

3 October 2011

Contact: Sally A. Herbert

## 2012 GDSN Financial Model

The GS1 GDSN Board of Directors has approved the 2012 Data Pool fee structure and financial model for the GDSN. The pricing will be in place for 2012 and effective 1 January 2012. The GDSN financial model is approved 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 period July 1, 2011 to June 30, 2012 global operational costs of the GDSN to include: Global Registry hosting, development and maintenance; staff; marketing; standards requirements gathering; and Data Pool certification fees. The Data Pool Fee schedule for the 1 January 2012 term will be published in the GDSN Roadmap, located on the GS1 website ([www.gs1.org](http://www.gs1.org)).

### Pricing Model Principles and Assumptions

The pricing model is **equitable, transparent, simple to apply, measurable by GDSN, Inc., and sustainable** and closely connected to value and usage, while providing an incentive to companies and Data Pools to participate in GDSN. The approved financial model is comprised of two key components: a fixed component and a usage component based on the following assumptions:

- This pricing model covers the period January – December 2012
- A **flat fee** of USD \$15,000 will be billed to all Data Pools that provide and market distinct GDSN-certified Data Pool services, regardless of whether they do it via a separate GLN or the same GLN as their service provider. No flat fee will be assessed for countries in which a regional/global data pool has customers doing sync via the home data pool.
- A **usage fee** will be assessed based upon the following principles:
  - Allocation of the global operational budget of GDSN Inc. less the cumulative flat fee:
    - 40% based on Recipient DP Subscription matches
    - 40% based on Source DP Subscription matches
    - 20% based on GLNs
  - The number of Pub/Sub matches is a metric easily available through the GS1 Global Registry. Measured as a snapshot in time, it indicates the potential number of synchronizations that are available as a result of the match of items and subscriptions in the Global Registry.
  - Usage statistics will be taken annually at the end of June for usage fee calculation. For the 2012 model, usage fees were calculated from statistics pulled June 30, 2011.
  - Year-over-year, Data Pools should expect a variance in the usage component of their fee as the number of Data Pools changes and usage occurs within each Data Pool.
  - Flat fees will be assessed for new Data Pools joining during the year (on a prorated basis upon certification).
  - Final model calculations will be based on the Data Pool status as of the Board approval of funding model (22 Sep 2011 for 2012 model).

An initial fixed fee of USD \$15,000 will be charged to new or non-certified data pools (with distinct data pool GLNs) as pre-payment for certification. The purpose of this pre-payment is to help ensure commitment by data pools to the certification event, and guarantee certification costs are covered.

## **GDSN Certified Data Pool Required Actions**

- Each Data Pool must execute a Global Registry Access and License Agreement (GRA&LA) and amendments. The full GRA&LA, and amendments can be found on the [www.gs1.org](http://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
- Each GDSN certified Data Pool will be billed for their annual fee in two increments:
  - The first invoice with a cover letter which will be mailed in November 2011 for 50% of the annual fee. Payment for the full amount as listed on the invoice is due no later than 3 January 2012. The invoice will reflect any prior payments such as certification pre-payments. This invoice will cover the first half of calendar year 2012 (Jan – Jun 2012).
  - The second invoice covering the balance of the annual fee will be mailed on or about 1 June 2012. Payment for the full amount as listed on the invoice is due no later than 3 July 2012. This invoice will cover the second half of calendar year 2012 (Jul – Dec 2012).
  - Reminders will be sent January 15 and July 15.
  - If no payment is received 30 days after reminder, the Data Pool will be notified that GDSN will begin decertification actions.
- Each Data Pool is responsible for:
  - Payment of fees to GS1 GDSN, Inc.
  - Execution of all GRALA and all Amendments
  - 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 (Alan, it is optional for all subscribers now, right?) subscribers.
  - Acceptance of Terms of Participation Agreement for all NEW Trading Partner customers.
  - Adherence to Certification Criteria Document

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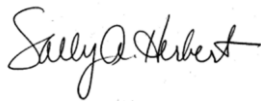
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## Additional Information

As part of maintaining certification status, Data Pools are responsible for 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 as outlined in the Certification Criteria Document. The Certification Criteria Document can be found on the Data Pool Online Support web site.

We wish to express our sincere gratitude to the GDSN Certified Data Pools and many individuals in the GDSN community for contributing to the success of GDSN. Questions should be directed to Sally Herbert at [Sally.herbert@gs1.org](mailto:Sally.herbert@gs1.org) or Philippe Wery, GS1 Chief Financial & Administration Officer, at [Philippe.wery@gs1.org](mailto:Philippe.wery@gs1.org).

Regards,

A handwritten signature in black ink, appearing to read "Sally A. Herbert".

Sally A. Herbert  
President, GS1 GDSN, Inc.  
President, GS1 Standards and System Development

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## GDSN - 2012 Funding Model

Flat Fee = \$15k

Usage-based Fee: Pub/Sub (Cumulative) 80%; GLN 20%

Data Pool	Pub/Sub *	TP's *	2012
	Cumulative		Total Fee
GS1 Argentina	194,405	671	38,644
GS1 Australia	1,097,899	1,901	108,812
GS1 Belg. & Lux.	-	-	15,000
GS1 Canada	1,036	46	16,018
GS1 China	54,852	31	18,341
CABASnet	58,941	15	18,205
GS1 Croatia	629,857	60	47,145
GS1 Czech	-	-	15,000
GS1 Denmark	-	-	15,000
GS1 France	136,781	227	26,481
GS1 Hong Kong	1,620	24	15,584
GS1 Hungary	2,646	4	15,214
GS1 Italy	-	-	15,000
GS1 Mexico	130,718	3,346	91,779
GS1 Netherlands	-	-	15,000
GS1 Portugal	-	-	15,000
GS1 Slovakia	-	-	15,000
GS1 Spain	207,331	435	34,314
GS1 Sweden	27,130	165	19,800
GS1 Taiwan	6,599	15	15,639
GS1 Thailand	-	-	15,000
GS1 UK	136,893	646	35,298
GS1 US (1SYNC)	22,883,728	9,516	1,337,164
GS1 Venezuela	-	-	15,000
SA2	5,353,385	1,218	303,102
Big Hammer	1,031,373	1,055	87,758
Commport	323,926	182	34,710
FSE	224,743	401	34,453
GHX	154,593	21	23,022
iTrade	21,808	34	16,784
GXS	1,664,725	5	96,730
Edicom	-	-	15,000
Kontur	-	-	15,000
<b>TOTAL</b>	<b>34,344,989</b>	<b>20,018</b>	<b>2,600,000</b>
Flat Fee	\$ 15,000		
Usage %:			
Trading Partners	20%		
Pub/Subs	80%		

\* Data as of 6/30/2011