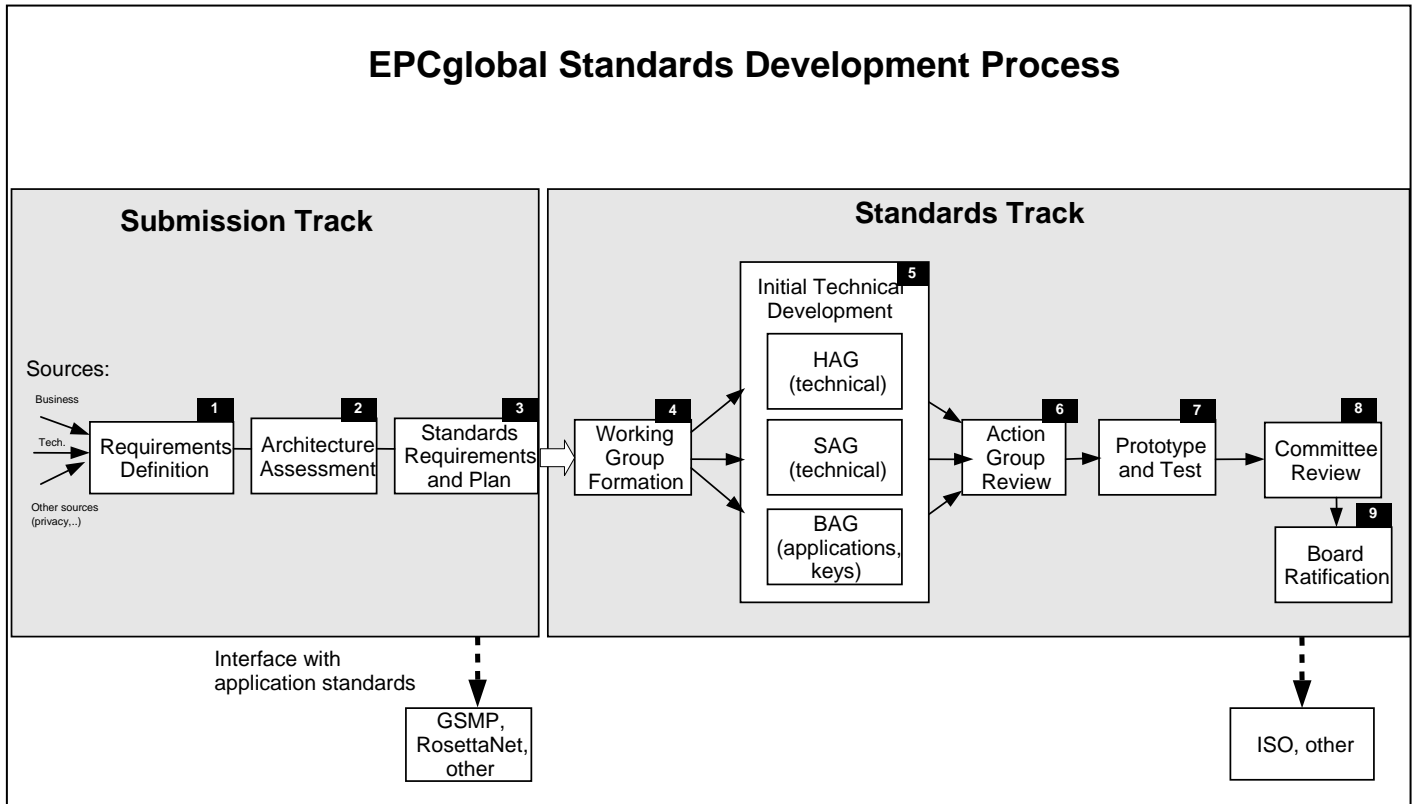


Understanding the EPCglobal Inc Standards Development Process

The EPCglobal Standards Development Process is a user-driven standards process for the development of technical standards. Although many elements will be very familiar, this standards organization and process is a necessary hybrid and will not look exactly like any other standards organizations. The EPCglobal Standards Development Process is an evolving process and continues to be updated as user needs warrant.



Listed on the following page is a summary of each of the tracks and their procedural steps and actions taken to develop EPCglobal standards. The current version of this documented process is available for download at: www.EPCglobalinc.org/standards_technology/Standard_Development_Process

Submission Track

Step 1 – Requirements Definition

The purpose of this process is to gather and assess business and technical requests, and based on this, to develop requirements and use cases. A request may come from the business, technical, privacy/legal groups or from Auto-ID Labs.

Step 2 – Architecture Assessment

The purpose of this step is to assess a proposal (represented either as a use case or technical request) for the EPCglobal Architecture Framework.

Step 3 – Standards Requirements and Plan

The purpose of this step is for the Architecture Review Committee (ARC) to identify and define the areas requiring standardization and for the Action Group to develop a plan for the technical solution buildout.

Standards Track

Step 4 – Technical Working Group Formation

The purpose of this step is to form a Technical Working Group in an Intellectual Property-Neutral Environment:

Step 5 – Initial Technical Development

During this step, the Standards Development Process is closed and confidential, and open only to Working Group participants. The purpose of this step is to create a draft technical standard from the user requirements, a Last Call Working Draft (LCWD).

Step 6 – Action Group Review

The purpose of this step is to resolve and apply Action Group comment to the Last Call Working Draft and finalize technical content of the specification.

Step 7 – Validation and Prototype

The purpose of this step is to demonstrate that real hardware or software can be built using the specification.

Step 8 – Steering Committees Review

The purpose of this step is for the Business Steering Committee (BSC) to validate that user requirements were met by the technical specification and for the Technical Steering Committee (TSC) to determine that the technical specification is complete and workable.

Step 9 – Board Ratification

The purpose of this step is to seek ratification of the specification to an EPCglobal Standard by the EPCglobal Board of Governors.

Anti-Trust Caution

Many of the EPCglobal Action Group participants compete with each other. The competition is both horizontal and vertical. This means that every activity of EPCglobal must be measured against the antitrust laws, which proscribe combinations and conspiracies in restraint of trade, monopolies and attempts to monopolize, and unfair or deceptive acts or practices. These are very broad. Violations of the antitrust laws can result in injunctions, treble damage judgments, heavy fines, and even imprisonment.

Strict compliance with the antitrust laws is and always has been the policy of EPCglobal. EPCglobal exercises extreme care to avoid not only violation, but anything that might raise even a suspicion of possible violation.

An action, seemingly innocent when taken by itself, may be viewed by antitrust enforcers as part of a pattern of activity, which constitutes an antitrust violation. Therefore, participants on EPCglobal Working Groups, Action Groups, Steering Committees, or other similar bodies, must always remember the purpose of the Working Group or other body is to enhance the ability of all industry participants to compete more efficiently and effectively to provide better value to the consumer or end user. However, because EPCglobal activity almost always involves the cooperation of competitors, great care must be taken to assure compliance with the antitrust laws.

This means:

- Participation must be voluntary, and failure to participate shall not be used to penalize any company by denying access to published specifications.
- There shall be no discussion of prices, allocation of customers or products, boycotts, refusals to deal, or market share.
- If any participant believes the group is drifting toward impermissible discussion, the topic shall be tabled until the opinion of counsel can be obtained.
- Meetings shall be governed by an agenda prepared in advance, and memorialized by minutes prepared promptly after the meeting. Both agendas and minutes are to be reviewed by counsel before they are circulated.
- Tests or data collection shall be governed by protocols developed in consultation with and monitored by counsel.
- The recommendations coming out of an EPCglobal Working Group, Action Group, Steering Committee or other body are just that. Individual companies remain free to make independent, competitive decisions.
- Any standards developed must be voluntary standards.

Code of Conduct

Principles

To be communicated at all group meetings:

One of EPCglobal's greatest and proudest strengths is the rich diversity of people and businesses that work with the organization and attend meetings. We recognize that not everyone is used to working in such a diverse group, and therefore draw your attention to basic principles and standards of behavior that apply at all meetings.

1. Comments on the following subjects may cause offense and are not acceptable, however intended:
 - Race, national identity, national language or nation of origin. All races and nations are equal at EPCglobal;
 - Age, gender, sex, or sexuality. Men and women of all ages and backgrounds are treated as equals;
 - Disparaging remarks about companies, types of companies or industries. We welcome all types and sizes of enterprise from all industries.
 - a. EPCglobal is a place where buyers and sellers meet, however:
 - b. Presentations and remarks may not promote or attempt to sell a particular company, proprietary product or product type, implicitly or explicitly;
 - c. Please do not hound potential customers or partners during breaks and social gatherings. These are networking opportunities, not sales calls – if you want to do deals please arrange a private follow-up visit.
2. EPCglobal depends on a constructive spirit of innovation. You are welcome to be as positive or skeptical as you like about prospects, but you should respect the views and credibility of others, especially those with credentials and training in their field. Do not denigrate individuals or their ideas just because you disagree with them about whether or not something is possible.