Bedrock Business Utility

Participation Agreement

**Version 1**

2020-07-01



<http://bbu.bedrockconsortium.org/>

**THE LINUX FOUNDATION**

**THE BEDROCK CONSORTIUM**

**Directed Fund Participation Agreement**

The members of the Bedrock Consortium (the “Directed Fund”) represent a collection of international private sector companies and other organizations that operate and manage the Utility (as defined below). The Directed Fund, directed fund of the Linux Foundation (“LF”), serves the purpose of raising, budgeting and spending funds in support of the Utility and the Technical Project (as defined below). The Bedrock Business Utility (the “Utility”) is a self-governed and self-sustainable public identity utility. LF Governance Networks, Inc., a Delaware non-profit corporation, supports the Utility by executing the various agreements relating to the management of, or transacting with, the Utility. The Technical Project (the “Technical Project”) is a technical project established as the Bedrock Technical Project a Series of LF Projects, LLC with the mission of supporting the technical needs of the Bedrock Business Utility.

The governance for the Directed Fund will operate pursuant to the Directed Fund Charter (the “Charter”), set forth as Exhibit B, and as amended in the future by the Directed Fund’s Governing Board with the approval of the LF. **Please note** that you must be a member of the LF to be eligible to participate as a member of the Directed Fund. For further information, visit the [Corporate Membership](about:blank) page at the LF web site.

Participants will enjoy the privileges and undertake the obligations described in the Charter and will comply with all such policies as the LF Board of Directors and/or the Directed Fund’s Governing Board may from time to time adopt with notice to members. The LF reserves the right to refuse any Participation Agreement submitted by a member who has payment obligations outstanding to the LF or to any other LF directed funds. Technical oversight governance for the Technical Project is set forth in the Technical Charter, available on the project’s website or source repository.

Please have this Participation Agreement (the “Agreement”) executed by an authorized representative of the member company named below (“Member”) and send a copy in PDF form by email to [membership@linuxfoundation.org](mailto:membership@linuxfoundation.org). A countersigned copy will be returned to you by email for your records when your eligibility for membership has been confirmed and an invoice will be emailed to you for payment of applicable membership fees. Note that this is not an indication of interest; execution of this Agreement creates an irrevocable, binding obligation for the member company to make the payments provided for and to otherwise perform in accordance with its terms.

**Contact Information:** If you are an existing LF Member, all legal, billing and financial notices from the LF relating to your participation will be sent to the individuals already on file with the LF under those categories unless you designate a different individual in Exhibit A.

**Premier Membership Term:**

Premier membership requires an initial two-year membership commitment. One year’s fees are due on acceptance as a member, and the second year’s fees are due at the first anniversary of membership. At the second anniversary of membership, if membership is not canceled at least thirty days prior to the second anniversary of membership, a prorated amount of the applicable fees for the remainder of that calendar year (a “stub period”) will be invoiced (and membership will proceed on a calendar-year based renewal cycle thereafter).

**General Membership Term and Fee Scale:**

In calculating the appropriate annual fee for General membership, please indicate your current consolidated employee headcount in the membership level selected. Solely for purposes of calculating fees, Consolidated Employees include all employees of Related Companies (as defined in the Charter), which include any direct and indirect parent companies, and all sister and subsidiary entities. Employees do not include third party contractors. For General Members, at the first anniversary of membership, if membership is not canceled at least thirty days prior to the first anniversary of membership, a prorated amount of fees for the remainder of that calendar year will be assessed (and membership will proceed on a calendar-year based renewal cycle thereafter).

**Utility Agreements:**

The member agrees to be bound by the Utility Agreements defining the terms of service and participation in an operational project governed by the Directed Fund. In the case of any future revisions to the Utility Agreements, the member will be bound by the latest version of the Utility Agreements, or the member may offer 30-days notice to cancel their membership and continue operating under the prior version Utility Agreements for an additional 30 days until the membership cancels. The Utility Agreements for the Directed Fund are available [here](https://bedrock-consortium.github.io/bbu-gf/).

# Membership Terms:

For all levels of membership, an initial full year’s payment of fees is due upon receipt and acceptance of an executed membership agreement and payable within thirty days of the date of invoice from the LF. Agreements signed before the 15th of the month will be invoiced as if active on the first of the month of signature. Agreements signed on or after the 15th will be invoiced as if active on the 1st of the following month. All fee amounts are irrevocable and non-refundable commitments based in US Dollars. We reserve the right to refuse your Participation Agreement if you have outstanding obligations to the LF or any other LF projects. In no event will fees be refunded, upon a Member’s resignation or otherwise.

Each Member acknowledges that the LF and other members of the Directed Fund depend upon reliable participation renewal information to budget effectively, and that the LF’s ability to provide services to the Directed Fund would suffer in the event of nonpayment of participation fees. Each Member acknowledges The Linux Foundation’s Good Standing Policy, available at https://www.linuxfoundation.org/good-standing-policy.

Notice of any increase in participation fees for the following calendar year will be given on or before October 15 in the current calendar year. Member’s participation for each calendar year and any stub period, and its obligation to pay participation fees for the following calendar year or stub period, as applicable, will renew annually for successive one-year terms, unless the applicant delivers written notice of non-renewal to the LF on or before December 1 of the current membership year.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

**Name of Member Company:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Membership Level** (*see Exhibit C*)**:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Utility Agreement(s):** the member agrees to be bound by the additional terms of the Utility Agreement(s) associated with their selected Membership Level as indicated in Exhibit C.

**Consolidated Employees** (*if applicable*)**:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PR/Logo Usage:** Do we have your permission to:

...display your logo on the Directed Fund’s website (*Yes or No*)? \_\_\_\_\_\_\_

...announce your participation via press release (*Yes or No*)? \_\_\_\_\_\_\_

**Preferred method(s) for receiving invoices** (*PDF or Hard Copy*): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Is a Purchase Order (PO) required** (*Yes or No*)?\_\_\_\_\_\_\_

If Yes, please provide the following details:

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By signing below, the Member acknowledges and agrees that, when signed and accepted by the LF, this Agreement represents a binding contract between the parties and commits the applicant to these terms and obligations:

Authorized Representative of Member: Accepted:

|  |  |  |
| --- | --- | --- |
|  |  | THE LINUX FOUNDATION |
| (Print Member Name) |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Signature |  | Signature |
|  |  |  |
|  |  |  |
| Name |  | Name |
|  |  |  |
|  |  |  |
| Title |  | Title |
|  |  |  |
|  |  |  |
| Date |  | Date |

**Exhibit A**

**Primary Project Contact**

*(for all notices, including voting)*

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Primary Technical Contact**

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Primary Marketing Contact**

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Primary PR Contact**

*(For approving press releases or quotes with respect to the Project)*

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Legal Contact**

*(This contact should be your primary in-house attorney for open source matters with respect to the Project. If you do not have in-house counsel, please leave this blank.)*

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Billing Address**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Billing Contact**

*(All invoices will be sent to this e-mail address unless the Member directs otherwise)*

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone No: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Exhibit B**

**The Bedrock Consortium Fund** **Charter**

The Linux Foundation

Effective [\_\_\_\_\_ \_\_, 20\_\_]

# Mission and Scope of the Bedrock Consortium Fund.

* 1. The members of the Bedrock Consortium (the “Directed Fund”) represent a collection of international private sector companies and other organizations that operate and manage the Utility (as defined below). The Directed Fund, directed fund of the Linux Foundation (“LF”), serves the purpose of raising, budgeting and spending funds in support of the Utility and the Technical Project (as defined below). The Bedrock Business Utility (the “Utility”) is a self-governed and self-sustainable public identity utility. LF Governance Networks, Inc., a Delaware non-profit corporation, supports the Utility by executing the various agreements relating to the management of, or transacting with, the Utility. The Technical Project (the “Technical Project”) is a technical project established as the Bedrock Technical Project a Series of LF Projects, LLC with the mission of supporting the technical needs of the Bedrock Business Utility.

# Consortium Name

# The members of the Directed Fund share a keen interest towards the establishment of trusted commerce. They believe in a set of fundamental privacy by design principles while mitigating financial and regulatory compliance risks.

# The term “Bedrock” carries two pertinent meanings:

# Gold accumulates at this solid foundational layer of the earth because water can't "wash it down" any further. The implication here is that our public identity utility ledger is the bedrock for business trust worldwide.

# A “bedrock” principle is one that forms the basis for others principles. The Utility aims to provide the foundational principles for the exchange of trusted data.

# The Utility serves as a [Trust over IP Stack](http://trustoverip.org/) Layer 1 instance of a public identity utility.

# The Governing Board manages the Directed Fund. The Directed Fund will have working groups, councils, committees and similar bodies (collectively, “Committees”) that may be established by the Governing Board. These committees report to the Governing Board. The initial Committees of the Directed Fund are the Finance Committee, Marcom Committee, Membership Committee and Governance Framework Working Group.

# Membership.

# The Directed Fund will be composed of Governing, Operational and Subscriber Members (each, a “Member” and, collectively, the “Members”) in Good Standing. All Members must be current corporate members of the LF (at any level) to participate in the Directed Fund as a member. All participants in the Directed Fund, enjoy the privileges and undertake the obligations described in this Charter, as from time to time amended by the Governing Board with the approval of the LF. During the term of their membership, all members will comply with all such policies as the LF Board of Directors and/or the Directed Fund may adopt with notice to members.

# Governing Members

# Obligations

* + - 1. Must host one or more utility infrastructure nodes as detailed in Exhibit C.
      2. Must sign the required Utility Agreements as set forth in this charter.
      3. *Must assign appropriately skilled resources that will meet the required time commitments for each of the governing bodies and the Technical Project. This includes, future additional governing bodies.*

# Entitlements

* + - 1. A single representative on the Governing Board.
      2. Appointment of representatives to any Committee within the Directed Fund.
      3. Approval, pending signed Utility Agreements, to act as a Transaction Endorser.
      4. Write Transactions as a Transaction Endorser as detailed in Exhibit C.
      5. A FIFO waiting list is maintained by Governing Board to allow for new members to fill voids left by exiting members.

# Restrictions

* + - 1. Utility Service Providers MAY NOT be representated on the Governing Board.

From 12 months after the inception of the Directed Fund, or from such other point in time as the Governing Board may decide, a new Member may join the Directed Fund as a Governing Member only if the total number of Governing Board Members (including the new Member in this count) is equal to or less than 25% of the total number of Stewards of the Utility (e.g., the total of Governing Members and Operational Members).

# Operational Members

# Obligations

* + - 1. Must host one or more utility infrastructure nodes as detailed in Exhibit C.
      2. Must sign the required Utility Agreements as set forth in this charter.
      3. *Must assign appropriately skilled resources that will meet the required time commitments for at least one Committee and the Technical Project*.

# Entitlements

* + - 1. Appointment of representatives to any Committee within the Directed Fund.
      2. Approval, pending signed Utility Agreements, to act as a Transaction Endorser.
      3. Write Transactions as a Transaction Endorser as detailed in Exhibit C.
      4. Members with continuous participation, can reserve a position to be invited as a Governing Member via a FIFO waiting list.

# Subscriber Members

# Obligations

* + - 1. Must sign the required Utility Agreements as detailed in Exhibit C.

# Entitlements

* + - 1. Appointment of representatives to any Committee within the Directed Fund.
      2. Approval, pending signed Utility Agreements, to act as a Transaction Endorser.
      3. Write Transactions as a Transaction Endorser as detailed in Exhibit C.

# Members will be entitled to:

# participate in Directed Fund general meetings, initiatives, events and any other activities; and

# identify themselves as members of the Bedrock Business Utility Fund supporting the Bedrock Consortium community.

# Utility Agreements

1. Members

Participants in the Directed Fund must sign the following agreements upon entrance and annual renewal.

|  |  |  |  |
| --- | --- | --- | --- |
| **Utility**  **Agreement** | **Governing Member** | **Operational Member** | **Subscriber Member** |
| Steward Agreement | Required | Required |  |
| Steward Data Processing Agreement | Required | Required |  |
| Transaction Endorser Agreement | Required | Required | Required |
| Transaction Endorser Data Processing Agreement | Required | Required | Required |
| Transaction Author Agreement | Optional | Optional | Optional |

1. s (Members and Non-Members)
2. Any entity (member or non-member) that is the submitter of a write transaction in support of using the ledger for decentralized identity interactions.
3. Interacts with a Transaction Endorser for the processing of write requests.
4. Can only submit those transaction types outlined in the Utilities ledger access policies and ledger data policies. See [Utilities Constitution](https://bedrock-consortium.github.io/bbu-gf/).
5. Must sign the **Transaction Author Agreement**.

# Governing Board

# The Governing Board will be composed of one representative appointed by each Governing Member. The chair of the technical steering committee of the Technical Project (the “TSC”), or, in the absence of a chair and with the approval of the Governing Board, any active contributor to the Technical Project so designated by the TSC for an annual term (such chair or designee the “TSC Representative”), will be invited to attend meetings of the Governing Board in a non-voting capacity.

# The maximum number of members of the Governing Board will be fifteen (15) (the “Governing Board Cap”). The Governing Board may change the Governing Board Cap by vote of the Governing Board. In the event that the number of members of the Governing Board equals the Governing Board Cap, the Directed Fund will maintain a waitlist of Operational Members interested in becoming Governing Members with waitlist order being determined by the order of an Operational Member submitting a request to become a Governing Member.

# The Directed Fund does not intent to start operations with less than seven (7) Governing Board members.

# Only one Member that is part of a group of Related Companies (as defined in Section 6) may appoint, or nominate for a membership class election, a representative on the Governing Board. No single Member, company or set of Related Companies will be entitled to: (i) appoint or nominate for Membership class election more than one representative for the Governing Board, or (ii) have more than two representatives on the Governing Board.

# Please note that it will be acceptable for one Member to appoint or nominate a representative to the Governing Board and have another of its employees, or an employee of one of its Related Companies, serve as the TSC Representative on the Governing Board.

# Conduct of Meetings

# Governing Board meetings will be limited to the Governing Board representatives, invited guests and LF staff.

# Governing Board meetings follow the requirements for quorum and voting outlined in this Charter. The Governing Board may decide whether to allow named representatives (one per Member per Governing Board and per Committee) to attend as an alternate.

# The Governing Board meetings will be private unless decided otherwise by the Governing Board. The Governing Board may invite guests to participate in consideration of specific Governing Board topics (but such guest may not participate in any vote on any matter before the Governing Board).

# Officers

# The officers (“Officers”) of the Directed Fund as of the first meeting of the Governing Board will be a Chairperson (“Chair”), Vice-Chair, Treasurer and a Secretary. Additional Officer positions may be created by the Governing Board.

# The Chair will preside over meetings of the Governing Board, manage any day-to-day operational decisions, such as planning, activities, finances, and contractors, and will submit minutes for Governing Board approval.

# The Vice-Chair will perform all the duties of the Chair during the absence of the latter. The Vice‐Chair shall discharge such other tasks as may be delegated by the Governing Board or Chair.

# The Treasurer will assist in the preparation of budgets for Governing Board approval, monitor expenses against the budget and authorize expenditures approved in the budget.

# The Secretary will assist in the preparation of meetings, events and the documenting of meeting minutes.

# The Governing Board will be responsible for overall management of the Directed Fund, including:

# approve a budget directing the use of funds raised by the Directed Fund from all sources of revenue;

# nominate and elect Officers of the Directed Fund;

# adopt and maintain the Charter of the Directed Fund, the Bedrock Business Utility Governance Framework and all policies, agreements, or rules and procedures for the operation, maintenance and governance of the Utility including the Constitutional documents maintained here: <https://bedrock-consortium.github.io/bbu-gf/>. This includes policies for the network, ledger access, data, software, node, transactions, or any other aspect related to the Utility (the “Utility Agreements”);

# establish Committees and policies governing Committees;

# establish governing bodies, advisory bodies, committees, programs or councils to resolve any particular matter or in support of the mission;

* + 1. establish any certification or conformance programs and solicit input (including testing tools) from the Technical Project (each, a “Conformance Program”);
    2. selecting a hiring a provider of operational and maintenance services for the Utility (“Utility Service Provider”);
    3. approves deployment of releases to network nodes;
    4. publish use cases, user stories, websites and priorities to help inform the ecosystem and technical community;

# approve procedures for the nomination and election of any representative of the General Members to the Governing Board and any Officer or other positions created by the Governing Board; and

# vote on all decisions or matters coming before the Governing Board.

# Outreach Committee

* 1. The Outreach Committee will include one appointed voting representative from each Member.
  2. The Outreach Committee will be responsible for the design, development and execution of community outreach efforts on behalf of the Governing Board. The Outreach Committee is expected to coordinate closely with the Governing Board and technical communities to maximize the outreach and visibility of the Technical Project throughout the industry.
  3. The Governing Board may appoint a chairperson of the Outreach Committee or delegate responsibility for selecting a chairperson to the Outreach Committee. The Outreach Committee chairperson will be responsible for reporting progress back to the Governing Board.

# Finance Committee

* 1. The Finance Committee will consist of one representative appointed by every Member of the Directed Fund, provided, however, that a Member that is the Utility Service Provider may not appoint a representative to the Finance Committee.
  2. The responsibilities of the Finance Committee include:
     1. assisting the Treasurer in preparation of annual budgets that adhere to the principles and guidelines established by the Governing Board;
     2. developing and reporting metrics for the allocation of budget in relation to meeting the priorities of the Governing Board;
     3. reviewing the progress of the Directed Fund against the annual budget;
     4. preparing forecasts for future financial needs of the Directed Fund; and
     5. such other matters related to finance and the financial operation of the Directed Fund as may be directed to the Finance Committee by the Governing Board.
  3. The Treasurer shall be chairperson of the Finance Committee.

# Membership Committee

* 1. The Membership Committee will include one appointed voting representative from each Member.
  2. The Membership Committee will be responsible for [scope of Membership Committee].

# Quorum and Voting

* 1. Quorum for Governing Board and Committee meetings will require at least fifty percent of the voting representatives. If advance notice of the meeting has been given per normal means and timing, the Governing Board may continue to meet even if quorum is not met, but will be prevented from making any decisions at the meeting.
  2. Ideally decisions will be made based on consensus. If, however, any decision requires a vote to move forward, the representatives of the Governing Board or Committee, as applicable, will vote on a one vote per voting representative basis.
  3. Except as provided in Section 13.a. or elsewhere in this Charter, decisions by vote at a meeting will require a simple majority vote, provided quorum is met. Except as provided in Section 13.a. or elsewhere in this Charter, decisions by electronic vote without a meeting will require a majority of all voting representatives.
  4. In the event of a tied vote with respect to an action that cannot be resolved by the Governing Board, the Chair may refer the matter to the LF for assistance in reaching a decision. If there is a tied vote in any Committee that cannot be resolved, the matter may be referred to the Governing Board.
  5. Any representative serving on the Governing Board who fails to attend three consecutive meetings shall not be counted towards quorum and will lose voting rights and not be counted for purposes of quorum until they have attended two consecutive meetings of the Governing Board (with voting rights being resorted at the second consecutive meeting).

# Subsidiaries and Related Companies

* 1. Definitions:
     1. “Subsidiaries” means any entity in which a Member owns, directly or indirectly, more than fifty percent of the voting securities or membership interests of the entity in question;
     2. “Related Company” means any entity which controls or is controlled by a Member or which, together with a Member, is under the common control of a third party, in each case where such control results from ownership, either directly or indirectly, of more than fifty percent of the voting securities or membership interests of the entity in question; and
     3. “Related Companies” are entities that are each a Related Company of a Member.
  2. Only the legal entity which has executed a Participation Agreement and its Subsidiaries will be entitled to enjoy the rights and privileges of such Membership; provided, however, that such Member and its Subsidiaries will be treated together as a single Member.
  3. If a Member is itself a foundation, association, consortium, open source project, membership organization, user group or other entity that has members or sponsors, then the rights and privileges granted to such Member will extend only to the employee-representatives of such Member, and not to its members or sponsors, unless otherwise approved by the Governing Board in a specific case.
  4. Directed Fund Membership is non-transferable, non-salable and non-assignable, except a Member may transfer its current Membership benefits and obligations to a successor of substantially all of its business or assets, whether by merger, sale or otherwise; provided that the transferee agrees to be bound by this Charter and the Bylaws and policies required by LF membership.

# Good Standing

* 1. The Linux Foundation’s Good Standing Policy is available at <https://www.linuxfoundation.org/good-standing-policy> and will apply to Members of this Directed Fund.

# Trademarks

* 1. Any trademarks relating to the Directed Fund or the Technical Project, including without limitation any mark relating to any Conformance Program, must be transferred to and held by the Linux Foundation or one of its affiliates and available for use pursuant the trademark usage policy of the Linux Foundation (available at [www.lfprojects.org/trademarks/](http://www.lfprojects.org/trademarks/)) or its affiliates.

# Antitrust Guidelines

* 1. All Members must abide by The Linux Foundation’s Antitrust Policy available at http://www.linuxfoundation.org/antitrust-policy.
  2. All Members must encourage open participation from any organization able to meet the membership requirements, regardless of competitive interests. Put another way, the Governing Board will not seek to exclude any member based on any criteria, requirements or reasons other than those that are reasonable and applied on a non-discriminatory basis to all members.

# Budget

* 1. The Governing Board will approve an annual budget and never commit to spend in excess of funds raised. The budget and the purposes to which it is applied must be consistent with both (a) the non-profit and tax-exempt mission of The Linux Foundation, (b) the goals of the Technical Project and (c) the requirements of the Utility.
  2. The Linux Foundation will provide the Governing Board with regular reports of spend levels against the budget. Under no circumstances will The Linux Foundation have any expectation or obligation to undertake an action on behalf of the Directed Fund or otherwise related to the Directed Fund that is not covered in full by funds raised by the Directed Fund.
  3. In the event an unbudgeted or otherwise unfunded obligation arises related to the Directed Fund, The Linux Foundation will coordinate with the Governing Board to address gap funding requirements.

# General & Administrative Expenses

* 1. The Linux Foundation will have custody of and final authority over the usage of any fees, funds and other cash receipts.
  2. A General & Administrative (G&A) fee will be applied by The Linux Foundation to funds raised to cover membership records, finance, accounting, and human resources operations. The G&A fee will be 9% of the Directed Fund’s first $1,000,000 of gross receipts each year and 6% of the Directed Fund’s gross receipts each year over $1,000,000.

# General Rules and Operations. The Directed Fund activities must:

* 1. engage in the work of the project in a professional manner consistent with maintaining a cohesive community, while also maintaining the goodwill and esteem of The Linux Foundation in the open source community;
  2. respect the rights of all trademark owners, including any branding and usage guidelines;
  3. engage or coordinate with The Linux Foundation on all outreach, website and marketing activities regarding the Directed Fund or on behalf of the Technical Project that invoke or associate the name of the Technical Project or The Linux Foundation; and
  4. operate under such rules and procedures as may be approved by the Governing Board and confirmed by The Linux Foundation.

1. **Amendments**
   1. This Charter may be amended by a two-thirds vote of the entire Governing Board, subject to approval by The Linux Foundation.

**Exhibit C**

The membership levels and associated fees are listed below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Select | Membership Class | Annual Membership Fees | Node Hosting Requirement | Governing  Body Resources | Write Transaction Entitlements |
| ☐ | Governing Member1 | $15000 | 1 | 1 per Governing Body | Unlimited |
| ☐ | Operational Member | $25000 | 1 | 2 | Unlimited |
| ☐ | Subscriber Member | $40000 | 0 | 0 | 50 |

Subscriber membership comes with 50 transaction entitlements per annual membership. Additional transactions can be acquired per annuum according to the following table. While a Subscriber may purchase an unlimited number of entitlement packages, all unused transactions expire at years end without rollover

|  |  |
| --- | --- |
| **Transaction Entitlements** | **Package Cost** |
| 50 | $10000 |

**Linux Foundation Membership Information.** Your organization will need to be a current member of the LF. If your organization is already a member of the LF, there is no need to do anything. If you are not a member of the LF, there are three tiers of LF membership available. The fees associated with each level of LF membership are included below for non-members to easily reference. Please visit the Corporate Membership page at the LF web site for full details:

* LF Platinum: $500,000
* LF Gold: $100,000
* LF Silver: Under 100 employees: $5,000; 100-499 employees: $10,000; 500-4,999 employees: $15,000; 5,000 or more employees: $20,000.
* LF Associate membership is available for non-profit, open source, and government entities at no cost.