non-Promoter Member and non-Participant participant in the Alliance which has executed the Zigbee Adopter Agreement.

"*Alliance IPR*" is defined in **Section 4**.

"*Fully Compliant*" means that products or technology meet all mandatory requirements of the applicable Adopted Specifications, as ascertained by the Alliance certification program. If the Adopted Specifications contain optional features, and the product or technology incorporates the optional features, then the products or technology must also meet the optional specifications of such Adopted Specifications.

"*Interfaces*" means a set of message and message sequences on the information flowing across a reference point between two identified functional entities or the method by which information, including data and control information, is conveyed between cooperative systems or devices, such as radio frequency communications-related subsystems.

"*IPR*" means intellectual property rights, whether by patent, copyright, trade secret or other form of intellectual property.

"*Joint IPR*" is defined in **Section 5**.

"*Member*" means any Promoter Member, Participant or Adopter, collectively or individually, as applicable.

"*Necessary Claims*" means those claims of all patents and patent applications throughout the world, existing now or hereafter issued or filed, that a Member or a Non-Member, as applicable, owns, and that: (a) cover or directly relate to one or more of the Proposed Specifications and/or the Adopted Specifications, as applicable; and (b) would be necessarily infringed by an implementation of any Proposed Specifications, if approved as Adopted Specifications, and/or Adopted Specifications, as applicable, where such infringement could not have been avoided by another commercially reasonable non-infringing implementation of such Proposed Specifications and/or Adopted Specifications, as applicable, and such infringement is necessary to meet the implementation requirements of the Proposed Specifications and/or Adopted Specifications, as applicable. Necessary Claims shall not include any claims of any patents or patent applications covering any enabling technologies that are used in the manufacture of products are Fully Compliant with the Proposed Specifications and/or Adopted Specifications, but are not expressly designated in the Proposed Specifications and/or Adopted Specifications (*e.g.*, semiconductor manufacturing technology, compiler technology, object oriented technology, basic operating system technology, *etc.*). If a Member asserts that any claim is not a

Necessary Claim on the basis that there is a commercially reasonable alternative to the infringing implementation of the Adopted Specification, such Member shall provide the Board of Directors with sufficient documentation evidencing the availability of such a commercially reasonable alternative.

**"Non-Member"** means any entity which is not a Promoter Member, Participant or Adopter of the Alliance.

**"Participant"** means any participant in the Alliance which has executed the Zigbee Participation Agreement.

**"Promoter Member"** means any participant in the Alliance which has executed the Zigbee Promoter Member Agreement.

**"Proposed Specifications"** means Specifications and/or any additions and/or modifications to existing Adopted Specifications (but not the underlying Adopted Specifications) recommended for review to the Alliance by the Board of Directors.

**"RANDz License"** means a no cost, worldwide, perpetual, non-exclusive, non-transferable license to the Necessary Claims, as applicable, on fair, reasonable and non-discriminatory terms and conditions (but does not include any right to grant sublicenses), solely to make, have made, use, import sell, offer to sell, license, promote or otherwise distribute and dispose of the resulting product or technology that is Fully Compliant with the applicable Adopted Specifications.

**"Specifications"** means documents or specifications that define or specify one or more aspects of an Interface. Interfaces may be defined and/or specified by using either message oriented descriptions or a protocol specification.

## **EXHIBIT 3**

### **ZIGBEE ALLIANCE**

#### **ANTITRUST GUIDELINES**

Certain types of activities conducted by industry participants may be subject to scrutiny under antitrust laws as being anti-competitive. In order to minimize exposure of the ALLIANCE and its Promoter, Participant and Adopter Members to antitrust liability, the ALLIANCE and each Promoter, Participant and Adopter Member agree to abide by the following guidelines when participating with, for or on behalf of the ALLIANCE:

1. Neither the ALLIANCE nor any of its committees shall be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, express or implied, among and between competitors with regard to prices, terms or conditions of sale, distribution, volume of production, territories, customers, credit terms or marketing practices.
2. The ALLIANCE and its Promoter, Participant and Adopter Members shall not discuss, communicate or engage in any other exchange between Promoter, Participant and/or Adopter Members with regard to prices, pricing methods, production quotas or other limitations on either the timing, costs or volumes of production or sale, or allocation of territories or customers.
3. Neither the ALLIANCE nor its Promoter, Participant and/or Adopter Members shall engage in any activity or communication that might be construed as an attempt to prevent any person or business entity from gaining access to any market or customer for goods and services, or to prevent any business entity from obtaining a supply of goods or services or otherwise purchasing goods or services freely in the market.
4. The qualifications for membership or participation in the ALLIANCE are set forth in the Corporate Documents. No applicant for membership or participation, who otherwise meets the qualifications set forth therein, shall be rejected for any anti-competitive purpose or for the purpose of denying such applicant the benefits of membership or participation.
5. The ALLIANCE shall not compel or coerce any Promoter, Participant and/or Adopter Member into accepting or complying with any Adopted Specification.



6. Adherence to Adopted Specifications or sample implementations shall be voluntary on the part of the Promoter, Participant and Adopter Members of the ALLIANCE and shall in no way be compelled, directed or coerced by the ALLIANCE, it being solely a voluntary decision on the part of the particular Promoter, Participant and/or Adopter Members of the ALLIANCE as to whether to adhere to or comply with any such Adopted Specifications or sample implementations.
7. Any Adopted Specifications or sample implementations shall be based solely and exclusively upon technical considerations and upon the merits of objective judgments and thorough procedures and shall in no way be based upon any effort, intention or purpose of any of its Promoter, Participant and/or Adopter Members to reduce or eliminate competition in the sale, supply and furnishing of products and services.
8. If information, materials or reports of the ALLIANCE for the use of the membership or participation is significant to third parties or others in the industry, then such information, material and reports will be made available by the ALLIANCE to all such persons, on such reasonable terms and conditions as it may prescribe, in order to carry out its purposes.
9. To the extent that the purposes of the ALLIANCE, as set forth in its Corporate Documents require, for the ALLIANCE's purposes and objectives, joint research and development by two or more of its Promoter, Participant and/or Adopter Members, or representatives thereof, any such joint research and development for the ALLIANCE shall exclude the following activities:
  - the exchange of information among competitors relating to costs, sales, profitability, prices, marketing or distribution of any product, process, or service that is not reasonably required to conduct the research and development;
  - any agreement or any other conduct restricting, requiring, or otherwise involving the production or marketing by any Promoter, Participant and/or Adopter Member of the ALLIANCE of any product, process or service, other than the production or marketing of proprietary information developed through such joint research and development, such as patents and trade secrets; and

- any agreement or any other conduct restricting or requiring the sale, licensing or sharing of inventions or developments not developed through such joint research and development, or restricting or requiring participation by any Promoter, Participant and/or Adopter Member of the ALLIANCE in other research and development activities, that is not reasonably required to prevent misappropriation of proprietary information contributed by any Promoter, Participant and/or Adopter Member of the ALLIANCE, or representative thereof, or of the results of such joint research and development.