

Fair Trade Software Foundation – Conditions for Accreditation

1. General Principles

1.1 The Fair Trade Software Foundation (“FTSF”) acts to create and sustain partnerships between software companies in developed and developing countries, who wish to collaborate in the creation of software applications and provision of software services based on the FTSF Core Principles, as set out on the FTSF website.

1.2 FTSF provides accreditation to two types of entity: IT companies based in developed countries (“Sponsors”) and in developing countries (“Partners”).

1.2.1 Sponsors are IT companies, located in OECD or newly industrialized countries, whose primary functions are IT services and/or software development. IT Sponsors will be the ultimate project managers and will be available to negotiate and have direct contact with customers. They should be committed to Corporate Social Responsibility and willing to participate in a new business model that creates shared value and promotes local innovation.

Other compulsory requirements are:

- i) Demonstrable technical skills related to IT;
- ii) Proven track record in software development;
- iii) Experience in project management for large-scale projects;
- iv) Demonstrable training experience is desirable. Willingness to provide training and share knowledge is mandatory;
- v) Excellent financial record keeping;
- vi) Available human, technical and time resources to perform and complete agreed tasks;
- vii) Strong commitment to principles of sustainable development; and
- viii) Compliance with FTSF standards and monitoring requirements.

1.2.2 Partners are Small and Medium sized Enterprises (companies with up to 250 employees) operating in the IT sector, located in developing countries. They must work with local talent and should be willing to adopt practices that will benefit the wider community where they are established.

Other compulsory requirements are:

- i) Demonstrable technical skills related to IT;

- ii) Proven track record in software development and project management;
- iii) Excellent financial record keeping;
- iv) Available human, technical and time resources to perform and complete agreed tasks;
- v) Strong commitment to principles of sustainable development;
- vi) Compliance with FTSF standards and monitoring requirements.

1.3 All applicants for FTSF accreditation must demonstrate commitment to the principles contained in the FTSF Statement of Core Principles and undertake to abide by the FTSF Standards for Developed Country Sponsors or Developing Country Partners, as applicable (all documents are available on the FTSF website).

2. Application process

2.1 Applicants must complete the standard Application for FTSF Accreditation form, available on the FTSF website and return it to the FTSF Partnerships Officer, along with the requested accompanying documentation.

2.2 There is a fixed application fee of EUR 100 to cover the administrative costs of processing the application. This is payable directly to FTSF.

2.3 Applications will be reviewed by the FTSF Partnerships Officer and any shortcomings discussed with the Applicant.

2.4 Once all application criteria are fully complied with, the Applicant must enter into a written agreement with FTSF undertaking to uphold the applicable Standards and adhere to the regulations on the use of the FTSF logo (see section 5, below). Prospective Sponsors will be invoiced for their first annual accreditation fee at this point (see section 3, below).

2.5 Once and the written agreement has been concluded and the accreditation fee (if applicable) has been received by FTSF, the Applicant will receive Observer status.

2.5.1 Entities with Observer status may:

- i) Participate in FTSF activities;
- ii) Receive all communications from FTSF;
- iii) Serve on any sub-committees that may be established;
- iv) Attend and speak at FTSF meetings and conferences;
- v) Attend and speak at Annual General Meetings.

2.5.2 Entities with Observer status may not:

- i) Use the FTSF logo in any form without the express written permission of FTSF;
- ii) Publicly claim to be accredited by FTSF or advertise compliance with FTSF Standards;

- iii) Serve on the Board of Directors;
- iv) Vote at the Annual General Meeting.

2.6 Within six months of receiving Observer status, the Applicant must submit its first Annual Self-Assessment Report, guidelines for which can be found on the FTFSF website. This first Self-Assessment will be audited by FTFSF, or an external body appointed by them, to ensure compliance with its Standards.

2.7 If the outcome of this audit is satisfactory, the Applicant will become fully accredited by FTFSF.

2.7.1 Entities with full accreditation status may:

- i) Use the FTFSF logo in accordance with the applicable regulations (see section 5, below);
- ii) Publicise their FTFSF accreditation;
- iii) Actively participate in all activities of FTFSF;
- iv) Receive all communications from FTFSF;
- v) Stand for nomination for and, if elected, serve on the Board of Directors;
- vi) Serve on any (sub-)committees that may be established;
- vii) Attend and speak at FTFSF conferences;
- viii) Attend the Annual General Meeting, with authority to speak and to put forward resolutions;
- ix) Vote in person or by proxy at the Annual General Meeting:
 - Each accredited entity has one vote,
 - The Secretary of the Board must receive a letter from each accredited entity identifying its nominated representative authorised to cast its vote,
 - An accredited entity who cannot attend an Annual General Meeting may authorise another accredited entity to cast their proxy vote. A copy of this proxy must be registered with the Secretary of the Board,
 - The Secretary is authorised to cast multiple proxy votes.

2.7.2 All fully accredited entities will be listed on the FTFSF website.

2.8 If the outcome of the audit is unsatisfactory, any shortcomings indicated by FTFSF must be resolved before full accreditation may be granted.

2.9 If the Applicant fails to resolve shortcomings within six months of being notified by FTFSF, full accreditation cannot be granted: the application fee and first annual accreditation fee will not be refunded and accreditation will be revoked in its entirety.

2.10 The Applicant may appeal the decision not to grant full accreditation once before the Board of Directors, whose decision will be final.

2.11 Entities whose application for full accreditation is rejected may re-apply for accreditation once 12 months have elapsed since the final decision not to grant full

accreditation. They must repeat the entire application process, including application for Observer status and payment of the application fee.

3. Fees

3.1 FTSF must charge fees to its accredited entities in order to cover the costs of running the Foundation and of effectively monitoring compliance with its standards. The fee is based on the type of company (Sponsor or Partner), its overall turnover and the income received from Fair Trade Software projects. This enables FTSF to calculate a fee that is tailored to each individual company so that it is always proportionate and affordable. The fee is comprised of:

- i) An annual accreditation and monitoring fee;
- ii) A premium, which is a percentage of the payment received by accredited entities for completing Fair Trade Software projects.

3.2 For Sponsors, the annual accreditation and monitoring fee is payable up front, as detailed in paragraph 2.4 above, and every 12 months thereafter. The premium will be calculated annually based on information received by FTSF from the Sponsor's customers and will be payable at the end of each 12 month period.

3.3 For Partners, the annual accreditation and monitoring fee is payable one year in arrears, starting 12 months after initial accreditation. No premium will be charged.

3.4 The fees are calculated as follows:

	Sponsor	Partner
Accreditation and Monitoring fee	€2000 or 0.2% of turnover,* whichever is greater.	2% of revenue received from Fair Trade Software projects.
Premium	2% of revenue received from Fair Trade Software projects.	NONE

*Turnover means the average turnover for the previous three financial years of the Sponsor and all of its wholly owned subsidiaries.

3.5 The fees are subject to annual revision; accredited entities will be notified of any changes.

4. Ongoing Monitoring by FTSF

4.1 All fully accredited entities will complete an Annual Self-Assessment Report, guidelines for which are available on the FTSF website, and return it to FTSF along with a copy of the entity's annual accounts (preferably audited) and other requested documentation.

4.2 Every year, a randomly selected sample of accredited entities will be audited by FTSF, or an external body appointed by them, to ensure that the accredited entity

has acted in compliance with FTSF minimum standards and has at least genuinely attempted to be actively engaged in Fair Trade Software projects. At this stage, FTSF does not stipulate a fixed number of projects that must be undertaken per year, but may introduce more specific requirements in the future.

- 4.3 All workers and their representatives shall be afforded every facility for communicating freely with any auditing party.
- 4.4 If the accredited entity refuses to cooperate or unnecessarily delays the external verification process, or fails to cooperate during an investigation of a complaint, FTSF has the right to suspend accreditation. Prolonged or persistent failure to cooperate will result in withdrawal of FTSF accreditation in its entirety.
- 4.5 Failure to submit the Annual Self-Assessment Report by the deadline will result in suspension of FTSF accreditation until the Report is received. Failure to submit the Report within three months of the deadline will result in withdrawal of FTSF accreditation in its entirety.
- 4.6 All accreditation and monitoring fees and premiums continue to be payable, even if an accredited entity is not audited that year. Failure to pay fees and/or premiums within three months of being invoiced will result in suspension of the entity's accreditation. Failure to pay within a further three months will result in withdrawal of FTSF accreditation in its entirety and may result in legal action.
- 4.7 If the Annual Self-Assessment Report or subsequent audit shows that an accredited entity is not acting in compliance with FTSF standards, shortcomings will be detailed by FTSF and the entity will have three months within which to bring its performance into compliance with its obligations. Failure to comply with FTSF minimum standards after this period will result in suspension of the entity's accreditation until its performance is brought into compliance with its obligations. Failure to comply with its obligations within a further three months will result in withdrawal of FTSF accreditation in its entirety.
- 4.8 Accreditation will also be terminated in the following circumstances:
 - 4.8.1 The accredited entity expresses in writing its wish to revoke its accreditation status;
 - 4.8.2 The accredited entity is dissolved due to bankruptcy or other causes;
 - 4.8.3 The accredited entity acts in a manner judged by the FTSF Secretariat to be in conflict with the core principles of FTSF, or which damages the association in an unreasonable way.
- 4.9 The decision to suspend and/or withdraw accreditation may be appealed once before the Board of Directors, whose decision will be final.
- 4.10 Entities whose accreditation has been suspended or withdrawn may not participate in FTSF activities or meetings, use the FTSF logo, or advertise FTSF accreditation or compliance with FTSF standards.

- 4.11 Accreditation and monitoring fees already paid for the remainder of the year in which the accreditation is terminated will not be refunded.
- 4.12 Entities whose accreditation has been withdrawn can again apply for accreditation once 12 months have elapsed after the final revocation decision. They must repeat the entire application process, including application for provisional accreditation and payment of the application fee.

5. Use of the FTSF logo

- 5.1 Use of the FTSF logo, mention of accreditation by FTSF or claims of compliance with FTSF standards are reserved for fully accredited entities and registered customers only.
- 5.2 The FTSF logo may appear along with the entity's own logo on emails, websites, stationary (letterheads, envelopes, visiting cards, etc.), promotional materials (brochures, leaflets, books, CDs, etc.), vans and cars, press releases and signs at business premises. It may also be included within software applications which meet the Fair Trade Software Process Standard (available on the FTSF website). The FTSF logo may never appear alone and must take secondary place to the entity's own logo.
- 5.3 Use of the logos of organisations with which FTSF is affiliated is not permitted unless the accredited entity is a member of that organisation in its own right.