

# TELENAV, INC.

## **FORM 8-K** (Current report filing)

Filed 09/05/17 for the Period Ending 08/31/17

Address 4655 GREAT AMERICA PARKWAY  
SUITE 300  
SANTA CLARA, CA, 95054  
Telephone (408) 245-3800  
CIK 0001474439  
Symbol TNAV  
SIC Code 3812 - Search, Detection, Navigation, Guidance, Aeronautical, and Nautical Systems and Instruments  
Industry Software  
Sector Technology  
Fiscal Year 06/30

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**  
**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): August 31, 2017

**TELENAV, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**001-34720**  
(Commission File Number)

**77-0521800**  
(I.R.S. Employer Identification No.)

**4655 Great America Parkway, Suite 300**

**Santa Clara, California 95054**

(Address of principal executive offices) (Zip code)

**(408) 245-3800**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) On August 31, 2017, Joseph M. Zaelit, a director of Telenav, Inc. (the “Company”) entered into an agreement to provide consulting services to the Company under a Consulting Agreement (the “Agreement”) that is effective immediately after the time Mr. Zaelit’s resignation from the Board of Directors of the Company (the “Board”) is effective (the “Effective Date”). The term of the Agreement will begin on the Effective Date and will end on December 31, 2019, unless terminated by Mr. Zaelit upon seven (7) days’ prior notice. The Agreement provides that Mr. Zaelit will be available for up to ten (10) hours per quarter during the term of the Agreement; however, upon mutual agreement between the parties, Mr. Zaelit may be available for additional hours. Under the Agreement, Mr. Zaelit will receive a quarterly consulting fee equal to \$15,750 per quarter. In the event the Company increases cash or equity compensation for the Board prior to July 1, 2017, Mr. Zaelit will receive the increase equal to the amount he would have received if he had continued to be a member of the Board. Additionally, in the event the Effective Date is prior to the Company’s 2017 Annual Meeting of Stockholders, the Company agrees to grant Mr. Zaelit, effective as of such date, an option to acquire 15,000 shares of the Company’s common stock at a per share exercise price equal to the Fair Market Value (as determined in accordance with the Company’s 2009 Equity Incentive Plan, as amended). During the term of the Agreement, all outstanding options to acquire Company common stock or restricted stock units for Company common stock shall continue to vest in accordance with their terms. The Company agrees that upon termination of the Agreement and Mr. Zaelit ceasing continuous status as a service provider to the Company, Mr. Zaelit will have 12 months from the later of (i) the date that the Agreement terminates or (ii) the date Mr. Zaelit ceases to perform services to exercise any vested options to purchase the Company’s common stock held by him as of the date he ceases to be a service provider.

The foregoing summary of the Agreement is qualified in its entirety by reference to the full text of the Agreement referenced as Exhibit 10.42 hereto and incorporated by reference herein.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
10.42	Consulting Agreement, dated as of August 31, 2017, by and between Telenav, Inc. and Joseph M. Zaelit

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## **SIGNATURES**

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

**TELENAV, INC.**

Date: September 5, 2017

By: /s/ Lily M. Toy  
Name: Lily M. Toy  
Title: General Counsel

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## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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<a href="#">10.42</a>	Consulting Agreement, dated as of August 31, 2017, by and between Telenav, Inc. and Joseph M. Zaelit
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TELENAV, INC.

CONSULTING AGREEMENT

This Consulting Agreement (the “Agreement”) by and between TeleNav, Inc. (the “Company”) and Joseph M. Zaelit (hereinafter referred to as “Consultant”) is entered into as of August 31, 2017 and shall be effective immediately after the time the Consultant’s resignation from the Board of Directors of the Company is effective (the “Effective Date”). The Company intends to engage Consultant to perform work under the terms of this Agreement.

**1. Services**

1.1 As of the Effective Date, Consultant will serve as a consultant to the Company. Consultant shall assist the Company with advice regarding accounting and auditing matters, corporate governance matters, the conduct of the Board of Directors and the Committees thereof (collectively, the “Services”). Consultant shall report to the Chief Executive Officer (the “CEO”) and will work directly with the CEO of the Company and the Board of Directors of the Company and other employees and service providers as authorized by the CEO.

1.2 Consultant will make himself available for up to ten (10) hours per quarter (the “Business Hours”). Upon mutual agreement between the parties, Executive may be available for additional hours or at different times. Consultant shall be available by the Company over the telephone during Business Hours, through written correspondence, or with prior notice, attend meetings in person at the Company’s offices in Santa Clara County.

1.3 Consultant is responsible for providing his own workspace, personal computer and communications services.

**2. Intellectual Property and Work Product**

2.1 “Intellectual Property Rights” means and includes all rights associated with patents, trademarks, business processes, domain names, works of authorship, designs, utility models, copyrights, whether registered or unregistered, including moral rights and any similar rights in any country, whether negotiable or not and also includes any applications for any of the foregoing and the right to apply for them in any part of the world; and all ideas, concepts, processes, inventions, creations, discoveries, programs, codes, software, algorithms, databases, trade secrets, know-how, improvements upon, additions or any research efforts relating to any of the above, whether registrable or not and any correspondence or documents relating to any of the above.

2.2 “Work Product” means any product that is developed by Consultant in course of providing Services to Company.

2.3 To the extent that Consultant makes, discovers or creates any Work Product in the course of its duties under this Agreement, it agrees that in this respect, Consultant has a special obligation to further the interests of Company and not create any third party interest in such Intellectual Property without the consent of Company.

2.4 Except as modified by Section 6 hereof, Consultant hereby undertakes that: (a) all Work Product and/or Intellectual Property Rights therein or related thereto conceived (whether or not actually conceived during regular business hours), discovered or made by Consultant and its employees or its contractors during the course of performing its obligations under this Agreement, and other ideas, techniques or principles relating to Company shall be disclosed in writing promptly to Company and shall be and remain the sole and exclusive property of Company; and that (b) Consultant holds the Work Product merely in trust for and on behalf of Company.

2.5 Consultant acknowledges that all works of authorship which are made by it alone or jointly with others pursuant to this Agreement or prior to the date thereof for or related to Company and which are protectable by copyright are works for hire.

2.6 Any Work Product or any invention made by Consultant either singly or jointly, whether or not patentable or registrable under any statute in force for the time being prior to or during the term of this Agreement and one year thereafter including relating to or connected with any products of Company or any predecessor or earlier version of such products shall belong to Company.

2.7 Consultant hereby irrevocably, absolutely and forever, assigns to Company all Work Product, including any and all Intellectual Property Rights therein or related thereto, that Consultant may have or acquire, throughout the world and for the full term of the right title and interest in each and every item of such Work Product, including renewal or extension of any such term.

2.8 Any assignment of copyright under Section 2.7 includes moral rights and to the extent moral rights cannot be assigned under applicable law, Consultant hereby waives such moral rights whether owned jointly or singly prior to or during the term of this Agreement and for one year thereafter in favor of Company and consents to any action of Company that would violate such moral rights in the absence of such consent. Consultant will confirm any such waivers and consents from time to time as and when requested by Company.

2.9 Consultant shall perform, during and after the term of this Agreement, all acts deemed necessary or desirable by Company to permit and assist it, at Company's expense, in evidencing, perfecting, obtaining, maintaining, defending and enforcing its rights in the Work Product and/or assignment by Consultant with respect to the Work Product in any and all countries. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings.

2.10 Consultant agrees to abide by the sole discretionary decision of Company regarding the obtaining, gaining recognition of or enforcing rights in such Work Product (whether as patent, copyright, trade secret, trademark or otherwise).

2.11 Consultant irrevocably appoints Company to be its attorney, and on its behalf to sign, execute or make any such instrument, and generally to use its name for the purpose of giving to Company (or its nominee) the full benefit of the provisions of Section 2.

### **3. Compensation**

3.1 Cash Compensation. Commencing on the Effective Date, the Company shall pay Consultant a quarterly payment of \$15,750 until December 31, 2018, with such payment being made quarterly in arrears not later than the 30<sup>th</sup> day after the end of each calendar quarter. In the event that a partial

quarterly period occurs from the Effective Date until the termination of this Agreement, the Company shall make a prorated quarterly payment to the Consultant. If the Company increases board cash compensation prior to July 1, 2018, Consultant will receive the increase equal to the amount he would have received if he had continued to be a board member. After December 31, 2018, to the extent that the Company requests that the Consultant continue to provide services, the Company shall pay Consultant the additional sums at an hourly rate of \$500 per hour for Consultant's services, promptly after Consultant has submitted an invoice for Consultant's additional hours worked not more than 30 days after the last day of the month in which the hours were worked. All compensation paid to Consultant shall be subject to all required withholding and any payroll deductions elected by Consultant.

3.2 Equity Compensation. In the event that the Effective Date is prior to the Company's 2017 Annual Meeting of Stockholders, the Company agrees to grant Consultant, effective as of such date, an option to acquire 15,000 shares of the Company's common stock at a per share exercise price equal to Fair Market Value (as determined in accordance with the Company's 2009 Equity Incentive Plan, as amended (the "Plan")). Such option shall vest in 12 monthly installments after the date of grant and the vesting commencement date shall be deemed to be effective date of Consultant's resignation and shall have the other characteristics of an award made pursuant to Sections 11 and 14(d) of the Plan. In the event additional equity grants are adopted for the Company's board members at the Company's 2017 Annual Meeting of Stockholders or prior to July 1, 2018, other than as set forth above, Consultant shall receive such grant in the amount equal to the amount he would have received had he continued to be a board member, on the same terms as the Company's directors. During the term of this Agreement, all outstanding options to acquire Company common stock or restricted stock units for Company common stock shall continue to vest in accordance with their terms and the Company and Consultant agree that Consultant's continuous status as a service provider shall not be deemed to have been interrupted by the transition of Consultant from a member of the Board of Directors of the Company to providing Services under this Agreement.

3.3 Other Compensation. Compensation other than cash shall be at the discretion of the CEO and subject to the approval by the Company's Board of Directors.

3.4 Expenses. During the Term of this Agreement, the Company will reimburse Consultant for reasonable travel expenses incurred by Consultant in the furtherance of or in connection with the performance of Consultant's duties hereunder, in accordance with the Company's expense reimbursement policy as in effect from time to time.

3.5 Extension of Period to Exercise Vested Options. The Company agrees that upon the termination of this Agreement and Consultant ceasing continuous status as a service provider to the Company, Consultant shall have 12 months from the later of (i) the date that this Agreement terminates or (ii) the date Consultant ceases to perform Services to exercise any vested options to purchase the Company's common stock held by him as of the date he ceases to be a service provider.

#### **4. Termination**

4.1 Termination. Consultant may terminate this Agreement upon giving the Company seven (7) days' prior written notice of such termination pursuant to Section 10 of this Agreement. The Company may terminate this Agreement immediately and without prior notice if Consultant refuses to or is unable to perform the Services or is in breach of any material provision of this Agreement.

4.2 Survival. Upon such termination, all rights and duties of the Company and Consultant toward each other shall cease except:

(1) The Company will pay, within 30 days after the effective date of termination, all amounts owing to Consultant for Services completed and accepted by the Company prior to the termination date and related expenses, if any, submitted in accordance with the Company's policies and in accordance with the provisions of Section 3 of this Agreement; and

(2) Section 2 (Intellectual Property and Work Product), Section 6 (Certain Other Contracts), Section 7 (Confidentiality), Section 11 (Independent Contractor; Withholding), Section 15 (Indemnification) and Section 17 (Dispute Resolution) will survive termination of this Agreement.

## **5. Term**

The term of this Agreement will begin on the Effective Date of this Agreement and will end December 31, 2019 or upon earlier termination as provided above (the "Term").

## **6. Certain Other Contracts**

6.1 Consultant may from time to time seek other full time employment with or membership on a board of directors of a third party (the "Employer"). The Company recognizes that Consultant's primary responsibility will be to the Employer. In connection with such employment, Consultant will enter into certain agreements with the Employer relating to ownership of intellectual property rights, conflicts of interest and other matters, and is subject to certain policy statements of the Employer (collectively, the "Employer's Agreement"). If any provision of this Agreement is in conflict with the Employer's Agreement, then the Employer's Agreement will govern to the extent of such conflict, and the conflicting provisions of this Agreement will not apply.

6.2 Consultant will not disclose to the Company any information that Consultant is obligated to keep secret pursuant to an existing confidentiality agreement with a third party, including but not limited to the Employer, and nothing in this Agreement will impose any obligation on Consultant to the contrary.

6.3 The consulting work performed hereunder will not be conducted on time that is required to be devoted to the Employer or any other third party. Consultant shall not use the funding, resources and facilities of the Employer or any other third party to perform consulting work hereunder and shall not perform the consulting work hereunder in any manner that would give the Employer or any third party rights to the product of such work. Nothing done in Consultant's work for the Employer shall be considered part of services performed hereunder and nothing herein shall restrict Consultant's work.

6.4 Consultant has disclosed and, during the Term, will disclose to the CEO or the Chief Financial Officer any conflicts between this Agreement and any other agreements binding Consultant.

## **7. Confidentiality**

7.1 "Confidential Information" means any non-public information that relates to the actual or anticipated business or research and development of the Company, technical data, trade secrets or know-how, including, but not limited to, research, product plans or other information regarding Company's products or services and markets therefor, customer lists and customers (including, but not limited to, customers of the Company on whom Consultant called or with whom Consultant became acquainted during the term of this Agreement), software, developments, inventions, processes, formulas, technology, designs,

drawing, engineering, hardware configuration information, marketing, finances or other business information. Confidential Information does not include information that (i) is known to Consultant at the time of disclosure to Consultant by the Company as evidenced by written records of Consultant other than information he received in the course of his employment with the Company, (ii) has become publicly known and made generally available through no wrongful act of Consultant or (iii) has been rightfully received by Consultant from a third party who is authorized to make such disclosure.

7.2 Consultant will not, during or subsequent to the term of this Agreement, (i) use the Confidential Information for any purpose whatsoever other than the performance of the Services on behalf of the Company or (ii) disclose the Confidential Information to any third party. Consultant agrees that all Confidential Information will remain the sole property of the Company. Consultant also agrees to take all reasonable precautions to prevent any unauthorized disclosure of such Confidential Information.

7.3 Consultant acknowledges that the Company's business is extremely competitive, dependent in part upon the maintenance of secrecy, and that any disclosure of the Confidential Information would result in serious harm to the Company.

7.4 Consultant agrees that the Confidential Information will be used by Consultant only in connection with consulting activities hereunder, and will not be used in any way that is detrimental to the Company.

7.5 Consultant agrees not to disclose, directly or indirectly, the Confidential Information to any third person or entity, other than representatives or agents of the Company. Consultant will treat all such information as confidential and proprietary property of the Company.

7.6 Consultant may disclose any Confidential Information that is required to be disclosed by law, government regulation or court order. If disclosure is required, Consultant will give the Company advance notice so that the Company may seek a protective order or take other action reasonable in light of the circumstances.

7.7 Consultant recognizes and agrees that nothing contained in this Agreement shall be construed as granting any rights, by license or otherwise, to any Confidential Information disclosed pursuant to this Agreement.

7.8 Upon termination of this Agreement, Consultant will promptly return to the Company all materials containing Confidential Information as well as data, records, reports and other property, furnished by the Company to Consultant or produced by Consultant in connection with services rendered hereunder, together with all copies of any of the foregoing. Notwithstanding such return, Consultant shall continue to be bound by the terms of the confidentiality provisions contained in this Section 7 for a period of five years after the termination of this Agreement.

7.9 I understand that nothing in this Agreement limits or prohibits me from filing a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board (“ **Government Agencies** ”), including disclosing documents or other information as permitted by law, without giving notice

to, or receiving authorization from, the Company. Notwithstanding, in making any such disclosures or communications, I agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than the Government Agencies. I further understand that I am not permitted to disclose the Company's attorney-client privileged communications or attorney work product.

## **8. Use of Name**

It is understood that the name of Consultant and Consultant's affiliation with the Employer will appear in disclosure documents required by securities laws, and in other regulatory and administrative filings in the ordinary course of the Company's business. The above described uses will be deemed to be non-commercial uses. The name of the Consultant will not be used for any commercial purpose without Consultant's consent.

## **9. No Conflict; Valid and Binding**

Consultant represents that neither the execution of this Agreement nor the performance of Consultant's obligations under this Agreement (as modified to the extent required by Section 6) will result in a violation or breach of any other agreement by which Consultant is bound. The Company represents that this Agreement has been duly authorized and executed and is a valid and legally binding obligation of the Company, subject to no conflicting agreements.

## **10. Notices**

Any notice provided under this Agreement shall be in writing and shall be deemed to have been effectively given (i) upon receipt when delivered personally, (ii) one day after sending when sent by private express mail service, or (iii) five days after sending when sent by regular mail to the following address:

In the case of the Company:

TeleNav, Inc.  
4655 Great America Parkway, Suite 300  
Santa Clara, California 95054  
Attn: Chief Executive Officer

In the case of Consultant:

Joseph M. Zaelit  
5469 Kaveny Drive  
San Jose, CA 95129

or to other such address as may have been designated by the Company or Consultant by notice to the other given as provided herein.

## **11. Independent Contractor; Withholding**

Consultant will at all times be an independent contractor, and as such will not have authority to bind the Company. Consultant will not act as an agent nor shall he be deemed to be an employee of the Company for the purposes of any employee benefit program, unemployment benefits or otherwise.

Consultant recognizes that no amount will be withheld from his compensation for payment of any federal, state, or local taxes and that Consultant has sole responsibility to pay such taxes, if any, and file such returns as shall be required by applicable laws and regulations. Consultant shall not enter into any agreements or incur any obligations on behalf of the Company.

## **12. Assignment**

Due to the personal nature of the services to be rendered by Consultant, Consultant may not assign this Agreement. The Company may assign all rights and liabilities under this Agreement to a subsidiary or an affiliate or to a successor to all or a substantial part of its business and assets without the consent of Consultant. Subject to the foregoing, this Agreement will inure to the benefit of and be binding upon each of the heirs, assigns and successors of the respective parties.

## **13. Severability**

If any provision of this Agreement shall be declared invalid, illegal or unenforceable, such provision shall be severed and the remaining provisions shall continue in full force and effect.

## **14. Remedies**

Consultant acknowledges that the Company would have no adequate remedy at law to enforce Sections 2, 6 and 7 hereof. In the event of a violation by Consultant of such Sections, the Company shall have the right to obtain injunctive or other similar relief, as well as any other relevant damages, without the requirement of posting bond or other similar measures.

## **15. Indemnification**

Consultant agrees to indemnify and hold harmless the Company and its directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with (i) any reckless or intentionally wrongful act of Consultant, (ii) a determination by a court or agency that the Consultant is not an independent contractor, (iii) any breach by the Consultant of any of the covenants contained in this Agreement, (iv) any failure of Consultant to perform the Services in accordance with all applicable laws, rules and regulations, or (v) any violation or claimed violation of a third party's rights resulting in whole or in part from the Company's use of the Work Product of Consultant under this Agreement.

During the term of the Agreement, Consultant shall have the continuing benefit of the Indemnification Agreement entered into by and between the Company and Consultant as of October 23, 2009. Company shall also include Consultant as a covered individual under the terms of its ongoing Directors and Officers insurances coverage during the term of this Agreement.

## **16. Governing Law; Entire Agreement; Amendment**

This Agreement shall be governed by the laws of the State of California applicable to agreements made and to be performed within such State, represents the entire understanding of the parties, supersedes all prior agreements between the parties and may only be amended in writing.

## **17. Dispute Resolution**

In any dispute arising hereunder, the prevailing party will pay the other party's litigation costs, including reasonable attorneys' fees. Any case or controversy between the parties arising out of this agreement will be determined exclusively in binding arbitration under the rules of the American Arbitration Association in Santa Clara County, California. Disputes not satisfactorily resolved in binding arbitration shall be litigated exclusively in the state or federal courts within the Northern District of California; each party submits to the personal jurisdiction of such courts and waives any claim that any of such courts constitutes an improper or inconvenient venue.

*[Remainder of Page Left Blank Intentionally]*

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed as of the date written above .

**TeleNav, Inc.:**

By: /s/ HP Jin

Name: HP Jin

Title: Chief Executive Officer

Address: 4655 Great America Parkway  
Santa Clara, CA 95054

Date: 8/31/17

**Consultant:**

/s/ Joseph M. Zaelit

Name: Joseph M. Zaelit

Title: Consultant

Address: 5469 Kaveny Drive  
San Jose, CA 95129

Date: 8/31/17