

Fairhair Alliance Charter

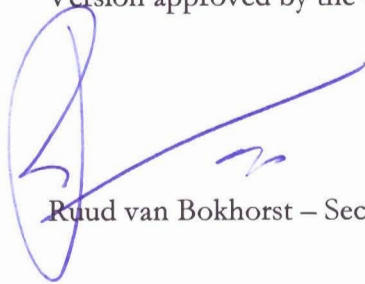
entered into by and between

Koninklijke Philips N.V.

Lutron Electronics Co

Siemens Schweiz AG

Version approved by the General Assembly on 30 May 2016

A handwritten signature in blue ink, consisting of a large, stylized initial 'R' followed by a long horizontal stroke and a small flourish.

Ruud van Bokhorst – Secretary General

This Charter for the Fairhair Alliance, hereinafter referred to as the "Agreement", has been made between the following parties:

Koninklijke Philips N.V., having its principal place of business at Amsterdam, Netherlands, hereinafter referred to as "Philips",

Lutron Electronics Co., having its principal place of business at Coopersburg, Pennsylvania, USA., hereinafter referred to as "Lutron",

and

Siemens Schweiz AG, having its principal place of business at Zurich, Switzerland, hereinafter referred to as "Siemens",

The aforesaid parties hereinafter collectively also referred to as “the Parties”.

WITNESSETH;

WHEREAS, the Parties believe that the establishment of a voluntary industry standard for Internet Protocol (IP) based technology for resource constrained end-devices of Building Automation & Control Systems (BACS) and Lighting Control Systems (LC) would be beneficial and

WHEREAS, the Parties desire to establish and participate in an Alliance for this purpose and to invite third parties who can be expected to make a meaningful contribution to the creation and promotion of the industry standard, to join the Alliance

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the Parties agree as follows:

1 Definitions

The following terms have the meanings ascribed to them below, unless the context expressly provides otherwise.

“Academic Member” means an academic institution or an academic person that has been accepted as an academic member by the Alliance and that wishes to actively participate in the Alliance for scientific and/or academic reasons without the intention to commercially use the Approved Fairhair Specification, in particular without the intention to manufacture, sell, distribute or otherwise dispose of products compliant with the Approved Fairhair Specification.

“Administrator” means a person, company or body, designated by the Steering Group to carry out administrative arrangements for the activities of the Alliance, in particular, but not limited to, program management administration, accounting administration, membership administration and website and back-end creation and maintenance.

“Alliance” means the “Fairhair Alliance”, established and operated under this Agreement as a voluntary group of independent Members, as provided further in Clause 3.

“Alliance Body” means all bodies formed under and in accordance with this Agreement to achieve the Objective, in particular the General Assembly, the Steering Group, the Working Group(s) and/or the Task Group(s).

“Alliance Document” means any creative work created by the Alliance and its Members in the context of the activities of the Alliance, including, but not limited to, results of the Working Groups and Task Groups, joint contributions to the Specification, other publication of the Alliance and its Members, such as publications, educational materials, marketing tools and the like. For the avoidance of doubt: Contributions (as hereinafter defined) are not Alliance Documents.

“Approved Fairhair Specifications” means the Fairhair Specifications (as hereinafter defined), or parts thereof, approved by the General Assembly in accordance with the Voting Rules to be the final specification of the Fairhair Alliance.

“Associated Company”, in relation to any party, means any one or more business entities:

- (a) owned or controlled by that party;
- (b) owning or controlling that party; or
- (c) owned by or under common control with that party,

but only for as long as such ownership or control exists.

A business entity is deemed to own or to control another business entity if more than 50% of the voting stock of the latter business entity, ordinarily entitled to vote in the election of directors (or, if there is no such stock, more than 50% of the ownership of or control in the latter business entity) is directly or indirectly held by the owning and/or controlling business entity.

“Change of Control” shall mean the occurrence of any of the following events:
(a) any consolidation or merger of a Party with or into any other entity in which the holders of such Party’s outstanding shares immediately before such consolidation or merger do not, but immediately after such consolidation or merger, do retain stock, representing a majority of the voting power of the surviving entity or stock representing a majority of the voting power of an entity that wholly owns, directly

or indirectly, the surviving entity; (b) the sale, transfer or assignment of securities of a Party representing a majority of the voting power of all of such Party's outstanding voting securities to an acquiring party or group; or (c) the sale of all or substantially all of a Party's assets.

“Commercial Requirements” means the requirements for the Specifications and the Logo Guidelines set out **Annex A**.

“Confidential Information” means all information disclosed by a Member within the framework of and in connection with its activity in this Alliance, in particular, but not limited to, within the General Assembly, the Steering Group, a Working Group or a Task Group.

“Consensus Decision” means a decision supported by all of the votes cast. For purposes of the foregoing, an abstention shall not be counted as a vote.

“Contribution” means any submission, input or statement to the Alliance by any Member made within the context of an Alliance activity, including but not limited to, oral statements in any session of an Alliance Body as well as written or electronic communications to or within an Alliance Body that adds to the technical solution of the problems and/or challenges associated with the Objective. Statements made outside of an Alliance Body's session, mailing list or other function, that are clearly not intended to be input to an Alliance activity, group or function shall not be regarded as a Contribution.

“Effective Date” means the day following the execution of this agreement by at least 3 (three) founding Sponsor Members.

“Essential IPR” means any Intellectual Property Rights (as defined below) that contains Essential Claims (as defined below).

“Essential Claims” " means those claims of all IPR, including but not limited to, patents and patent applications throughout the world, that are existing now or that are hereafter issued or filed, that a Member or any of its Associated Companies owns, and that:

- (a) cover or directly relate to one or more of the proposed Fairhair Specification and/or the Approved Fairhair Specification, as applicable; and
- (b) would be necessarily infringed by an implementation of any proposed Fairhair Specification, if approved as Approved Fairhair Specification, and/or Approved Fairhair Specification, as applicable, where such infringement could not have been avoided by another commercially reasonable non-infringing implementation of such proposed Fairhair Specification and/or Approved Fairhair Specification, as applicable.

Essential Claims shall not include any claims of any patents or patent applications covering any enabling technologies that are used in the manufacture of products that comply with the proposed Fairhair Specification and/or Approved Fairhair Specification, but are not expressly designated in the proposed Fairhair Specification and/or Approved Fairhair Specification (e.g., semiconductor

manufacturing technology, compiler technology, object oriented technology, basic operating system technology, etc.).

“Fairhair Specification” means the specifications for technological solutions for an IP based communication technology for resource constrained end-devices of Building Automation & Control Systems (BACS) and Lighting Control Systems (LC), to be developed by the Members as a part of their activities in the Fairhair Alliance.

“Full Member(s)” means any Sponsor Member and/or Regular Member. For the avoidance of doubt: Liaison Members and Academic Members are not Full Members.

“Intellectual Property Rights” or **“IPR”** means patents, utility certificates, utility models, industrial design rights, copyrights, database rights, trade secrets, any protection offered by law to Confidential Information, semiconductor IC topography rights and all registrations, applications, renewals, extensions, combinations, divisions, continuations or reissues of any of the foregoing.

“IPR Examination Phase” means an examination period of no less than 30 calendar days during which the Members shall have the possibility to review the Final Draft Specification awaiting approval and notify the Steering Group of any Essential IPR they may have.

“Liaison Member” means an association of companies or individuals that has been accepted as a liaison member by the Alliance and that is active in the standardization and/or commercial exploitation of a technology that is closely linked to the Objectives, but that has no intention to commercially use the Approved Fairhair Specification, in particular no intention to manufacture, sell, distribute or otherwise dispose of products compliant with the Approved Fairhair Specification.

“Logo Guidelines” means the conditions for allowing products to carry the Fairhair Logo.

“Majority Decision” means an affirmative vote of more than 50% of the total number of Members entitled to vote on such matter and participating in such vote (telephonically, electronically or physically, as applicable); provided that the following numbers shall not be counted in the denominator in the calculation of 50% above: (1) Members abstaining, and (2) Members not voting .

“Member(s)” means any Sponsor Member, Regular Member, Liaison Member and/or Academic Member.

“Membership Agreement” means the agreement(s) in the form set out in **Annex C.1** (Sponsor Members and Regular Members), **Annex C.2** (Liaison Member) and **Annex C.3** (Academic Member) hereto that need(s) to be duly signed by any entity wishing to become a Member to the Alliance.

“**Objectives**” means the objectives of the Alliance as set forth in Clause 2.

“**Patents**” mean granted and subsisting patents, but not utility models.

“**Promotion Working Group**” means the Working Group with the charter defined in Clause 10.8.

“**Qualified Majority Decision**” means an affirmative vote of more than 75% (seventy-five percent) of the total number of Members entitled to vote on a matter and participating in such vote provided that the following shall not be taken into account when the denominator of 75% (seventy-five percent) stated above is calculated: (i) Members abstaining, (ii) Members not voting.

“**Quorum**” means and shall exist when (i) for the Steering Group at least two-thirds of the Members’ Representatives with voting rights are present and (ii) for the General Assembly, the Working Groups and the Task Groups when at least two-thirds of the participants with actual voting rights are present.

“**Reference Standard**” means a technical specification or other standardization document that has been approved as a standard document by another standardization organization and which is incorporated into the Fairhair Specification by reference.

“**Regular Member**” means a company that has been accepted as a regular member by the Alliance and that is active in the commercial exploitation of a technology that is identical with or closely linked to the Objectives, that participates in the Alliance with the intention to commercially use the Approved Fairhair Specification.

“**Sponsor Member**” means a company that has been accepted as a sponsor member by the Alliance and that is active in the commercial exploitation of a technology that is identical with or closely linked to the Objectives, that participates in the Alliance with the intention to commercially use the Approved Fairhair Specification.

“**Steering Group**” means the steering group described in Clause 7 below established as the chief executive body of the Alliance.

“**Steering Group Representative**” means a Member’s appointed representative in the Steering Group.

“**Voting Rules**” means the rules for making decisions in the Steering Group and the Working Groups as set out in **Annex B**, and modified from time to time by a decision of the Steering Group.

“**Working Group**” means a working group of the Alliance established in accordance with the provisions set out in Clause 8 below.

“**Logo**” means the mark placed on a product indicating that the product complies with the Logo Guidelines.

2 Objectives

- 2.1 The objective of the Alliance is the development of an IP based communication technology for resource constrained end-devices of Building Automation & Control Systems (BACS) and Lighting Control Systems (LC), in particular, but not limited to:
- (a) Selecting and/or creating specifications for the non-differentiating protocol layers;
 - (b) Promoting the adoption of these common protocol layers by the relevant system standards;
 - (c) Managing a promotion, certification and compliance program for these common protocol layers.
- 2.2 Specific technology specifications will be used as the starting points for the development of an IP based communication technology for resource constrained end-devices, including IETF RFCs IPv6, 6LoWPAN, CoAP and IEEE 802.15.4-2006.
- 2.3 For the avoidance of doubt, the Objectives do not prevent or obstruct any Member in any way from participating in or from supporting any research or development for any standard which might be viewed as a competitive standard format to the one developed by the Alliance; provided, however, that such participation or support of research and development shall not violate any confidentiality obligations hereunder.

3 Membership

- 3.1 On the Effective Date, each party to this Agreement shall be deemed a Sponsor Member.
- 3.2 The Alliance shall be open for participation by any person or legal entity which, to the satisfaction of the Steering Group, demonstrates its ability and willingness to make an active and material contribution to the Objectives. A Member can either be a Sponsor Member or a Regular Member or a Liaison Member or an Academic Member.
- 3.3 In order to become a member of the Alliance after the Effective Date the applicant must (i) submit a written request for membership to the Secretary General, (ii) receive a favourable decision from the Steering Group taken in accordance with the Voting Rules, (iii) sign the Membership Agreement in **Annex C.1** and (iv) effect the payment of one yearly membership fee to an account of the Fairhair Alliance. The entity will only be deemed a Member upon fulfilment of all four conditions.

- 3.4 Industry alliances and other standardization organizations may apply for a Liaison Membership. In order to become a Liaison Member, the applicant must (i) submit a written request for Liaison Membership to the Secretary General, (ii) receive a favourable decision from the Steering Group taken in accordance with the Voting Rules, (iii) sign the Liaison Membership Agreement in **Annex C.2**. The entity will only be deemed a Liaison Member upon fulfilment of all three conditions.
- 3.5 Universities and other academic institutions or persons may apply for an Academic Membership. In order to become an Academic Member, the applicant must (i) submit a written request for Academic Membership to the Secretary General, (ii) receive a favourable decision from the Steering Group taken in accordance with the Voting Rules, (iii) sign the Academic Membership Agreement in **Annex C.3**. The entity will only be deemed an Academic Member upon fulfilment of all three conditions.
- 3.6 The Membership Agreement will be signed on behalf of the Members by the Secretary General. The original copy of the executed Membership Agreement shall, in pdf-format, be kept by the Secretary General on behalf of the Members. Each Member shall be entitled to receive a copy of such Membership Agreement by making a request to the Secretary General. The Secretary General shall keep a record of all third party applications for membership and, as regards any refusals, if the Steering Group has indicated a reason for its decision, the reasons why membership was denied
- 3.7 At any time after becoming a Member of the Alliance, a Regular Member may request to become Sponsor Member or a Sponsor Member may request to become a Regular Member. A Liaison Member may request to become a Regular Member or a Sponsor Member. For clarification and avoidance of doubt: a Regular Member or a Sponsor Member may not request to become a Liaison Member.
- 3.8 To change the membership status as set out in Section 3.7 above, the particular Member shall submit a written request to the Steering Group, indication the requested status changes. Upon receipt of a favourable decision from the Steering Group the requested status changes comes into effect with the payment of the next yearly membership fee.

4 Responsibilities of Members

- 4.1 Each Member is expected to participate in the activities of the Alliance and demonstrate a willingness to promote and achieve the Objectives. Specific recommendations or requirements for such promotion or achievement may be specified by the Steering Group from time to time.
- 4.2 Each Full Member shall pay the yearly membership fees set forth in **Annex D** to the Alliance no later than 90 (ninety) days after the beginning of any new calendar year. The first membership fee of any new Member shall be reduced according as follows, depending on when the new Member joins the Alliance:

Calendar quarter in which the new Member joins the Alliance	Percentage of Membership Fee payable for that year
Q1	100%
Q2	75%
Q3	50%
Q4	25%

- 4.3 Each Member shall be responsible for organising its own work with respect to fulfilment of its rights and obligations under this Agreement and perform its best efforts to promote and achieve the Objectives of this Agreement.
- 4.4 Each Member shall assign personnel of appropriate qualification and experience for its participation in the activities in the Alliance.
- 4.5 Each Member undertakes to execute any documents and exercise any rights and generally to take any action or refrain from any action, as the case may be, which may be reasonably required to give full effect to this Agreement and its Objectives.
- 4.6 The Members shall at all time act in good faith towards each other in fulfilment of their obligations hereunder.
- 4.7 The Members shall at all time act in full compliance with any applicable laws and regulations, including, but not limited to, anti-trust law.

5 Withdrawal and Removal

- 5.1 Any Member may withdraw from the Alliance at any time with immediate effect by giving written notice to the Secretary General.
- 5.2 The Steering Group may terminate the membership of any Member from the Alliance in accordance with the Voting Rules in the event that:
- (a) a Member fails to timely pay its membership fees in accordance with Section 4.2 above and does to remedy such failure within 90 days; or
 - (b) a Member fails to remedy a material breach of any of its obligations under this Agreement, in particular, but not limited to, its confidentiality obligations, within 30 days from receipt of a written notice from the Steering Group identifying the breach and requiring it to be remedied; or
 - (c) a Member becomes bankrupt or insolvent; or

- (d) in case a Member is no longer active in the industrial field relevant to the Objectives;
 - (e) the Steering Group determines that the Member is no longer in a position or willing to support the Objectives.
- 5.3 Upon withdrawal or removal from the Alliance in accordance with Clauses 5.1 or 5.2, the ex-Member's rights and obligations under this Agreement shall cease, except the obligations that stem from any provision listed in Clause 22.3

The withdrawal or removal from the Alliance in accordance with Clauses 5.1 or 5.2 shall not affect the rights and obligations of the ex-Member for the time prior to the effect of such withdrawal or removal.

- 5.4 A Member that has withdrawn from the Alliance shall not be entitled to repayment or refund of any membership fees, costs or expenses incurred in relation to this Agreement.

6 Expenses and Membership Fees

- 6.1 Unless explicitly otherwise set forth in this Agreement or determined by the Steering Group, each Member shall bear its own costs incurred in performing its obligations and responsibilities as a Member in accordance with this Agreement.

- 6.2 The membership fees for Sponsor Members, Regular Members, Liaison Members and Academic Members are set forth in **Annex D**.

- 6.3 The Steering Group may propose to the General Assembly to change the membership fees in **Annex D** in accordance with Section 9.3. The level of membership fees shall not be prohibitive or exclusionary. The Membership Fees will cover the following joint costs and expenses related to the Alliance;

- (a) Fees and charges of the Administrator incurred in performing tasks for the Alliance, as agreed by the Steering Group with the Administrator;
- (b) Meeting facilities, unless facilities are provided by a Member
- (c) Promotional materials
- (d) Any other costs and expenses as determined by the Steering Group.

- 6.4 The participation in promotional events may be subject to a promotional fee being paid by the Member wishing to participate in the event, if so determined by the Promotional Work Group.

- 6.5 All expenses of the Steering Group and/or the Working Groups require previous approval by the Steering Group by way of either (i) inclusion in the yearly budget of the Alliance or (ii) by individual approval by the Steering Group in accordance with the Voting Rules in **Annex B**.

- 6.6 Should the membership fees not be sufficient for coverage of the above costs and expenses, the Steering Group may decide, in accordance with the Voting Rules, that Members shall contribute an additional membership fee, provided that no Member shall be liable to contribute membership fees in excess of USD 25,000 (twenty-five-thousand US-Dollars), unless a higher amount is unanimously approved in writing by the Members concerned.

7 Organization

- 7.1 The Steering Group shall be the chief executive body of the Alliance.
- 7.2 The Steering Group shall consist of all Sponsor Members of the Alliance. Regular Members, Liaison Members and Academic Members do not have a seat in the Steering Group. Each Sponsor Member shall name a representative (“Steering Group Representative”), as well as a deputy representative, who may serve on the Steering Group in the absence of the Steering Group Representative.

Each Sponsor Member shall be at liberty to replace its Steering Group Representative and deputy representative at any time by written notice to all the other Steering Group Representatives and the Secretary General.

- 7.3 The Steering Group shall meet at least twice a year. The chairperson of the Steering Group shall set the meeting dates and invite all Steering Group Representatives to such meeting in writing. Any Steering Group Representatives may request additional meetings of the Steering Group in written communication addressed to all the other Steering Group Representatives and the chairperson of the Steering Group shall decide whether or not to follow such request.

Steering Group meetings will be held at least twice per calendar year, with the time and place of each meeting to be decided by the Steering Group. Agendas for such meetings will be circulated in advance to the Steering Group Representatives. Meetings may be held in person, or by web meeting. The Secretary General shall notify each Steering Group Representative at least 28 days in advance in case of a face-to-face meeting and at least 14 days in advance in case of a web meeting, so that the Steering Group Representatives can reasonably prepare for and attend such Steering Group meetings. Each Steering Group meeting will be hosted by a Sponsor Member. Hosting of Steering Group Meetings shall rotate among all Sponsor Members in accordance with a schedule as determined by the Steering Group. The expenses for a Steering Group meeting, except for travel and accommodation of participants, will be paid for by the Sponsor Member hosting the meeting. Each Sponsor Member has a right to attend and shall make reasonable effort to attend all the Steering Group meetings.

- 7.4 Each Active Sponsor Member (as hereinafter defined) shall have one vote for decision making at Steering Group meetings. An **“Active Sponsor Member”** is a Sponsor Member that was represented by a Steering Group Representative in at least two out of the last three meetings (face-to-face or web meetings) preceding the meeting in which the Sponsor Member wishes to vote.

The voting rules for decisions of the Steering Group are set out in **Annex B**. The Steering Group may decide to change the Voting Rules. Such decision to change the Voting Rules must itself be taken in accordance with the then current version of the Voting Rules. The Sponsor Members shall take reasonable efforts to ensure that decisions are taken on the basis of general consensus.

- 7.5 For a decision taken without meetings, a resolution in writing circulated to and approved in writing by all Steering Group Representatives (or Deputy Representatives) of the Sponsor Members shall be as valid and effective as if such resolution is passed at a Steering Group meeting duly held. Any such resolution shall be deemed to have been passed on the date when the relevant quorum of approving votes has been met.
- 7.6 The Steering Group shall elect
- (a) a chairperson and a vice-chairperson of the Steering Group;
 - (b) a Secretary General from among the Sponsor Members
 - (c) a Treasurer from among the Sponsor Members.
- 7.6.1 The chairperson and the vice chair person of the Steering Group shall be elected on a bi-yearly basis. The term of office of the chairperson and the vice-chairperson shall be two years from their appointment, unless removed earlier by the Steering Group. The vice-chairperson shall serve as a chairperson in the absence of the chairperson.
- 7.6.2 The Secretary General shall be elected on a bi-yearly basis. The term of office of the Secretary General shall be two years from its appointment, unless removed earlier by the Steering Group.
- 7.6.3 The Treasurer shall be elected on a bi-yearly basis. The term of office of the Treasurer shall be one year from their appointment, unless removed earlier by the Steering Group.
- 7.7 Minutes shall be kept by the chairperson (or his delegate) at all meetings of the Steering Group, and by specific persons elected for that purpose at other meetings between the Sponsor Members. Copies of these minutes shall be promptly distributed by the person who has prepared them to all the Sponsor Members.

8 Secretary General and Treasurer

- 8.1 The Secretary General shall be elected from among the Sponsor Members by the Steering Group as set forth in Section 7.6.
- 8.1.1 The tasks of the Secretary General are
- (i) liaise with other standardisation bodies for the benefit of the Alliance in line with the Objectives,

- (ii) be responsible for organizing and storage of all documentation of all activities of the Alliance,
 - (iii) to execute contracts with 3rd parties after approval of the Steering Group,
 - (iv) to countersign Alliance Membership Agreements of new Members,
 - (v) to perform any other task as appointed by the Steering Group
- 8.1.2 If the Steering Group decides to request support of a third party in connection with the Objectives of the Fairhair Alliance, the Secretary General shall organize and supervise such third party support in accordance with the decision of the Steering Group.
- 8.1.3 The Secretary General shall act as a contact for any entity that wishes to join the Fairhair Alliance as a Member.
- 8.1.4 The chairperson of the Steering Group and the Secretary General shall be the official spokespersons for the Alliance.
- 8.1.5. The Secretary General shall always be invited to attend the Steering Group meetings.
- 8.1.6 The Secretary General shall provide the Steering Group with a written report on the activities of the Secretary General once per year or upon request by a Sponsor Member.
- 8.2 The Treasurer shall be elected from among the Sponsor Members by the Steering Group as set forth in Section 7.6.
- 8.2.1 The Treasurer shall provide a written report on all financial issues to the General Assembly and the Steering Group on a yearly basis or upon request by a Sponsor Member.
- 8.2.2 The Treasurer shall provide a quarterly report on income and expenses of the Alliance to the Steering Group.
- 8.2.3 The Treasurer shall be responsible for the collection of all membership fees as well as any claims of the Fairhair Alliance against third parties. Any financial claims made against the Fairhair Alliance shall be addressed to the Secretary General who will involve the Treasurer to assess the validity of any such claim.
- 8.2.4 The spending of any amount exceeding USD 500.00 (five-hundred US-Dollars) requires a proposal by the Steering Group and the approval of the Secretary General and the Treasurer.
- 8.2.5 The Treasurer may, upon written approval by the Steering Group, delegate certain of his tasks and duties under this Agreement to third parties. The Secretary General shall be responsible for arranging any such third party support in accordance with Section 8.1.2.

- 8.3 The fees, costs and expenses connected with the work carried out by the Secretary General and/or the Treasurer shall be paid from the membership fees, provided that these fees, costs and expenses were approved by the Steering Group in accordance with the Voting Rules.

9 General Assembly

- 9.1 The General Assembly consists of all Members to the Fairhair Alliance. The General Assembly shall meet at least once every two years. The Steering Group will determine date and place of any meeting or date and logistics in case of a web meeting of the General Assembly and invite all Members to attend such meetings at least 90 (ninety) days in advance.

- 9.2 The chairperson of the Steering Group is the chairperson of the General Assembly. The vice chairperson of the Steering Group is the vice chairperson of the General Assembly.

- 9.3 Every Sponsor Member and every Regular Member has one vote in the General Assembly. Liaison Members and Academic Members do not have a vote in the General Assembly. The General Assembly shall vote on

- (a) any modification of this Agreement,
- (b) the adoption of Fairhair Specifications,
- (c) the approval of co-operations with other standardization organizations or industrial consortia,
- (d) approve the Treasurer's financial report,

in accordance with the Voting Rules. In case of a web meeting the votes can be submitted electronically (e.g. by e-mail).

10 Working Groups

- 10.1 Working Groups with specific tasks forming part of the Objectives may be established or dissolved by decision of the Steering Group in accordance with the Voting Rules. All Full Members are entitled, but not obliged, to participate in any Working Group. All Full Members participating in any Working Group shall work constructively towards the achievement of the Objectives.

- 10.2 The Steering Group shall, when establishing a Working Group, determine the specific field of activity, objectives, work procedures (including, but not limited to roadmap and timetable) and chairperson and vice-chairperson of the Working Group.

- 10.3 The Steering Group shall provide to all Full Members timely notice of the formation of each Working Group as well as its field of activity, objectives, work procedures and chairperson.

- 10.4 Each Working Group shall have regular meetings at such frequency as appropriate to meet the Objectives and the work procedures of the Working Group. Time and place of Working Group meetings shall be determined by the Working Group. Representatives from a Member at each Working Group meeting (excluding the chairperson and the vice-chairperson of the Working Group) shall not exceed 2 (two) individuals unless otherwise admitted by the chairperson of the Working Group.
- 10.5 All reasonable efforts shall be taken to ensure that decisions in the Working Group are taken on the basis of general consensus. To the extent that it is not possible to reach consensus in a timely manner, the Working Group shall be entitled to make decisions by voting in accordance with the Voting Rules. Only Active Working Group Members (as hereinafter defined) shall be entitled to vote in accordance with this Section 10.5. **“Active Working Group Member”** is any Full Member of the Working Group who has attended at least 2 (two) of the last 3 (three) meetings preceding the vote.
- 10.6 The Working Groups may decide to establish Task Groups (as hereinafter defined) in order to achieve the objective of the Working Group.
- 10.6.1 A **“Task Group”** shall be a group of Full Members, established by a Working Group in order to work, for a specific time, on a limited and clearly defined subject connected to the objectives of the establishing Working Group.
- 10.6.2 The Working Group establishing the Task Group shall define the subject the Task Group shall work on, as well as a time frame for such work. The Working Group establishing the Task Group shall also appoint a chair person, and determine the minimum as well as maximum participants per Full Member. The Task Group shall be open to all Full Members participating in the establishing Working Group. The Working Group establishing the Task Group shall also dissolve the Task Group, at the latest when the work of the Task Group has been accomplished or when the time frame for such work has expired.
- 10.6.3 The Task Group shall determine its meetings so that it can accomplish its tasks within the time frame set out by the establishing Working Group. Dates, times and places of any meeting shall be determined by the Task Group. Any decisions of the Task Group shall be taken in consensus. If no consensus can be reached the question shall be referred to the Working Group which shall decide on the question in accordance with Section 10.5. The Task Group shall report to the Working Group about its work and activities and the Working Group may request such a report in writing from the Task Group at any time.
- 10.7 Working Groups shall make regular reports of their activities to the Steering Group.
- 10.8 The Alliance shall have a permanent Working Group for promotion (**“Promotion Work Group”**). The charter of the Promotion Work Group is
- (a) to plan and budget promotional activities;

- (b) to maintain the Alliance webpage and deploy social media;
- (c) to prepare and give presentations;
- (d) review and approval of publications, such as press releases, white papers and/or articles on behalf and/or in the name of the Fairhair Alliance.

The Promotion Working Group may use goods and services offered by third parties (hereinafter collectively referred to as **“Third Party Services”**) to fulfil its charter. If the Promotion Working Group deems the user of Third Party Services necessary it shall submit a written proposal to acquire such Third Party Services to the Steering Group. The proposal shall include details of the Third Party Services and the costs for their acquisition. The Steering Group shall decide on any request to acquire Third Party Services submitted by the Promotion Working Group in due course, in no event later than 60 (sixty) days after the submission of the request.

11 Initial Phase

- 11.1 Within 30 days as of the Effective Date the founding Sponsor Members shall arrange a first meeting of the Steering Group. During this meeting the elections specified in Section 7.6 shall be held. The founding Sponsor Members in the first meeting shall also decide about an association of the Alliance with IEEE-ISTO as an Administrator.
- 11.2 The founding Sponsor Members shall pay the initial membership fee stated in **Annex D** to a bank account identified by the Treasurer in due course after the initial meeting of the Steering Group. Payment of the initial membership fee shall be made no later than 30 days after the Treasurer has notified the Sponsor Members of the account details.
- 11.3 The founding Sponsor Members may take any further steps they deem necessary in the initial meeting to initiate the work of the Alliance as soon as possible. In the initial meeting a schedule for the next meetings of the Steering Group, the General Assembly and the foundation of Working Groups shall be agreed.

12 Approval Process Outline

- 12.1. The Fairhair Specification shall be drafted and approved in accordance with the following process:
 - 12.1.1 The Working Groups, that were established by the Steering Group to work on a specific task that is related to the drafting of the Fairhair Specification, shall summarize their results in writing and, to the extent possible, draft a part of the Fairhair Specification reflecting the results of the Working Group (such written results are hereinafter referred to as **“Working Group Result”**). The Working Group shall submit any Working Group Result that was agreed within the Working Group to the Steering Group.

- 12.1.2 The Steering Group shall collect, discuss and review the Working Group Results with the intention to develop a draft Fairhair Specification from all Working Group Results submitted by the Working Groups. The Steering Group may request the Working Groups to amend, change or modify their Working Group results.
- 12.1.3 When the Steering Group has developed a draft Fairhair Specification or a part thereof, that it considers a viable solution potentially eligible for later approval (hereinafter referred to as “**Pre-Draft Specification**”), it arranges for a thorough technical assessment of the Pre-Draft Specification. This technical assessment shall include, without limitation, tests of the Pre-Draft Specification for interoperability.
- 12.1.4 If the Steering Group after the technical assessment considers the Pre-Draft Specification technically viable, it can declare the Pre-Draft Specification a final draft for the Fairhair Specification (herein referred to as “**Final Draft Specification**”). A Final Draft Specification shall be submitted in writing to the Full Members in the General Assembly.
- 12.1.5 With the submission of a Final Draft Specification to the Full Members in the General Assembly, the Steering Group shall inform the Full Members that the IPR Examination Phase begins. The Steering Group shall identify a specific date on which the IPR Examination Phase begins.
- 12.2 The Full Members in the General Assembly shall vote on the adoption of a Final Draft Specification, in accordance with the Voting Rules. Such vote on the approval shall not be held before the end of IPR Examination Phase and no later than 120 (one-hundred and twenty) days after the submission of such Final Draft Specification to the Full Members in the General Assembly by the Steering Group.
- 12.3 The Steering Group may amend, modify or change the approval process as outlined in this Section 12 in accordance with the Voting Rules from time to time.

13 Alliance Copyrights and Trademarks

- 13.1 All rights of use with respect to the copyright (subsequently denoted as “Copyright”) in any Alliance Document as a compilation shall be jointly owned by the Regular Members and Sponsor Members. To the extent a joint ownership is legally not possible, all Full Members herewith transfer their rights to use, copy, distribute, publish and/or modify any Alliance Document to all Regular Members and the Sponsor Members jointly. If a Regular Member and Sponsor Member withdraws or is removed from the Alliance pursuant to Clause 6, such Full Member’s ownership of the copyright in any existing or new Alliance Documents but not in its own Contribution shall be automatically assigned to the remaining Members. Any other transfer of ownership of copyright in the Alliance Document as a compilation shall only be allowed after a formal decision by the Steering Group.

- 13.2 No Member shall distribute, or authorize the distribution of an Alliance Document to any non-member of the Alliance without a prior formal decision by the Steering Group. For avoidance of doubt, the decision may also be given in advance and may comprise a single Alliance Document or classes of Alliance Documents. The Full Members hereby grant the Steering Group the right to provide such Alliance Documents to third parties that shall use these documents in accordance with this section. Notwithstanding the previous sentence, Members are entitled to share the Alliance Document with their Associated Companies.
- 13.3 No Full Member shall assert its copyright in any of its Contributions in relation to any Alliance Document against any party provided it is used in accordance with this Agreement and within the scope of the Alliance. Notwithstanding the foregoing, a Full Member has the right to assert its copyright in any of its Contributions in relation to any Alliance Document against any party that does not use it in accordance with this Agreement and within the scope of the Alliance
- 13.4 The Steering Group may select a trademark (“**Trademark**”) to be used as the Logo, and appoint a Sponsor Member (“**Appointed Trademark Owner**”) to prepare, file, prosecute and maintain the trademark on behalf and for the exclusive benefit of the Alliance. The Appointed Trademark Owner shall execute requests of the Steering Group with regard to the Trademark unless they are in contradiction with this Agreement. When and to the extent reasonably requested in writing by the Appointed Trademark Owner, the other Members shall support and assist the Appointed Trademark Owner in its tasks relating to prosecution, maintenance and opposition or revocation proceedings against the Trademark. The Appointed Trademark Owner and the assisting Members, if any, will be reimbursed by the Alliance for the related costs. The Appointed Trademark Owner shall not assign ownership of the Trademark except on instructions of the Steering Group. In the agreement about the assignment, the Appointed Trademark Owner shall oblige the new Appointed Trademark Owner to abide to the provisions of this Agreement regarding the Trademark. If requested by the Steering Group, the ownership of the Trademark shall be transferred as soon as possible and whereby it is furthermore agreed that the consideration for the Trademark shall be USD 1 (one US-Dollar). The costs (including fiscal costs) associated with such transfer shall be borne by the Alliance.
- 13.5 The Steering Group shall draft Logo Guidelines governing the use of the Alliance Trademarks by the Members and third parties, in particular in connection with products implementing the Approved Fairhair Specification. The Steering Group shall decide about defending, enforcing and/or licensing the Alliance Trademarks

14 Intellectual Property Rights

- 14.1 Recognizing that the Alliance is an open participation organization whose activities are focused on encouraging the rapid advancement of the Fairhair Specification this IPR Policy is designed to maximize widespread adoption of the Fairhair Specifications. In furtherance of the objective of widespread adoption, the Fairhair Alliance and its Members agree that barriers to industry use of the Approved Fairhair Specifications should be limited as much as possible. Each Full

Member agrees to the terms and conditions of the Intellectual Property Rights Policy (“**IPR Policy**”) as set forth in this Section 14.

- 14.2 Each Full Member shall disclose whether such Full Member has any Essential IPR (including without limitation, any Essential IPR of its Associated Companies) relating to the applicable Fairhair Specifications or Approved Fairhair Specifications to the Steering Group in due course when it becomes aware of owning such Essential IPR. Prior to the approval of any Fairhair Specification all Full Members shall be notified by the Steering Group of the pending approval and the Steering Group shall, in accordance with Section 12 above, determine the beginning of the IPR Examination Phase. For the avoidance of doubt: The Full Members are obliged to disclose Essential IPR that they are aware of and shall perform reasonable efforts to assess whether any of their IPR is Essential IPR but nothing herein shall be construed as an obligation at the Full Members to actively search their IP portfolios for Essential IPR.
- 14.3 Each Full Member agrees to grant to each Member and to third parties a RAND RF License (as hereinafter defined) to any Essential IPR upon such terms and conditions as may be agreed to between such parties, unless the Full Member has filed a Licensing Objection (as defined below) for such Essential IPR.

“**RAND RF License**” means a nonexclusive, worldwide, non-sublicenseable (except to Associated Companies), perpetual license to Essential IPR licensable by a Member without consent of and/or payment to any other Member and/or third parties, including all Essential IPR to which a Full Member obtains such rights in the future, on fair, reasonable and non-discriminatory terms without payment of royalties or fees to make, have made, use, market, import, offer to sell, sell, directly or indirectly distribute or otherwise commercially exploit any product or part thereof, that implements and is compliant with the Approved Fairhair Specification.

For the avoidance of doubt: Nothing herein shall restrict the Full Members in the assertion, enforcement and/or licensing on different terms than a RAND RF License of

- (i) any intellectual property rights which are not Essential IPR against any other Member or third party with respect to any act the Member owning such intellectual property right deems an infringement of such intellectual property rights; and or
 - (ii) any Essential IPR against any act that the Full Member owning such IPR deems an infringement of such Essential IPR and that has no connection with making, having made, using, marketing, importing, offering to sell, selling, directly or indirectly distributing or otherwise commercially exploiting any product or part thereof, that implements and is compliant with the Approved Fairhair Specification
- 14.4 If a Full Member prior to or during the IPR Examination Phase discovers that it or any of its Associated Companies owns Essential IPR that is essential for a part of

the Fairhair Specification which is not based on a Contribution made by itself, the Full Member may file a written notice to the Steering Group, stating that it will not license such Essential IPR under the IPR Policy (“**Licensing Objection**”). Said written notice shall identify the relevant IPR and the relevant parts of the Fairhair Specification.

14.5.1 Together with the Licensing Objection the Full Member submitting such Licensing Objection shall declare to the Steering Group in writing

- (i) if it is willing to grant a RAND License (as hereinafter defined) to other Members and third parties under the IPR identified in the Licensing Objection or
- (ii) if it is not willing to license the IPR identified in the Licensing Objection.

“RAND License” means a nonexclusive, worldwide, non-sublicenseable (except to Associated Companies), perpetual, royalty-bearing license to Essential IPR licensable by a Full Member without consent of and/or payment to any other Member and/or third parties, including all Essential IPR to which a Full Member obtains such rights in the future, on fair, reasonable and non-discriminatory terms to make, have made, use, market, import, offer to sell, sell, directly or indirectly distribute or otherwise commercially exploit any product or part thereof, that implements and is compliant with the Approved Fairhair Specification.

14.5.2 If the Full Member that has issued a Licensing Objection is not willing to license the IPR identified in such Licensing Objection on RAND RF terms, the Steering Group shall in its discretion and in accordance with the Voting Rules decide whether a modification of the proposed Fairhair Specification and/or the Approved Fairhair Specification is necessary and/or which steps need to be taken to facilitate the widespread adoption of the Approved Fairhair Specification.

14.6 If a Full Member transfers Essential IPR to a third party such Full Member shall take all necessary measures to ensure that the third party acquiring the Essential IPR will respect and comply with all licensing commitments under this Agreement. In particular, the Full Member transferring Essential IPR to a third party shall ensure that the third party acquiring the Essential IPR will assume and fulfil all obligations of the Full Members under this Section 14.

14.7 Notwithstanding the above shall any IPR that has been declared by its owner as essential for a Reference Standard solely be subject to the intellectual property policy of the organization that created such Reference Standard.

14.8 The Steering Group shall develop declaration forms to be used by the Full Members for the declarations to be made under this Section 14. The Alliance shall also keep a list of Essential IPR and update such list from time to time.

15 Anti-trust Compliance

The Members acknowledge that any standardization efforts may be subject to scrutiny under applicable anti-trust laws as being anti-competitive. The Members and the Alliance shall comply with all applicable antitrust laws at all times and all Members agree to the “Anti-Trust Policy” of the Alliance attached hereto in Annex E.

16 No Partnership and No Exclusivity

16.1 The Alliance is the base for co-operation between the Members, which are all independent legal entities representing different parts of the industry to which the Fairhair Specifications relate. It is expressly agreed and acknowledged among the Members that this Agreement shall relate solely to the subject matter hereof and shall not extend to any other activities, or create a partnership or any other form of legal person between the Parties to this Agreement.

16.2 Further, the Members hereby expressly agree and acknowledge that the relationship hereunder is non-exclusive, and nothing herein will prevent any Member from engaging in similar relationships or other standard-setting bodies with any other parties.

17 No 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 THE ALLIANCE OR ANY OTHER MEMBER, OR WITH RESPECT TO ANY STANDARD OR INTERFACE OR SPECIFICATIONS APPROVED, PROMOTED OR ENDORSED BY THE ALLIANCE OR ANY 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."

18 Limitation of Liability

Except for the indemnity obligations under Section 19 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 any Member's participation in the Alliance, the Alliance shall not be liable to any Member for any direct, indirect, incidental, consequential, special or punitive damages including, without limitation, lost profits, sustained or incurred by the Member which are not attributable to the actions or inactions of the Alliance under this Agreement.

19 Indemnification

A Member 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 the Member's failure to materially comply with any of its obligations under this Agreement. The Indemnified Parties shall promptly notify the Member of any such claims, suits or proceedings and, at the Member's sole cost and expense, reasonably cooperate with the Member in the defense of such claims, suits or proceedings. Any Members' cumulative liability pursuant under this Agreement shall not exceed One Hundred Thousand US-Dollars (USD 100,000).

20 Confidentiality

20.1 The Members agree that all Confidential Information exchanged among them within the framework of the Alliance and in particular the conduct of the meetings of the Alliance Bodies and the Contributions disclosed by the Members within the Working Groups shall be kept confidential among them and shall not be disclosed by any Member to any third party. The foregoing shall not preclude the Alliance from issuing and licensing the Approved Fairhair Specification in accordance with the Objectives of the Alliance and the provisions of this Agreement.

20.2 Each Member shall, for a period of 5 (five) years from the date of disclosure:

- (a) not use Confidential Information disclosed by any other Member for any purpose other than the Objectives of the Alliance; and
- (b) not disclose any Confidential Information disclosed by any other Member to any third party; and
- (c) restrict circulation of Confidential Information disclosed by any other Member to such of its Associated Companies or its Associated Companies' employees as have a strict need to know in connection with the Objective and who have been properly notified of the confidential nature of such information and the obligations concerning confidentiality pursuant to this Agreement; and
- (d) not alter, decompile, disassemble, attempt to decipher or otherwise reverse engineer any software or any part thereof disclosed by any other Member, nor allow others to do so; and

Any breach by any employee of a Member or by any of its Associated Companies of any obligation under to this Agreement shall be deemed a breach of that Party.

- 20.3 The confidentiality obligations under this Agreement shall not apply to that Confidential Information of which the Member concerned can demonstrate with dated documentary evidence that such Confidential Information:
- (a) was known and on record with it prior to the disclosure by the other Member(s);
 - (b) is or becomes a part of the public domain without violation of this Agreement;
 - (c) is lawfully obtained by the Member concerned from a third party without any breach of confidentiality or violation of law by such third party;
 - (d) is developed by the member concerned independent of any disclosure by other Member(s).
- 20.4 All information (including all Confidential Information) disclosed by any Member shall remain the property of that Member. No Member shall acquire any right, licence or title with respect to any information (including Confidential Information) disclosed by any other Member under this Agreement or within the framework of the activities of the Alliance and its Working Groups.
- 20.5 All information disclosed by any Member within the framework of the activities of the Alliance or its Working Groups hereunder is provided on an “AS IS” basis, without any warranty regarding its accuracy, completeness, performance, fitness of the information for a particular purpose, non-infringement of third party rights, or otherwise. Save as explicitly provided to the contrary in this Agreement, no Member shall be liable for any damages of whatever nature (including without limitation, direct, indirect, consequential damages) which may result from the use thereof by other Members.

21 Competition Regulations

The Members may be combining unique experience and skills to create the Fairhair Specifications and the Fairhair Logo, and the purpose and objectives of the cooperation under this Agreement would be difficult to achieve through the independent efforts of each Member. The Members are committed to fostering open competition in the development and sales of products and services related to the Approved Fairhair Specifications and the Fairhair Logo. The Members also understand that in certain lines of business they may be direct competitors and that it is imperative that they and their representatives comply with all applicable competition rules and comply with the Anti-Trust Policy of the Alliance in **Annex E**.

22 Dissolution of the Alliance

- 22.1 This Agreement shall continue in full force and effect, except in respect of such Members as may previously have withdrawn or been removed, from the Effective Date without limit in point of time until the Steering Group and the General Assembly in accordance with the Voting Rules decide to terminate the Agreement (“**Dissolution**”). If the number of the Regular Members and Sponsor Members is reduced to one (1) or less the Alliance is deemed to be terminated (“**Automatic Dissolution**”) on the date of the penultimate Regular or Sponsor Member’s withdrawal.
- 22.2 In case of Dissolution or Automatic Dissolution (i) the last acting Treasurer shall settle the accounts of the Alliance and split the result, whether positive or negative, among the last three (3) Sponsor Members and Regular Members and (ii) the last acting Secretary General shall procure the deletion of any remaining Alliance Trademark. Any copyrights in the Alliance Documents that may be vested in the three (3) Regular Members or Sponsor Members shall not be enforced.
- 22.3 In case of Dissolution or Automatic Dissolution the following provisions shall survive: Clauses 1 (Definitions), Clause 14 (Intellectual Property Rights), 15 (Anti-trust Compliance), 17 (No Warranties), 18 (Limitation of Liability), 20 (Confidentiality), 25 (Amendments), 26 (Governing Law and Forum), 27 (Language).

23 Assignment and Transfer

- 23.1 No Member shall be entitled to assign or transfer any of its rights, benefits or obligations under this Agreement to another Member or a third party without the prior written approval of the Steering Group decided in accordance with the Voting Rules.
- 23.2 A Change of Control in any Member shall not affect the rights, benefits or obligations of such Member under this Agreement.

24 Signing Procedure

Each founding Member shall have one (or if required more than one) duly authorized representative execute this Agreement and send an electronic copy (pdf-format) of the signed Agreement to all other founding members. For the avoidance of doubt: each founding Member may execute a different copy of the Agreement. It is not required that the signatures are made on the same document.

25 Amendments

This Agreement may be modified only by a decision of the General Assembly in accordance with Section 9.3 and the Voting Rules as set forth in **Annex B**. Any such modification of the Agreement shall be signed by the Secretary General.

26 Governing Law and Forum

This Agreement and any legal matter between the Members' arising hereunder shall be governed by and construed in accordance with the laws of Germany (excluding its conflict of laws rules). Disputes arising hereunder may be brought before the District Court (Landgericht) of Hamburg, Germany.

27 Language

The language of the Alliance is English.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their duly authorised representatives on the days written below:

SIGNED FOR AND ON BEHALF OF [NAME of MEMBER]

SIGNATURE:

NAME:

POSITION:

Date:

ANNEX A

Commercial Requirements for the Fairhair Alliance

The founding Members have identified the market need for a networking standard that all building and lighting control devices in a building can live on, while maintaining the value of the application ecosystems. Because no certified cost efficient solution suitable for building automation and lighting control using the Internet of Things is available, the following Mission and Business Objectives are defined for the Fairhair Alliance.

Mission

Drive IP based technology for resource constrained end-devices of Building Automation & Control Systems (BACS) and Lighting Control Systems (LC) towards maturity, by:

- Selecting or creating specifications for the non-differentiating protocol layers,
- Promoting the adoption of these common protocol layers by the relevant system standards,
- Managing a promotion, certification and compliance program for these common protocol layers

Business Objectives

- Facilitate horizontal and vertical integration of (products in) these eco-systems through common technology choices
- Facilitate integration across different physical media through a flat, transparent network design
- Facilitate integration with web technology
- Enable manufacturers to focus on differentiating application-domain aspects
- Leverage commodity IT networks, components (HW and SW), tooling and widely available knowledge

ANNEX B

Voting Rules of the Fairhair Alliance

Where in the Fairhair Alliance Agreement reference is made to the “Voting Rules”, the following rules shall apply:

1. Definitions

All terms in capital letters used hereinafter shall have the meaning as defined in the Fairhair Alliance Agreement.

2. Election and Appointment of (Vice) Chair Persons

2.1 Any Sponsor Member may appoint a nominee for the position of being chair person of the Steering Group. Any Sponsor Member or any Regular Member may appoint a nominee for the position of being chair person of a Working Group. If there is only one nominee, the nominee is appointed. If there is more than one nominee, an election is held.

2.2 The election of the chair person of the Steering Group or any Working Group requires a Majority Decision. If no nominee receives a majority in the first round a second vote is held in which only the two nominees participate, who received the most and second most votes in the first round.

2.3 Any vacant chair or vice chair position shall be filled by election in due course.

2.4 The chair person and the vice chair person shall not be from the same Member.

2.5 If the Membership of a company terminates any (vice) chair persons who are associated with such company lose their positions automatically. If a person who was elected to be a (vice) chair person terminates its association with the Member that existed at the time of election, that person loses its position automatically.

3. Other Voting Rules

3.1 Unless stated otherwise in the Fairhair Alliance Agreement, the following voting rules apply

Decision	Voting Body	Necessary Decision
New member application	Steering Group	Qualified Majority
Budget approval	Steering Group	Qualified Majority
Final draft specification approval	Steering Group	Qualified Majority
Specification approval	General	Qualified Majority

	Assembly	
Approval of liaison agreements with third parties	Steering Group	Qualified Majority
Modification or termination of Fairhair Alliance Agreement	General Assembly	Qualified Majority
Modification of the IPR Policy	Steering Group	Qualified Majority

3.2 Any decisions other than (i) those listed in Section 3.1 above, or (ii) those for which a particular voting rule is set forth in the Agreement, shall require a Qualified Majority of votes in the Steering Group.

4. Miscellaneous

4.1 Votes may be cast electronically in any vote of any body of the Fairhair Alliance, unless the voting body previous to such vote decides otherwise.

4.2 Working Groups and Task Groups may hold mock or straw votes prior to a binding vote in order to build consensus among the voting Members.

ANNEX C.1

Membership Agreement

DATE: _____ (the "Effective Date")

PARTIES:

- (1) The Current Members (as defined below); and
- (2) [Insert name of third-party] whose registered office is at [Address] ("New Member")

WHEREAS

The parties to the Fairhair Alliance Agreement of [_____] (insert date) (the "Founding Members") have entered into an agreement for the creation and operation of an Alliance for the development of an IP based communication technology for resource constrained end-devices of Building Automation & Control Systems (BACS) and Lighting Control Systems (LC), (the "Alliance").

It is the intention of the Alliance that it should be open for participation by third-party legal entities which agree with, are committed to and can reasonably demonstrate the ability and willingness to contribute actively and sufficiently to the agreed Objectives of the Alliance. Once a third-party has been approved under the approval procedures outlined in Clause 3.3 of the Fairhair Alliance Agreement and has signed this membership agreement ("Membership Agreement") it becomes a member of the Alliance. The Founding Members and previously approved new Members are herein together "Current Members".

By signing the terms of this Membership Agreement, New Member accepts the terms and conditions of the Fairhair Alliance Agreement; and

The Steering Group has approved the acceptance of New Member as Member of the Alliance, in accordance with the provisions of Clause 3.3 of the Fairhair Alliance Agreement;

Now It Is Hereby Agreed As Follows:

1. Interpretation

Unless defined differently in this Membership Agreement, words and expressions defined or given a special meaning in the Fairhair Alliance Agreement shall have the same meanings where used herein.

2. Application of the Fairhair Alliance Agreement

On and from the Effective Date:

(a) New Member shall be a party to the Fairhair Alliance Agreement and the Fairhair Alliance Agreement shall be incorporated by this reference as an integral part of this Membership Agreement and be binding between New Member and Current Members. The New Members wishes to be become:

a Sponsor Member

a Regular Member.

(b) New Member may enforce the Fairhair Alliance Agreement against any of the Current Members, and each of the Current Members may enforce the Fairhair Alliance Agreement against New Member in all respects.

3. **Duration**

This Membership Agreement shall continue from the Effective Date for the duration of the Fairhair Alliance Agreement or until New Member has withdrawn, or was removed, from the Alliance pursuant to Clause 5 of the Fairhair Alliance Agreement.

This Membership Agreement has been entered into the day set out above between the parties hereto. The parties shall have this Agreement executed by a duly authorized representative and shall exchange pdf-copies of the countersigned Agreement.

SIGNED FOR AND ON BEHALF OF [NAME of NEW MEMBER]

SIGNATURE:

NAME:

POSITION:

Date:

SIGNED FOR AND ON BEHALF OF THE CURRENT MEMBERS by

SIGNATURE:

NAME:

POSITION:

Date:

ANNEX C.2

Membership Agreement for Liaison Members

DATE: _____ (the "Effective Date")

PARTIES:

- (1) The Current Members (as defined below); and
- (2) [Insert name of third-party] whose registered office is at [Address] ("New Liaison Member")

WHEREAS

The parties to the Fairhair Alliance Agreement of [_____] (insert date) (the "Founding Members") have entered into an agreement for the creation and operation of an Alliance for the development of an IP based communication technology for resource constrained end-devices for Building Automation & Control Systems (BACS) and Lighting Control Systems (LC), (the "Alliance").

It is the intention of the Alliance that it should be open for participation by third-party legal entities which agree with, are committed to and can reasonably demonstrate the ability and willingness to contribute actively and sufficiently to the agreed Objectives of the Alliance. Once a third-party has been approved under the approval procedures outlined in Clause 3.4 of the Fairhair Alliance Agreement and has signed this membership agreement ("Membership Agreement") it becomes a member of the Alliance. The Founding Members and previously approved new Members are herein together "Current Members".

By signing the terms of this Membership Agreement, New Liaison Member accepts the terms and conditions of the Fairhair Alliance Agreement; and

The Steering Group has approved the acceptance of New Liaison Member as Liaison Member of the Alliance, in accordance with the provisions of Clause 3.4 of the Fairhair Alliance Agreement;

Now It Is Hereby Agreed As Follows:

1. Interpretation

Unless defined differently in this Membership Agreement, words and expressions defined or given a special meaning in the Fairhair Alliance Agreement shall have the same meanings where used herein.

2. Application of the Fairhair Alliance Agreement

On and from the Effective Date:

(a) New Liaison Member shall be a party to the Fairhair Alliance Agreement and the Fairhair Alliance Agreement shall be incorporated by this reference as an integral part of this Membership Agreement and be binding between New Liaison Member and Current Members.

(b) New Liaison Member may enforce the Fairhair Alliance Agreement against any of the Current Members, and each of the Current Members may enforce the Fairhair Alliance Agreement against New Liaison Member in all respects.

3. Duration

This Membership Agreement shall continue from the Effective Date for the duration of the Fairhair Alliance Agreement or until New Liaison Member has withdrawn, or was removed, from the Alliance pursuant to Clause 5 of the Fairhair Alliance Agreement.

This Membership Agreement has been entered into the day set out above between the parties hereto. The parties shall have this Agreement executed by a duly authorized representative and shall exchange pdf-copies of the countersigned Agreement.

SIGNED FOR AND ON BEHALF OF [NAME of NEW LIAISON MEMBER]

SIGNATURE:

NAME:

POSITION:

Date:

SIGNED FOR AND ON BEHALF OF THE CURRENT MEMBERS by

SIGNATURE:

NAME:

POSITION:

Date:

ANNEX C.3

Membership Agreement for Academic Members

DATE: _____ (the "Effective Date")

PARTIES:

- (1) The Current Members (as defined below); and
- (2) [Insert name of third-party] whose registered office is at [Address] ("New Academic Member")

WHEREAS

The parties to the Fairhair Alliance Agreement of [_____] (insert date) (the "Founding Members") have entered into an agreement for the creation and operation of an Alliance for the development of an IP based communication technology for resource constrained end-devices for Building Automation & Control Systems (BACS) and Lighting Control Systems (LC), (the "Alliance").

It is the intention of the Alliance that it should be open for participation by third-party legal entities which agree with, are committed to and can reasonably demonstrate the ability and willingness to contribute actively and sufficiently to the agreed Objectives of the Alliance. Once a third-party has been approved under the approval procedures outlined in Clause 3.5 of the Fairhair Alliance Agreement and has signed this membership agreement ("Membership Agreement") it becomes a member of the Alliance. The Founding Members and previously approved new Members are herein together "Current Members".

By signing the terms of this Membership Agreement, New Academic Member accepts the terms and conditions of the Fairhair Alliance Agreement; and

The Steering Group has approved the acceptance of New Academic Member as Academic Member of the Alliance, in accordance with the provisions of Clause 3.4 of the Fairhair Alliance Agreement;

Now It Is Hereby Agreed As Follows:

1. Interpretation

Unless defined differently in this Membership Agreement, words and expressions defined or given a special meaning in the Fairhair Alliance Agreement shall have the same meanings where used herein.

2. Application of the Fairhair Alliance Agreement

On and from the Effective Date:

(a) New Academic Member shall be a party to the Fairhair Alliance Agreement and the Fairhair Alliance Agreement shall be incorporated by this reference as an integral part of this Membership Agreement and be binding between New Academic Member and Current Members.

(b) New Academic Member may enforce the Fairhair Alliance Agreement against any of the Current Members, and each of the Current Members may enforce the Fairhair Alliance Agreement against New Academic Member in all respects.

3. Duration

This Membership Agreement shall continue from the Effective Date for the duration of the Fairhair Alliance Agreement or until New Academic Member has withdrawn, or was removed, from the Alliance pursuant to Clause 5 of the Fairhair Alliance Agreement.

This Membership Agreement has been entered into the day set out above between the parties hereto. The parties shall have this Agreement executed by a duly authorized representative and shall exchange pdf-copies of the countersigned Agreement.

SIGNED FOR AND ON BEHALF OF [NAME of NEW ACADEMIC MEMBER]

SIGNATURE:

NAME:

POSITION:

Date:

SIGNED FOR AND ON BEHALF OF THE CURRENT MEMBERS by

SIGNATURE:

NAME:

POSITION:

Date:

ANNEX D

Membership Fees

As of the Effective Date the following fee schedule shall apply to all Members of the Fairhair Alliance:

Membership	Fee per year
Sponsor Member	20,000 US-Dollars
Regular Member	10,000 US-Dollars
Liaison Member	0.00 US-Dollars
Academic Member	0.00 US Dollars

ANNEX E

Anti-Trust Policy

In order to minimize exposure of the Alliance and its Members to antitrust liability, the Alliance and its Members 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 bodies 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, bidding behavior, volume of production, territories, customers, credit terms or marketing practices.
2. The Alliance and its Members shall not discuss, communicate or engage in any other information exchange between the Members with regard to prices, pricing methods, rebates, profit margins, capacities, corporate strategies, bids in tender procedures production quotas or other limitations on either the timing, costs or volumes of production or sale, or allocation of territories or customers or suppliers.
3. Neither the Alliance nor its 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 Fairhair Alliance Agreement. 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. Adherence to the Approved Fairhair Specification or sample implementations shall be voluntary on the part of the 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 Members of the Alliance as to whether to adhere to or comply with any such Approved Fairhair Specifications or Fairhair Specifications.
6. Any Approved Fairhair 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 Members to foreclose, reduce or eliminate competition in the sale, supply and furnishing of products and services.
7. 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.
8. The Members and the Alliance will provide reasonable and non-discriminatory access to the Approved Fairhair Specification and Fairhair Logo.

9. To the extent that the purposes of the Alliance, as set forth in its Fairhair Alliance Agreement, require, for the Alliance's purposes and objectives, joint research and development by two or more of its Members, or representatives thereof, any such joint research and development for the Alliance shall be conducted by the Members in full compliance with all applicable anti-trust regulations.