**LF Governance Networks, Inc.**

# Transaction Endorser Agreement

**Version 1.0**

This Transaction Endorser Agreement (the “**Agreement**”) is entered into between LF Governance Networks, Inc., a Delaware nonprofit corporation (“**LFGN**”), and \_\_\_\_\_\_\_\_\_\_\_ (“**Transaction** **Endorser**”), a \_\_\_\_\_\_\_\_\_ organized under the laws of \_\_\_\_\_\_\_\_\_. This Agreement sets forth the obligations of a Transaction Endorser with respect to endorsing transactions on the Bedrock Business Utility (the “**Utility**”), which operates in support of the mission of the Bedrock Consortium (the “**Bedrock Consortium**”), a directed fund of the Linux Foundation.

Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them in the Bedrock Governance Framework and its Controlled Documents (collectively, and as updated from time to time, the “**Framework**”). LFGN and Transaction Endorser are individually referred to herein as a “**Party**” and collectively as the “**Parties**.”

The governance network relies on the operation of physical or virtual network servers running software released and approved for network servers connected to the Utility, with each network server referred to as a “Node”.

# Definitions

* 1. “**Data Protection Laws**” means the GDPR and any other data protection and privacy laws, regulations, and regulatory requirements applicable to a party under this Agreement.
  2. “**GDPR**” means the General Data Protection Regulation (EU) 2016/679 on the protection of natural persons with regard to the Processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, and any amendment or replacement to it.
  3. “**Impermissible Personal Data**” means the Personal Data that a Transaction Endorser writes to the Utility or that a Transaction Endorser endorses that is not Permissible Personal Data.
  4. “**Personal Data Transactions**” has the meaning set forth in Section 3 below.
  5. “**Permissible Personal Data**” means Personal Data that Transaction Authors are authorized to write to the Utility under the Transaction Author Agreement and the Framework and that Transaction Endorsers are permitted to endorse under his Agreement and the Framework.
  6. “**Personal Data**” means information that relates, directly or indirectly, to a data subject, including without limitation, names, email addresses, postal addresses, identification numbers, location data, online identifiers or one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of the data subject.
  7. “**Process**” or “**Processing**” means any operation or set of operations which is performed on Signed Data, whether or not by automated means, such as the access, collection, use, storage, disclosure, dissemination, combination, recording, organization, structuring, adaption, alteration, copying, transfer, retrieval, consultation, disposal, restriction, erasure and/or destruction of Signed Data.
  8. “**Signed** **Data**” means any information that Transaction Endorser Processes by digitally signing the information in order for the information to be accepted by Validator Nodes in the Utility.

1. **Permission to Endorse Transactions to the Utility**
   1. LFGN hereby grants to the Transaction Endorser a non-exclusive, non-assignable, non-sublicensable, royalty free, revocable license to endorse Transactions submitted to the Utility by Transaction Authors during the Term of this Agreement; provided that the Transaction Endorser remains in compliance with all of its obligations under this Agreement and the requirements of the Framework.
   2. To endorse a Transaction, a Transaction Endorser will sign a Transaction Endorser’s Transaction in accordance with the Framework, so the Transaction will be accepted by a Validator Node.
2. **Transaction Endorser Obligations** 
   1. Transaction Endorser agrees to endorse all Transactions submitted to it by a Transaction Author unless it is prohibited to do so by the terms of this Agreement or the Framework.
   2. Transaction Endorser agrees to join the Bedrock Consortium and pay the membership fees specified in the Participation Agreement for the Bedrock Consortium.
   3. Transaction Endorser will only endorse Transactions from Transaction Authors who have executed the Transaction Author Agreement, a current copy of which is attached hereto as Appendix B.
   4. Transaction Endorser shall maintain effective information security policies and procedures and systems in accordance with applicable law that include administrative, technical and physical safeguards designed to (i) ensure the security and confidentiality of Signed Data in the Transaction Endorser’s control; (ii) protect against anticipated threats or hazards to the security or integrity of Signed Data; (iii) protect against unauthorized access or use of Signed Data; and (iv) ensure the proper disposal of Signed Data. Given reasonable notice and at reasonable intervals, Transaction Endorser will permit the LFGN or its designees to audit and review Transaction Endorser’s information security policies, and procedures and systems to maintain their continued effectiveness and determine whether adjustments are necessary in light of circumstances including, without limitation, changes in technology, customer information systems or threats or hazards to Signed Data.
   5. Transaction Endorser will not endorse Transactions containing Personal Data except where LFGN permits Transactions to contain Personal Data pursuant to Section 3(f) below.
   6. If LFGN permits Transaction Endorsers to endorse Transactions that contain Permissible Personal Data (“**Personal Data Transactions**”), then Transaction Endorser expressly agrees that:
      1. it will not endorse any Transactions that contain Impermissible Personal Data;
      2. it is a data processor (as defined in the GDPR) of the Personal Data Transactions and will only Process Personal Data in its role as a Transaction Endorser in compliance with the Data Protection Laws;
      3. it will Process Personal Data Transactions only in accordance with the Bedrock Governance Framework and other lawful documented instructions from LFGN;
      4. it agrees to be bound by the terms and conditions applicable to Transaction Endorser as a processor of Personal Data Transactions under the Data Processing Agreement (the “**DPA**”) which is attached as Appendix A and made a part of the Agreement in its entirety. By signing this Agreement, each Party is deemed to have signed the DPA, including the Standard Contractual Clauses set forth in the DPA, as “Data exporter” in the case of LFGN, and as “Data importer” in the case of Transaction Endorser.
3. **Term and Termination**
   1. This Agreement commences on the Effective Date and shall remain in force until terminated by either Party pursuant to this Section 4 (Term and Termination).
   2. Either Party may terminate this Agreement: (a) if the other Party has materially defaulted in the performance of any of its obligations under this Agreement and has not cured such default within fifteen (15) business days of receipt of written notice from the non-defaulting Party of such default; (b) by giving the other Party thirty (30) calendar days’ written notice of its intent to terminate for convenience; or (c) immediately in the event of any government sanctions or other legal measures that make it unlawful for the Transaction Endorser to endorse a Transaction written to the Utility by a Transaction Endorser.
   3. Upon termination or expiration of this Agreement for any reason the rights granted to Transaction Endorser under this Agreement automatically terminate.
4. **Representations and Warranties; Disclaimer**

# By LFGN.

# THE UTILITY IS PROVIDED AS-IS WITH ALL FAULTS. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, LFGN MAKES NO REPRESENTATION OR WARRANTY CONCERNING THE ACCURACY, RELIABILITY, OR COMPLETENESS OF ANY INFORMATION OR DATA OBTAINED OR DERIVED THROUGH THE USE OF THE UTILITY AS THE UTILITY OPERATES ON A DISTRIBUTED NETWORK AND LFGN DOES NOT CONTROL THE INFORMATION OR DATA WRITTEN TO THE UTILITY. LFGN DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, ACCURACY OR COMPLETENESS OF DATA.

# As manager of the Utility, LFGN is an independent controller of the Personal Data Transactions. In no event will LFGN be held liable for the actions or omissions of the Transaction Endorser arising out of any Personal Data that the Transaction Endorser writes to the Utility in breach of this Agreement and/or contrary to the Framework, including but not limited to any Impermissible Personal Data. Notwithstanding the foregoing, if the Transaction Endorser writes Permissible Personal Data to the Utility in express compliance with this Agreement and in accordance with the Framework, LFGN is responsible for the lawfulness of such Processing once such Permissible Personal Data is endorsed to the Utility.

# By Transaction Endorser. Transaction Endorser represents and warrants:

# it has all necessary rights and permissions to write the Transactions;

# it will only endorse Transactions do not and will not violate any applicable law;

# the Transactions will not contain data or information that infringes or misappropriates the intellectual property rights of any third party;

# it understands that the Bedrock Business submitted to the Utility operates on a distributed network and that LFGN and Bedrock Consortium disclaim any responsibilities with respect to access of data from the Bedrock Business Utility by Transaction Endorsers that have signed the Transaction Endorser Agreement;

# it understands that the Utility operates on a distributed network and that LFGN disclaims any responsibilities with respect to access of data from the Utility;

# it understands and acknowledges that LFGN and Bedrock Consortium do not control the transfer of data between Nodes and over communications facilities, including the internet, and that the Utility may be subject to limitations, delays, and other problems inherent in the use of such communications facilities;

# it understands and acknowledges that there is regulatory uncertainty regarding the Utility’ compliance with Data Protection Laws as it relates to Permissioned Write Access, Public Write Access, and Personal Data, including cross-border transfers of data, Processing of Personal Data, the right to effective erasure of data, as well as the scope and nature of Personal Data itself;

# it understands and acknowledges that LFGN and Bedrock Consortium may modify, at any time, its Ledger Access Policies and the terms of this Agreement and any other agreement or document related to the Utility based on new information, guidance, or Data Protection Laws; and

# it understands and acknowledges that a Transaction Endorser and/or LFGN may obscure a Transaction if (i) the Transaction Endorser, LFGN or Bedrock Consortium is required to do so by a court order or applicable law or (ii) the Transaction Endorser, LFGN or Bedrock Consortium has evidence that the Transaction violates the terms of this Agreement or any applicable law.

# Limitation of Liability

* 1. EXCEPT AS PROVIDED BY LAW OR IN THE EVENT OF EITHER PARTY’S GROSS NEGLIGENCE, WILFUL MISCONDUCT OR FRAUD AND EXCEPT, WITH RESPECT TO STEWARD’S LIABILITY, FOR STEWARD’S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, SPECIAL, OR OTHER CONSEQUENTIAL DAMAGES UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY LOST PROFITS, BUSINESS INTERRUPTION, LOSS OF PROGRAMS OR DATA, OR OTHERWISE, EVEN IF THE OTHER PARTY IS EXPRESSLY ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES.
  2. EXCEPT IN THE EVENT OF GROSS NEGLIGENCE, WILFUL MISCONDUCT OR FRAUD OR AS PROVIDED BY LAW, IN NO EVENT WILL LFGN BE LIABLE FOR ANY AMOUNTS UNDER THIS AGREEMENT.

# Indemnification

# To the fullest extent permitted by applicable law, Transaction Endorser will indemnify and hold harmless LFGN, its affiliates, the Bedrock Consortium, the Linux Foundation, and each of their respective officers, directors, agents, partners and employees (individually and collectively, the “Indemnified Parties”) from and against any losses, liabilities, claims, demands, damages, expenses or costs (“Claims”) brought by a third party arising out of or related to (i) Transaction Endorser’s access to or use of the Utility in violation of this Agreement; (ii) Transaction Endorser’s violation, misappropriation or infringement of any rights of another (including intellectual property rights or privacy rights); or (iii) Transaction Endorser’s violation of applicable law.

# Transaction Endorser agrees to promptly notify the Indemnified Parties in writing of any Claims, cooperate with the Indemnified Parties in defending such Claims and pay all fees, costs and expenses associated with defending such Claims (including attorneys’ fees). Transaction Endorser also agrees that the Indemnified Parties will have sole control of the defense or settlement, at the LFGN’s sole option, of any Claims. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between Transaction Endorser and any Indemnified Party.

# Compliance with Law. Each Party shall comply with all applicable laws and shall cooperate with the other Party in complying with applicable laws and lawful subpoenas, orders, or investigative demands. Without limiting the generality of the foregoing, each Party agrees to enter into all data protection agreements required by applicable law with regard to the processing, protection and/or transfer of personal data.

# Governing Law and Forum. This Agreement is governed by the law of the State of Delaware, without reference to conflict of laws principles. Any disputes regarding this Agreement shall be brought in the state or federal courts located in the State of Delaware.

# Miscellaneous

# Notice. Any notice, payment, demand or communication required or permitted to be delivered or given by the provisions of this Agreement shall be deemed to have been effectively delivered or given and received on the date personally or electronically delivered (including via electronic mail) to the respective Party to whom it is directed, or when deposited by registered or certified mail, with postage and charges prepaid and addressed to the Parties at the addresses set forth below opposite their signatures to this Agreement.

# Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable, the validity, legality, and enforceability of any of the remaining provisions of this Agreement shall not in any way be affected or impaired.

# Relationship of the Parties. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the Parties. Neither Party will represent that it has any authority to assume or create any obligation, express or implied, on behalf of the other Party, nor to represent the other Party as agent, employee, franchisee, or in any other capacity. There are no third-party beneficiaries to this Agreement. Neither Party shall make any proposals, promises, warranties, guarantees, or representations on behalf of the other Party or in the other Party’s name.

# Assignment. Transaction Endorser may not assign or transfer this Agreement without LFGN’s express prior written consent which will not be unreasonably withheld, provided that no such consent is required for an assignment or transfer to a successor in interest by reason of merger or consolidation or sale of all or substantially all of the assets of such Party relating to the subject matter of this Agreement.

# Entire Agreement. This Agreement, including all documents incorporated into this Agreement by reference, constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes any and all prior agreements and understandings of the Parties, whether written or oral, with respect to such subject matter.

# Modification of This Agreement.  LFGN reserves the right to modify this Agreement at any time in accordance with this provision, including, but not limited to, changes in applicable law or guidance from any jurisdiction or changes to the Framework. LFGN will post an amended version of this Agreement on its website at least forty-five (45) days prior to the date on which all Transaction Endorsers must begin operating under the amendment (the “Amendment Effective Date”).  If Transaction Endorser continues to Endorse Transactions to the Utility after the Amendment Effective Date, such continued use will constitute acceptance of the amended Agreement.

# Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

# Survival.  Any terms that by their nature survive termination or expiration of this Agreement shall survive.

* 1. Endorsing Own Transactions. In the event that the Transaction Endorser is endorsing Transactions that it is writing to the Utility as the Transaction Author, by executing this Agreement, Transaction Endorser is also agreeing to the Transaction Author Agreement attached at Appendix B.

# Governmental Entities. If Transaction Endorser is a governmental entity and it determines that GDPR does not apply to it and its Processing of Transactions, then:

# to the extent that the GDPR requirements referenced in this Agreement are equivalent to the requirements under Data Protection Laws in its own jurisdiction, it will comply with any such requirements; and

# to the extent that GDPR requirements referenced in this Agreement differ from requirements under Data Protection Laws in its own jurisdiction, it will comply with the requirements under its own legislation.

**TRANSACTION ENDORSER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

By signing below, the Transaction Endorser acknowledges and agrees that, when signed and accepted by the LFGN, this Agreement represents a binding contract between the Parties and commits the Transaction Endorser to these terms and obligations:

Authorized Rep. of Transaction Endorser: Accepted:

|  |  |  |
| --- | --- | --- |
|  |  | **LF GOVERNANCE NETWORKS, INC.** |
| (Print Transaction Endorser Name) |  |  |
| Signature |  | Signature |
| Name |  | Name |
| Title |  | Title |
| Date |  | Date |

Email for notices: Email for notices:

# Appendix A

# Transaction Endorser Data Processing Agreement

LINK AS OF THE EFFECTIVE DATE OF THIS TRANSACTION ENDORSER AGREEMENT

# Appendix B

# Transaction Author Agreement

LINK AS OF THE EFFECTIVE DATE OF THIS TRANSACTION AUTHOR AGREEMENT

© 2020 by The Linux Foundation. This work is licensed under the Creative Commons Attribution-ShareAlike 4.0 International License (http://creativecommons.org/licenses/by-sa/4.0/).