

9 November 2007 (Revised)

Contact: Sally A. Herbert

2008 GDSN Financial Model

The GS1 GDSN, Inc Board of Directors has approved the 2008 Data Pool fee structure for the GDSN. The pricing will be effective 1 January 2008 and will be in place for 2008. The financial model is reviewed annually by the GDSN Board of Directors as part of the financial planning cycle.

As a neutral, not-for-profit organization, GS1 GDSN, Inc.'s fees are established on a cost-recovery basis. Fees for GS1 Global Registry™ and GDSN operations are payable annually in two six-month installments and are based upon GS1 GDSN, Inc. operational costs. The collective fees from the certified Data Pool community will cover the total 3Q and 4Q FY 2007-8 and 1Q and 2Q FY 2008-9 global operational costs of the GDSN to include: Global Registry hosting, development and maintenance; marketing; standards requirements gathering; and Data Pool certification fees. The Data Pool Fee schedule for the 1 January 2008 term will be published in the GDSN Roadmap, Version 6.2, located on the GS1 website (www.gs1.org).

Pricing Model Principles and Assumptions

Several pricing models were considered in this process—the basic two categories being the existing model founded on Gross Domestic Product (GDP) and a usage based model. The Finance Committee and the GDSN Board determined that due to the immaturity of the market, and the desire to maintain consistency, that the DP funded model would remain for 2008 with changes and assumptions as follows:

- This pricing model covers the period Jan – Dec 2008
- This is an interim pricing model until greater adoption justifies usage model
- A minimum DP fee of USD \$12,000 has been established
- 25% cap on year-over-year increase in fees
- All data pools will be billed regardless of whether they are powered by a solution provider
- Data Pools that provide and market distinct GDSN-certified Data Pool services in a region via a separate GLN or the same GLN as their service provider, will be billed in 2008 (see attachment for Global/Regional Data Pools). Note the distinction between countries wherein the data pool markets separate GDSN-certified data pool services (fee assessed) versus the countries in which the data pool has customers doing sync via the home data pool
- Payment based upon the following principles:
 - Solution Providers not running commercial DP = \$250K fee
 - GS1 Member Organization (MO) Data Pools:
 - Consider 1SYNC as having more financial responsibility (usage)
 - Allocation to all other MOs based on Gross Revenue/Financial Strength
 - Regional data pool fees = total fees of countries serviced
 - MO data pool fees will be calculated on Gross Revenue vs. GDP
 - Consistent with GS1 Global Office
 - Gross Revenue more equitable than GDP
 - Independent Non-GS1 MO Data Pools (formerly called Commercial DPs):
 - Agentrics, SINFOS, KOEB, EPIPOLI, Big Hammer and Commport
 - Flat fees based on GDP of countries serviced directly
 - Global/regional data pool fees are derived by applying a GDP scale or Global Revenue calculation (for MOs) based on countries serviced directly; the minimum fee applies to regional data pools
- Flat fees will be assessed for new independent / non-MO Data Pools joining during the year (on a prorated basis upon certification)

- Solution providers and regional/global data pools have the responsibility to notify GDSN, Inc. when a new DP is launched into production so that the new DP may be billed
- USD \$10,000 of total DP fee will be charged to new or non-certified data pools (with distinct data pool GLNs) prior to November 2007 as pre-payment for certification. This amount will be applied to the annual data pool fee due in Jan 2008. The purpose of this pre-payment is to help ensure commitment by DPs to the certification event, and to guarantee certification costs are covered.

Data Pool Actions

- Each Data Pool must execute a Global Registry Access and License Agreement (GRA&LA). The full GRA&LA, and amendments can be found on the www.gs1.org web site under the GDSN Data Pool Online Support area.
- Each trading partner subscriber registered in the Global Registry must be presented and accept the "Terms of Participation Agreement". There is no separate signature requirement as long as written acceptance is obtained through other means. For example, Data Pools can obtain the Trading Partner's acceptance by including the Terms of Participation Agreement in their data pool services agreement with Trading Partners. The use of a "click wrap", web-based agreement is also appropriate. A new Terms of Participation Agreement is not required for Trading Partners that have already previously signed a GRSA. However, Trading Partners that have signed a GRSA may execute the Terms of Participation Agreement if desired. An audit of Terms of Participation / TPSA processes will be performed in 2008 to ensure Data Pools are complying with this important requirement.
- Each GDSN certified Data Pool will be billed for their annual fee in two increments:
 - The first invoice with a cover letter will be mailed in November 2007 for 50% of the annual fee. Payment for the full amount as listed on the invoice is due NLT 4 January 2008. The invoice will reflect any prior payments such as certification pre-payments. This invoice will cover the first half of calendar year 2008 (Jan – Jun 2008).
 - The second invoice covering the balance of the annual fee will be mailed on or about 1 June 2008. Payment for the full amount as listed on the invoice is due NLT 1 July 2008. This invoice will cover the second half of calendar year 2008 (Jul – Dec 2008).
- Data Pool actions include the following:
 - Payment of fees to GS1 GDSN, Inc.
 - Notification to current Trading Partner customers of changes in the Terms of Participation Agreement (if applicable). Obtaining written acceptance to the Terms of Participation Agreement is optional for existing subscribers.
 - Written acceptance of Terms of Participation Agreement for all NEW Trading Partner customers.

Additional Information

- Data Pools are responsible for maintaining their financial obligations to GS1 GDSN, Inc. Lack of fee payment will result in the initiation of the Data Pool Decertification Process. This process includes notification of breach of contract and commencement of the Decertification Process. The Data Pool Certification Criteria Document can be found in the Data Pool Business Manual (2006 update) and on the Data Pool Online Support web site.



GDSN BUSINESS BULLETIN

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We wish to express our sincere gratitude to the many individuals in the GDSN community. Questions should be directed to Sally Herbert at sherbert@gs1gdsn.org or Bernard Fontaine, GS1 Finance Director, at bernard.fontaine@gs1.org.

Regards,

A handwritten signature in black ink that reads "Sally A. Herbert".

Sally A. Herbert
President
GS1 GDSN, Inc.

Countries in GDP Range (3)									
Data Pool	Country		Gross Rev. (1)	A	B	C	D	E	2008 Fees (Gross Rev)
			EUR						USD
GS1 Argentina (Data.Cod)	Argentina		1,485,497						12,000
GS1 Australia	Regional		9,896,178						25,444
GS1 Colombia (CABASnet)	Regional		4,028,096						13,125
GS1 Denmark	Denmark	SINFOS	1,777,517						12,000
GS1 Estonia	Estonia	SINFOS	277,088						12,000
GS1 Finland	Finland	SINFOS	1,455,201						12,000
GS1 France (Parangon)	France		8,803,376						53,678
GS1 Hong Kong	Hong Kong		2,116,015						12,902
GS1 Ireland	Ireland	SINFOS	1,068,356						12,000
GS1 MEMA	Regional		6,841,137						13,125
GS1 Mexico	Mexico		5,557,178						25,000
GS1 Netherlands	Netherlands	1SYNC	8,088,176						20,012
GS1 Romania	Romania	SINFOS	809,039						12,000
GS1 Slovakia	Slovakia		549,298						12,000
GS1 Spain	Spain		5,858,811						35,724
GS1 Taiwan	Taiwan		2,964,642						18,077
GS1 UK	UK		7,856,769						47,906
GS1 Venezuela (Sincronet)	Venezuela		761,535						12,000
GS1 Sweden	Sweden		4,274,478						26,063
GS1 Hungary	Hungary		811,954						12,000
GS1 Greece	Greece		2,974,338						18,136
GS1 China	China		5,314,677						32,406
GS1 Croatia	Croatia		620,710						12,000
GS1 Belgium/Luxembourg	Belgium		2,119,724						12,925
SUBTOTAL MO DATA POOLS			86,309,790						474,524
GS1 US (1SYNC)	US/Canada		58,079,476						1,345,789
KOEB	Korea			1					25,000
EPIPOLI	Italy				1				100,000
Big Hammer Data Services	US						1		229,688
Commport Communications	Canada			1					35,000
Agentrics	US/Switz.			1			1		635,000
SINFOS	Regional			3	1				205,000
SUBTOTAL INDEPENDENT DP's									1,229,688
GXS									250,000
SUBTOTAL SOLUTION PROV.									250,000
TOTALS			144,389,266						\$3,300,000

Indicates projected new DP to join 2008

- (1) Gross Revenue = MO Financial Strength
- (2) World bank 2005 data
- (3) Independent Data Pool Fees per country in range:

A) 0 < GDP < \$ 1,500,000	35,000
B) \$ 1,500,001 < GDP < \$ 3,000,000	100,000
C) \$ 3,000,001 < GDP < \$ 6,000,000	200,000
D) \$ 6,000,001 < GDP < \$ 10,000,000	300,000
E) \$ 10,000,001 < GDP	600,000



Independent Data Pools

MO Data Pools

SINFOS Agentrics

1SYNC MEMA Cabasnet GS1 Australia

Countries with direct GDSN-certified DP services

(Fees paid by Global/Regional organization)

Germany Austria Poland Russia	United States Switzerland
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United States Canada	Egypt Italy Jordan Kenya Lebanon Libya Malta Morocco Saudi Arabia Slovenia Syria UAE	Colombia Costa Rica El Salvador Guatemala Honduras Nicaragua Peru	Australia New Zealand
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Countries with separate GDSN-certified DP services

(Fees paid by local organization)

Denmark Estonia Finland Ireland Romania	
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Netherlands			
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