

## Memo: OW2 Finance Policy

The paragraphs hereunder, relevant to use of funds by the Consortium, are excerpts from binding documents. Paragraph 3.4 of the Membership Agreement clearly states that Activities expenses must be supported directly by the Members. These expenses are therefore not to be supported by the Consortium's budget which must be used to cover direct MO costs.

### Excerpts from the Membership Agreement:

3.4 Cost and Expenses: Each Member shall bear all of its own costs and expenses related to membership in the Consortium including, but not limited to, compensation payable to Member's employees and consultants and all travel and other expenses associated with Member's participation in the Consortium's activities including but not limited to Activities as set forth in Section 2.02 of the Bylaws, meetings and conferences.

#### Strategic Membership duties

|                          |   |
|--------------------------|---|
| <b>Management Office</b> | Must support one full-time person for MO<br>(or €100K per capita) |
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### Excerpts from the Bylaws:

#### Section 2.02 Activities

Activities shall comprise, without being limited to, the following categories:

- (a) Projects: the Association's activities for software development are organized into Projects. A Project regroups development actions corresponding to one or more technical software components, or the integration of different technical components in order to build a platform.
- (b) Initiatives: an Initiative is a collaborative activity undertaken to promote a set of technologies from the Association and bring them to the mainstream market. Initiatives shall be used by the Association to make open source middleware widely used in targeted sectors of activity.
- (c) Local Chapters: Local Chapters are activities carried out to contribute to the sustainable development of business ecosystems on a regional scale, in a business neutral way. They represent the Association at a regional level under supervision of the Management Office.

#### Section 7.06 Indemnification of Officers and Directors

The Association shall indemnify any person made or threatened to be made a party to an action by or in the right of the Association to procure a judgment in its favor by reason of the fact that he/she, his/her testator or intestate is or was a director or officer of the Association, against amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred by him in connection with the defense or settlement of such action or in connection with an appeal therein, except in relation to matters as to which such person is adjudged to have breached his duty to the Association.

#### Section 4.13 Reimbursement/Indemnities/Fees

No personal service compensation shall be paid to any Director. The preceding sentence notwithstanding, the Board of Directors may authorize the reimbursement of ordinary and necessary out-of-pocket expenses paid by any Director on the Association's behalf.

#### Section 7.13 Advisory Board

- (d) The members of the Advisory Board shall not receive any compensation for their services in such capacities. The members of the Advisory Board shall bear their own costs and expenses in connection with their Advisory Board services.

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**Examples of cost and expenses and their accountabilities:**

|  | CENTRAL ORGANIZATION  | ACTIVITIES  |  |   |
|--|---|---|--|---|
|  | Management Office   | Projects  | Initiatives  | Local Chapters  |
| <b>Consortium budget</b><br>(costs and expenses to be covered from Membership fees)                                | <ul style="list-style-type: none"> <li>• Hosting</li> <li>• Telecom</li> <li>• Book-keeping</li> <li>• Administration</li> <li>• CEO (salary and travel expenses)</li> <li>• Legal advice</li> <li>• Trade mark registration</li> <li>• Public relations</li> <li>• Quarterly meeting venue</li> <li>• Global trade shows</li> <li>• Collateral in English</li> </ul> | <i>Not applicable</i>   | <i>Not applicable</i>  | <i>Not applicable</i>   |
| <b>Members expenses</b><br>(cost and expenses to be supported directly by Members on top of their Membership fees) | <ul style="list-style-type: none"> <li>• Salary, travel and expenses of full-time equivalent manpower dedicated to MO (for Strategic Members only)</li> </ul>   | <ul style="list-style-type: none"> <li>• Project Management team meetings</li> <li>• Trade shows</li> <li>• Travel</li> <li>• Project manpower</li> </ul> | <ul style="list-style-type: none"> <li>• Initiative Management team meetings</li> <li>• Initiative collateral</li> <li>• White paper</li> <li>• Trade shows</li> <li>• Travel</li> <li>• Project manpower</li> </ul> | <ul style="list-style-type: none"> <li>• LC Management team meetings</li> <li>• Localized web site content</li> <li>• Local web site hosting and support</li> <li>• Local trade shows</li> <li>• Travel</li> <li>• LC Manpower</li> </ul> |