

Rules Of Engagement

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1 Warning to Ments

Software Entrepreneurs (Ents) are a strange breed, but that is what makes them so interesting. If Mentors (Ments) who are mad enough to teach Ents should be warned:

Ents don't know what they don't know, so...

- 1) Ents don't know how much Ments are worth, and,
- 2) Ents can seem impatient and ungrateful.

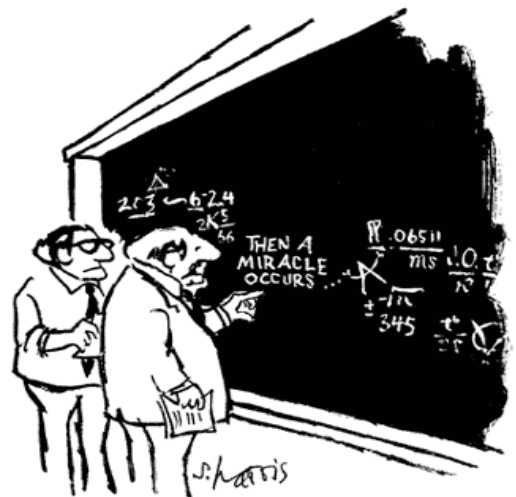
$$\frac{\sqrt{2}}{2} = \sqrt{\quad}$$

These observations may seem obvious, as may the consequences:

- 3) Not all Ents are worthy of Ments, and thus,
- 4) Worth-while relationships with Ents don't grow on trees.

The reputation of our club is more dependent on the actions of Ments than of Ents, (although Ents who get famous could be an exception to this rule). So, our club can survive the occasional eccentricity from an inexperienced or unprofessional Ent, but our Ment members are expected to set the standards.

That is why each local EntMent club chapter has its own self-governing Board of Ments, each of whom are familiar with the other, and each of whom are comfortable working together. For governance purposes, it is a REQUIREMENT that all Ments in a local club chapter, agree to the principles laid out in this EntMent **Rules of Engagement** document, as well as the EntMent **Charter** document.



"I think you should be more explicit here in step two."

EntMent is a Not-For-Profit club, not a contract matchmaker, so we are set up to encourage members (Entrepreneurs, Mentors and Guests), to give and receive unconditionally. We all understand the human desire for personal financial gain, but we believe there is a time to consider such things, and that is AFTER lasting, trustworthy relationships have been established.

At such a time, it is then up to the Members how they might commit time or other values to each other, because EntMent remains an independent, non-liable third party in such relationships, (see EntMent **Disclaimer** document).

2 Ments Partner with Ents

There is some pressure exerted by Members upon those who just sit back and listen, without giving anything. However, there is no compulsion upon any Member to contribute anything to our EntMent club, despite our expectation that you will offer help, and that any promised help will materialize.

Specifically, Ments are never to pressure Ents into buying anything from a Ment, or vice versa. Ments are asked to avoid selling their consulting services or other products/services to Ents, unless an Ent specifically requests details about the Ments' commercial offerings.

Ments who are members of a local club chapter's Ment Board, carry an implicit recommendation from EntMent that they are trustworthy. Ents can be told that any Ment may be available for hire, e.g. As an interim-executive or as a member of the Ent's own Board. However, it could seriously damage EntMent's goodwill, should Ments begin to hard-sell such consulting services using the EntMent brand. As a Not-For-Profit club, the EntMent brand must be protected from commercial exploitation.

Should Ents wish to hire a Ment, they are at liberty to offer cash or equity to those Ments they wish to hire. Yet, Ments should realize that Ents rarely have spare cash, so if Ents instead offer to barter shares in their future success, for a Ment's attention, some precautions are recommended.



Members should exercise normal cautions in all dealings and all agreements. If an Ent offers a Ment a deferred income, both parties MUST document the specific services and compensations.

There are many forms of deferred income that Ents could conceivably offer to Ments.

- 1) An example of deferred income occurs if an Ent pays a Ment a Success Fee, such that the Ent pays $\$d$ if $a+b+c$ happens. In this case, a successful fund-raising could be one of the variables.
- 2) Another example of deferred income is a Contingency Fee, where the Ent would pay the Ent only if a project has a favorable outcome. The parties should carefully define "favorable outcome".

Ments may fund Ents via private unsecured loan, but in this case, both should sign their own private agreement, independent of EntMent

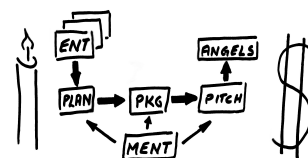
Ments may fund Ents by purchasing a share of the Ent's company, in other words, the Ment would buy some of the Ent's equity for cash or similar.

Ments may work for "sweat equity", in which case, an Ent would pay x-shares and/or y% of their company, for z-days of effort by the Ment.

However, before any of these arrangement are legally agreed between Ents and Ments, both sides are advised to carefully develop a relationship BEFORE they commit to ANYTHING.

It is a REQUIREMENT that a copy of any agreements between Members be provided to EntMent's Founding Ment Board (Founders@EntMent.org) via the appropriate local Ment Board. Our club's goal in requiring this is to ensure deals are "fair" to both parties, and to protect our Members (both Ents and Ments). However, EntMent assumes no liability should EntMent, in all good faith, fail in its attempt(s) to protect Members from each other, or from external parties (see EntMent **Disclaimer**).

Ments should use EntMent's GroupBuild process to develop Ents, and should NOT import their own tools/processes without their local Ment Board's unanimous approval. Whether or not this instruction is followed, all Ments acknowledge that EntMent is not responsible for any bad advice given by Ments to Ents, or vice versa.



3 Joining a Local Chapter Ment Board



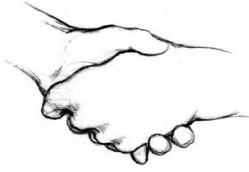
When a Ment's join EntMent, they fill in a short questionnaire during their online registration, which triggers another local Ment Board member to call them and get introduced. This Ment Board member in turn introduces the new Ment to the Ment Board.

The Ment is usually then invited to an informal meetup with other Ment Board members, who will update them on the various entrepreneurial projects and prospects in the pipeline. This also gives the new Ment a chance to confirm whether EntMENT is of interest to them as well. Thus, the new Ment's bio is not made visible to the other Members until:

(a) the Ment's bio posting is approved by the rest of the local Ent Board that they are about to become a member of, and,

(b) the Ment is comfortable receiving correspondence from Members based upon the expertise and capabilities they have outlined in their bio posting.

A new Ment's bio typically remain invisible until the Ment is comfortable having it published, which may mean the new Ment has attended at least one meetup events, and become more comfortable with the mandate of EntMent and with the skillsets of rest of the local Mentor Board they are joining.



New Ments should also acknowledge their acceptance of the EntMent **Charter** document and this **Rules of Engagement** document, by email, so that EntMent has a record of their acceptance.

Typically, new Ments are referred into the local chapter's Ment Board by other Ments, but new Ments may also join online without referral. In the former case, much of the orientation and familiarization may be fast-tracked but approval is required by the EntMent Board.

By joining EntMent, all Ments agree that they will not do anything illegal, unethical or immoral, or in any other way bring harm to EntMent, its membership or its reputation.

4 No Membership Cost

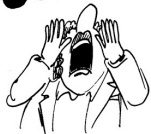
At this time there are no costs to any members of EntMent. However, as the club grows and as additional membership benefits are added, EntMent may need to start charging for certain things. If so, it will be done on a not-for-profit basis, and with the consent of the membership, purely to offset costs such as website development, marketing and member administration.

The sources that EntMent would approach, to cover operating expenses, would be (prioritized):

- 1) Ticket sales from annual Demofest conference(s)
- 2) Corporate sponsor donations
- 3) Government grants
- 4) Mentor sponsorship donations
- 5) Member fee paid by Ments
- 6) Member fee paid by Ent(s) (but this lowest priority option would be a last resort)

For example, if options (1) to (3) become exhausted, EntMent may exercise option (4) to levy a token charge to all Ments equally. However, EntMent would endeavour to avoid ever charging Ent(s), if Ments can provide funding.

Volunteers!



During any future funding campaigns, Ments may encourage each other to sponsor EntMent, but such sponsorship donations would be entirely optional. It is recognized that Ments are already contributing valuable time to EntMent.

If a Ment or a Ment Board, brings investors to Ent(s); and if the Ment or Ment Board receives a reward for such a service, the Ment or Ment Board must make a donation to EntMent of 10% of the reward.

All Ments will be asked to buy a ticket to the annual Demofest Unconference, but again it is optional as to whether Ments will purchase. Ments may volunteer to be Organizers for this event, in which case there is no charge for their attendance.

Of course, EntMent hopes that none of our Ments will exercise their right to free entry to the UnConference event, because outside of sponsorship, this event is likely to be our club's primary source of funding.

5 Ment Disclosures

A Ment MUST inform his/her local Ment Board and the Founding Ment Board, if he/she:

- 1) Plans to enter a third-party agreement with an Ent or a team of Ents,
- 2) Begins a process to develop a business plan for an Ent or a team of Ents,
- 3) Intends to introduce Ents to third parties, such as investors.

In any of the above cases, Local Ment Boards are REQUIRED to notify the Founding Ment Board, and provide copies of pertinent documentation. In cases where the EntMENT brand is used to endorse an Ents communication with non-members or with potential investors, the local Ment Board must unanimously support EntMent's endorsement.

Once an EntMent process or methodology has been used for development of Ent(s), or their business(es), any intellectual property contributed to the Ent by a Ment becomes the shared property of all three parties: EntMent, Ent and Ment. That is, unless a pre-existing agreement between Ent and Ment has specified otherwise, no party has exclusive rights to the intellectual property contributed.

A local Ment Board will be considered "rogue" if it attempts to compete with an existing local Ment Board, in the same "territory" as the existing Ment Board. The Founding Ment Board reserves the right to step into such a dispute, and reallocate territories for the good of the overall Membership. EntMent also reserves the right to re-locate the serving territory for a rogue local Ment Board.

A local Ment Board will be considered "rogue" if it acts conversely to this **Rules of Engagment** document or the EntMent **Charter**. In which case, EntMent reserves the right to terminate website access to the local Ment Board, or to terminate and/or to re-populate the rogue Ment Board.

6 About EntMent



EntMent is a collection of regional social clubs, each managed by their own membership of (Ents +Ments), using a GroupBuild process to help Ents attract Ments, Partners, Customers and Angel Investors (see EntMent Charter).

We are a NOT-FOR-PROFIT “social networking club” for Entrepreneurs (Ents), who share ideas and advice about their software solutions or software-enabled businesses, while also receiving advice from more experienced Mentors (Ments). To become a Member of EntMent, an Ent or a Ment merely posts their bio on the EntMent website, to be informed about the club's monthly local meetups.

Our club tends to attract abnormally intelligent people who enjoy nerdy jokes, even though some might consider those attributes to be mutually exclusive. Conversation is nearly always mind-expanding, as we help each other to create software-enabled businesses or software products.

We discuss topics ranging from Google to Facebook, to e-businesses web-service monetization, social media, collaborative applications, cloud-enabled software as a service, mashup widgets, hosted whatnots and virtual doodads, but it really all comes down to how software can help people.

EntMent works best for seed-stage or early-stage businesses that require software to run their products or services. Our Ent Members are usually involved with technology-enabled companies that are at least partially web-based.

Our Ment Members help software companies, software product companies, software service companies, they even help “un-companies” that are trying to use information technology to make the world a better place.

EntMent is a sociable club, so please, don't be more interested in taking than giving. We treat each other with respect; we give and take good advice; we meet inspiring people; and we build good teams. Our club has a NOT-FOR-PROFIT Charter, which means nobody gets paid for anything. Everyone is a volunteer. Please respect this, because it sucks when people take advantage.

Our informal monthly meetups are a place to help and be helped, typically in a relaxed but not necessarily unhurried manner. A sense of urgency radiates from those who have a vision, and this enthusiasm is contagious. We exercise this goodwill by practicing how we pitch our visions, by demonstrating our solutions and by testing our ideas on each other.

EntMent also hosts other EntMentEvents, such as seminars, dinners, etc. and may charge a fee to cover costs. The Annual **Demofest Unconference** is open to all local club chapters, and is typically by and held in a University commons area, with enough computer workstations to accommodate hundreds of concurrent presentations and “cluster demos”.

Our club has a NOT-FOR-PROFIT **charter**, which means nobody gets paid for anything. Everyone is a volunteer. Please respect this, because it really sucks when people take advantage. EntMent is a sociable club, so please don't be more interested in taking than giving.