



POLICY FOR THE OPERATION OF TERRITORY ALLIANCE GROUPS

1. Purpose of the Document.

This policy defines and explains the operating policies for Territory Alliance Groups (TAGs) operating under the authority of ODVA, Inc. ("ODVA"). This policy, and its procedures and guidelines, governs every TAG that has been approved by the ODVA Board of Directors (the "Board"). The TAG and its members shall also comply with and abide by the Articles of Incorporation and Bylaws of ODVA, as well as other corporation and membership rules that may be in effect from time-to-time and the continuing existence of the TAG and membership in the TAG shall be subject to the continuing compliance of both. The Board is responsible for the management and implementation of this policy.

2. Guiding Principles for TAG Activities.

Subject to the direction and approval of the Board of Directors, the TAG will conduct supplemental promotional, training and member activities of the corporation within a specific geographic territory ("TAG Activities"). TAG Activities shall be conducted in accordance with the following guiding principles (the "Guiding Principles"):

- consistency with ODVA's common goals, Articles of Incorporation, Bylaws, Policies and Guidelines;
- compliance with ODVA's global business model and practices;
- directed to benefit the ODVA membership as a whole and/or general industry;
- "Pro-competitive" and designed to provide benefits to consumers at large within the industrial marketplace; and
- Compliant with ODVA's Antitrust and Competition Law Policy.

3. Definitions.

- a) Territory - the geographic territory in which the TAG operates, as approved by the Board
- b) Founding Member - a Member of ODVA who has a membership in the Founding Member class
- c) Executive Member - a Member of ODVA who has a membership in the Executive Member class
- d) Regular Member - a Member of ODVA who has a membership in the Regular Member class
- e) Associate Member - a Member of ODVA who has a membership in the Associate Member class
- f) Founding Director - an individual, who is an employee, officer or director of a Founding Member, who has been appointed by the Founding Member to hold its seat on the Board.
- g) Executive Director - an individual, who is not an employee, officer or director of a Member that has been retained and elected by the Board to oversee the activities of the Corporation at large.

4. Composition of a TAG.

Member - a person or entity, who shall at all times be a Member of ODVA in good standing, who has completed a TAG Membership Application and whose TAG Membership Application has been approved by the ODVA Executive Director. Eligibility for membership in a TAG is subject to the Privileges of Membership defined in the Bylaws for the Member's Membership Class. A Member is not required to have a place of business in the Territory in order to be a Member. In passing on applications for TAG membership, the Executive Director shall be guided by the purpose of making membership available to all ODVA Members in good standing.

Member Participant - a person, who shall at all times be an employee, officer or director of TAG Member, who has signed a TAG Participant Agreement and whose Agreement has been approved by the ODVA Executive Director, and who is attending and contributing to TAG activities on a regular basis.

Ex Officio Participant – a person, who is an employee, contractor, officer or director of ODVA, and who has been designated by the Executive Director or, in the event that the Executive Director position is vacant, has been designated by the Board to receive all official correspondence, attend meetings, provide documented feedback on proposals, and contribute to and participate in TAG activities.

Guest Participant – a person, who may or may not be an employee, director or officer of an ODVA Member, who is invited to participate in TAG activities by the TAG Members or the Executive Director, who has signed a TAG Participation Agreement that has been approved by the Executive Director, and who may attend TAG activities.

5. Committees.

a) **Steering Committee.** The TAG shall have a Steering Committee. The purpose of the Steering Committee, subject to the direction and approval of the Board, shall be to regulate the projects and activities of the TAG. In addition, the Steering Committee will propose other specific projects, review projects proposed by others, and make recommendations to the Board. The Steering Committee will monitor pending projects to facilitate their prompt and successful completion.

- i) **Composition of, and Qualifications for, the Steering Committee.** The number of representatives on the Steering Committee shall equal the number of Founding Members who are TAG members plus five (5). Representatives to the Steering Committee shall be selected as follows:
 - one representative from each Founding Member that is also a TAG member; who shall be at all times a Member Participant and an employee, officer, or director of a Founding Member; and shall be nominated by each Founding Member that is a TAG Member, whose nomination shall be subject to the approval or disapproval of the Board in its discretion and, upon such approval, shall be elected by the Board to represent the Founding Member on the Steering Committee;
 - one representative from the Executive Members who are also TAG members, who shall at all times be an Member Participant and employee, officer, or director of a Executive Member; and shall be elected by the Executive Members that are TAG members, whose election shall be subject to the approval or disapproval of the Board in its discretion and, upon such approval, shall be elected by the Board to represent the Executive Members on the Steering Committee;
 - three representatives, from the Associate and Regular Members who are also TAG members; who shall at all times be a Member Participant and an employee, officer, or director of an Associate or a Regular Member; and shall be nominated by the TAG Members and elected by the TAG Members, voting as a single group, to represent the TAG Members on the Steering Committee; and
 - one representative who shall be the Executive Director of ODVA who is automatically appointed as a representative on the Steering Committee or, in the event of a vacancy in the Executive Director's position, such position shall be elected by the Board of ODVA.
- ii) **Term of Steering Committee Representatives.** Representatives elected by the Board shall hold office from the close of the Annual Meeting of the Board until the next Annual Meeting of the Board, or until their successors have been elected. A person appointed as a representative by a Founding Member may succeed himself/herself subject to his or her re-election by the Board. A person elected as a representative may succeed himself/herself if re-elected to succeed himself/herself as a representative. A representative may resign at any time by filing a written resignation with the Secretariat of the TAG. No person may be appointed, nominated, elected, or re-elected to the Steering Committee unless he/she already meets all of the qualifications for service as a representative as defined in Section 5(a) above. In the event a vacancy occurs in the Steering Committee from any cause, including an increase in the number of representatives, the Steering Committee shall initiate and complete the actions necessary to secure new appointments and/or elections to fill the position(s). Except for the Executive Director, the maximum term of any representative shall

be three years unless the Board adopts a resolution determining that it is in the best interests of the corporation for the representative to succeed himself/herself for an additional term beyond three years. The Executive Director shall serve for so long as he/she holds the office of Executive Director.

- iii) Operations and Reports. The Steering Committee, on behalf of the TAG, shall submit periodically or upon request of the Board, but at least by March 1 of each year, a report to the Board on the TAG's past activities and an annual Work Plan for the TAG's future activities. In addition, the Steering Committee may include in its Work Plan a supplemental program for the Steering Committee itself that proposes future, specially funded activities designed either to maintain and develop ODVA within the Territory and/or promote ODVA and ODVA technologies in the Territory. Upon approval by the Board of the Work Plan for future activities, the Steering Committees shall meet and operate independently of the Board. The Steering Committee may voluntarily refer any questions or issues concerning TAG pending activities to the Board for resolution. In addition, the Board may of its own initiative give direction to the Steering Committee concerning activities and/or pending activities in the Territory.
 - iv) Voting. The Steering Committee shall operate from the Work Plan approved by the Board as described in paragraph iii above. Works Plans to be submitted to the Board and elected officers must be approved by a simple majority of the Steering Committee. Where decisions must be made in the conduct of the TAG operations and a consensus cannot be reached by the Steering Committee, the Committee shall refer the matter to the Board for decision.
 - v) Positions. The Steering Committee shall have the following volunteer positions: Technical Ombudsman, TAG Activities coordinator and TAG Public Relations coordinator, each of which shall be filled by the Steering Committee from amongst its members.
- b) Working Group Committees. The TAG may form Working Group Committees as it will deem necessary from time to time. The purpose of such Working Group Committees shall at no time supersede and/or conflict with the purpose of the Steering Committee. Working Groups shall make decisions by consensus. Where decisions must be made and a consensus cannot be reached by such a Committee, the Committee shall refer the matter to the TAG Member Body for vote.

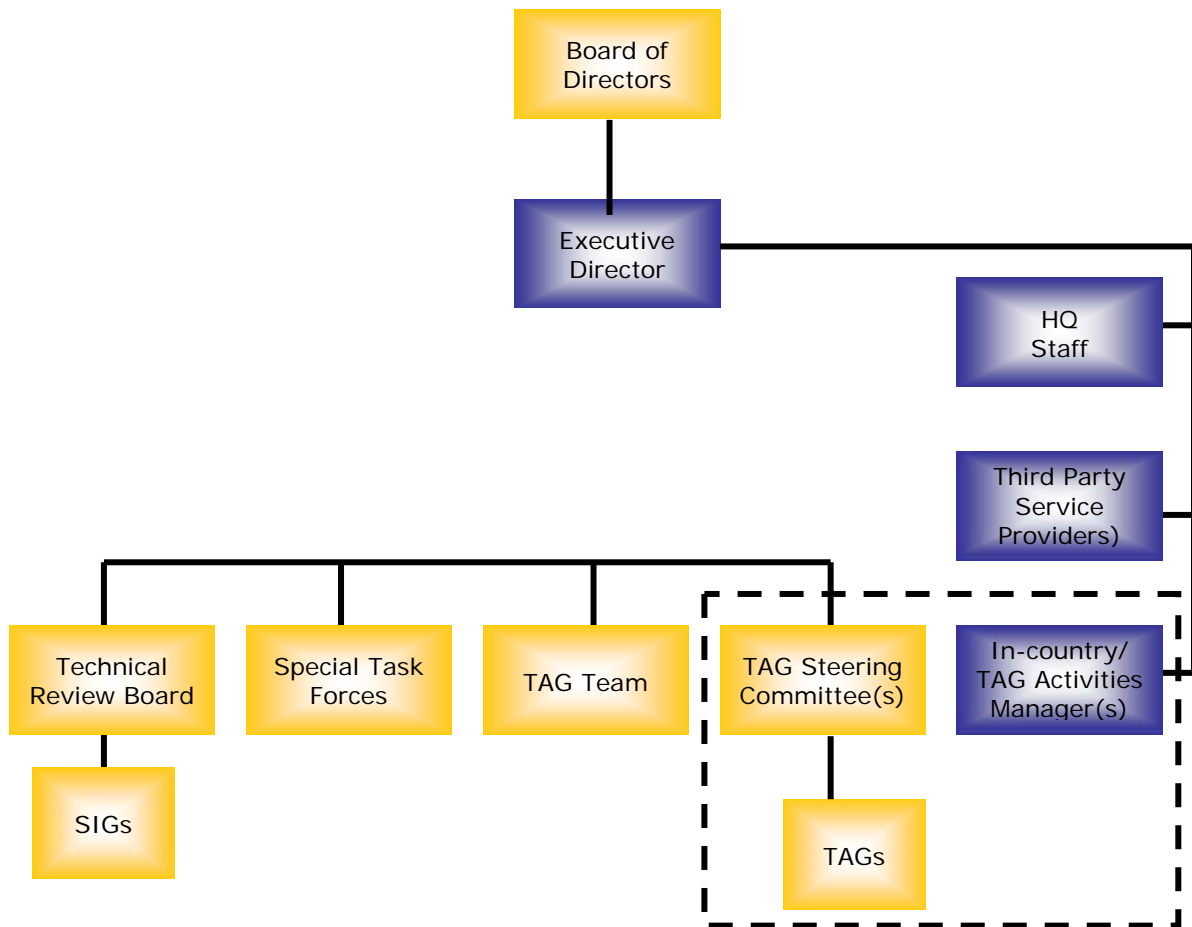
6. Officers and Duties of Officers.

The Steering Committee of the TAG shall elect a chairperson and a secretariat for the TAG from amongst the Steering Committee members. The TAG Steering Committee may elect such other officers as it will deem necessary from time to time except that the Executive Director of ODVA shall automatically be appointed as the Treasurer. Officers shall hold office until one or more of the following occurs: the individual resigns from the office, the individual no longer meets the qualifications, or another individual is elected by the TAG. The chairperson shall call and convene meetings of the TAG and represent the TAG on the TAG Team. The secretariat shall prepare and distribute meeting minutes of the TAG and the TAG Steering Committee and oversee the management of content on the TAGs web pages at www.odva.org and its TAG web pages. The Treasurer shall oversee all financial collections and disbursements of the TAG. No person shall hold more than one office of the TAG.

7. Organizational Structure.

The TAG and its Steering Committee shall comply with the ODVA organizational structure shown in Figure 1. In addition to the individual TAGs and their respective Steering Committees, there shall be a single, global "TAG Team." The TAG Team will be responsible for developing synergies between the TAG Activities of the individual TAGs and providing input and direction into the future marketing programs of ODVA within the territories and around the world. The TAG Team shall consist of the chairperson from each TAG Steering Committee plus one ODVA staff member appointed by the Executive Director. ODVA employees and contractors assisting with TAG-related activities will report directly (or indirectly) to the Executive Director and will serve at the pleasure of the Executive Director.

Figure 1: Organization Chart



Note: gold boxes denote ODVA ODVA member-driven activities, blue boxes denote staff/service provider positions

8. Operations.

The TAG shall portray itself as a single TAG of ODVA in the conduct of its operations in the Territory. The name of the Territory and the logo of the TAG shall be approved by the Board. Upon approval by the Board of the TAG's Work Plan(s) for its future activities, the TAG and its committees shall meet, conduct activities and operate independently of the Board.

9. Conduct of Business.

The TAG shall conduct their business in physical meetings, web meetings, or via teleconferences. The TAG, upon majority vote, may also conduct special TAG Activities within the territory including holding events, publishing materials or advertising. The purpose of such special activities must be to 1) promote, within the territory, ODVA, ODVA technologies, and/or ODVA products and services made and/or sold by its TAG member companies; or 2) provide, within the territory, training to vendors and/or users of ODVA technologies. There shall be no additional dues or fees required from an ODVA Member to join a TAG, unless specifically approved by the Board or an officer of the corporation. Business shall be conducted using member facilities whenever possible. When TAG Activities require the use of non-member facilities, special equipment, personnel, materials, food, and/or beverage, the expense shall be borne by the TAG Members who choose to participate in the TAG Activity. The TAG shall not incur any expenses billable to ODVA without prior written authorization by the Treasurer of the TAG. In no case shall ODVA be precluded from conducting its own business, as it sees fit and in its sole discretion, in the Territory on behalf of ODVA and its global membership nor shall ODVA members in good standing who are not members of the TAG be precluded from participating in the activities of ODVA at large or other non-TAG related activities within the Territory.

10. Voting.

A simple majority of the TAG Members who are eligible to vote, present at the time of voting, shall constitute a quorum for the transaction of business. A TAG Member who is eligible to vote is a TAG Member who has had one or more of its Member Participants present at two of the last three meetings of the TAG. If there is more than one Member Participant from a single TAG member present in a meeting where a vote is requested, such Member Participants must cast a single vote on behalf of the TAG member, having decided among themselves how the single vote shall be cast and then designating from among themselves the Member Participant who shall cast the vote on behalf of the TAG Member. In cases where votes are needed by electronic means, the chairperson shall send a ballot to each Individual Participant of each TAG Member who would be eligible to vote in a meeting, requesting that a single Individual Participant respond on behalf of each TAG Member by a deadline date and time. In no case shall multiple responses from Individual Participants from a single TAG Member be counted as multiple votes. If multiple responses from Individual Participants from a single TAG Member are received and these votes are not unanimous, the vote of the TAG Member shall be invalid. Responses from a simple majority of the TAG Members eligible to vote by the deadline shall constitute a quorum. Valid votes conducted by electronic means shall not be considered "meetings" for the purpose of determining voting rights. In order for an action to be passed, affirmative votes are required from a simple majority of the Voting Members.

11. Territory.

The territories of TAGs shall not overlap. The Board, if it determines it is in the best interest of the corporation, may change the geographic territory for which the TAG has been approved by amending the TAG Work Plan(s) previously approved by the Board.

12. Termination.

A Board may terminate a TAG if any one of the following occurs:

- the number of TAG members falls below either one of the following minimums: the number of members of the TAG at large is less than the number required in the ODVA Bylaws in order to propose a TAG or at least five regular and associate members considered as one class;
- changes in geographic territory made by the Board result in the consolidation of two or more TAGs into a single TAG;
- failure of the TAG Steering Committee to submit an annual Work Plan from the TAG membership at large to the Board;
- the TAG conducts TAG Activities that are not accordance with Work Plan(s) approved by the Board; and
- failure of the TAG or the TAG Steering Committee to comply with the Guiding Principles in conducting the operations of the TAG.