



ALBERTO IBARGÜEN  
President

September 18, 2015

Lila Tretikov  
Executive Director  
Wikimedia Foundation Inc.  
149 New Montgomery, Third Floor  
San Francisco, CA 94105

Dear Ms. Tretikov:

The Trustees of the John S. and James L. Knight Foundation have approved a \$250,000 grant to Wikimedia Foundation Inc.

The grant is to be used as follows: To advance new models for finding information by supporting stage one development of the Knowledge Engine by Wikipedia, a system for discovering reliable and trustworthy public information on the Internet.

The terms and conditions of this grant are contained in the attached grant agreement. Grant payment according to the terms outlined will be released within 60 days of Knight Foundation receiving the signed agreement. A self-addressed envelope to return the signed agreement is enclosed for your convenience.

The Relationship Manager for this grant, Chris Barr ([barr@knightfoundation.org](mailto:barr@knightfoundation.org)), is your primary point of contact and will answer any questions you may have. All reports should be uploaded to our Fluxx Grantee Portal at <https://knight.fluxx.io>.

Before you take steps to publicize this grant, please review our communications resources and guidelines at [www.knightcommunications.org](http://www.knightcommunications.org).

Thank you.

Sincerely,

AI:my

Enclosures

C: Chris Barr

Caitlin Virtue, Director of Development, Wikimedia Foundation Inc.

# JOHN S. AND JAMES L. KNIGHT FOUNDATION

## GRANT AGREEMENT

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**ORGANIZATION:** Wikimedia Foundation Inc.

**GRANT ID:** GR-2015-51260

**PURPOSE:** To advance new models for finding information by supporting stage one development of the Knowledge Engine by Wikipedia, a system for discovering reliable and trustworthy public information on the Internet.

**TERMS:** September 1, 2015 to August 31, 2016

**AMOUNT:** \$250,000

## ACTIVITIES

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Knowledge Engine by Wikipedia has four stages (discovery, advisory, community, extension), with each one taking approximately 18 months. The discovery stage has just begun, and is the stage for which the Wikimedia Foundation will use Knight funding. Over the next six months, the Wikimedia Foundation will:

- Answer key questions:
  - Would users go to Wikipedia if it were an open channel beyond an encyclopedia?
  - Can the Wikimedia Foundation get Wikipedia embedded via carriers and Original Equipment Manufacturers?
- Use Key Performance Indicators (KPIs) to inform product iteration, and establish key understanding and feature development for the prototypes
- Conduct tests with potential users
- Create a public-facing dashboard of key KPIs
- Measure:
  - User satisfaction (by analyzing rate at which queries surface relevant content)
  - User-perceived load time
  - No results rate
  - Application Programming Interface (API) usage

## OUTCOMES

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Knowledge Engine by Wikipedia will create a model for surfacing high quality, public information on the Internet. The project will pave the way for non-commercial information to be found and utilized by Internet users.

The discovery stage will lay the foundation for the project. During this period, the team will establish core usage and performance metrics that will help determine what is built.

At the conclusion of the first stage, the results will include:

- Test results exploring relevancy of content surfaced
- Test results from research and user testing
- An improved search engine and API for Wikipedia searches
- A public-facing dashboard of core metrics used in product development
- A sample prototype on a small dataset to showcase possibilities

The Wikimedia Foundation will have set the groundwork for Knowledge Engine by Wikipedia to proceed to its second stage, when the foundation will build a relationship with key advisors to foster the growth, advocacy and strength of the knowledge engine.

The description of your organization's activities and your expectations for the outcomes of the funded project are listed above. Your organization agrees that the results described are achievable and represent the terms against which your organization will judge the success of the project.

## EVALUATION

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- Any evaluation reports relating to this grant will be submitted to the Knight Foundation.
- After 12 months, the Wikimedia Foundation will assess the progress towards these results. At the conclusion of this grant, the team will have set the groundwork for Knowledge Engine by Wikipedia to proceed to the second "Advisory" stage, in which the Foundation will build relationships with key advisors to foster the growth, advocacy and strength of the knowledge engine.

## COMMUNICATIONS

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You agree to follow the communications guidelines at <http://knightcommunications.org> and to clear with [communicationsdirector@knightfoundation.org](mailto:communicationsdirector@knightfoundation.org) any relevant content that mentions the foundation. Please also follow us on Twitter at [@knightfdn](https://twitter.com/knightfdn).

## BASIC GRANT CONDITIONS

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1. Grantee will use the funds for the purposes described in this Agreement. Any alternative use of funds must be authorized in advance in writing by Knight Foundation. If the funds are not used in accordance with the terms outlined in the Agreement, the Grantee must repay those funds to the Foundation.
2. Changes to any specific line item in the enclosed budget greater than 5% should be approved in writing by Knight Foundation prior to making the change.
3. Significant changes in project or organizational leadership should be reported to Knight Foundation within 30 days of the change.

4. As required by IRS rules, Knight Foundation funds will not be used: a) to carry on propaganda or otherwise attempt to influence legislation; b) to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive; c) to make a grant to any individual for travel, study or other similar purposes or to make a sub-grant to any other organization unless the grant complies with Section 4945(d)(3) or (4) of the Internal Revenue Code and the grant has been detailed in the approved grant plan and budget; or (d) to undertake any activity for any purpose other than the charitable and educational purposes specified in Section 170(c)(2)(B) of the Internal Revenue Code.
5. Donor Transparency: Grantee agrees to post on its web site the names and amounts from donors who give \$5,000 or more to the project funded by the Knight Foundation grant.

If the Knight grant is for re-granting to a news or media organization, then that organization must agree to post the same information with respect to its funding sources on its website.

6. Overhead expenses charged to the grant must be specified in the approved grant budget and must be supported by appropriate documentation. Overhead may not include a general percentage of costs.

## REPORTS AND PAYMENTS

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1. The full grant payment of \$250,000 will be mailed within 60 days of Knight Foundation receiving this signed grant agreement.
2. A final report, both narrative and financial, is due August 31, 2016.
3. Login to the Fluxx Grants Portal at <https://knight.fluxx.io> to submit your reports online. Click on the green "+" sign to upload your reports. Click on the "Submit" Link to let Knight know you have submitted your requirement. These reports include both financial and program information using online forms. The program report must include a narrative account of the use of grant funds and progress in achieving the purposes of the grant, including grant outcomes. The online report forms are available on Knight's Grantee Portal. Copies of the reports will be provided to your Program Director by Grants Administration. The Director will review your report and provide feedback. Any questions about the grant should be directed to the Program Director.
4. During the term of the grant, organizations audited by an independent auditing firm should submit the audit results including the management letter within 90 days of completion of the audit report.
5. Upon the Foundation's request the Grantee will provide all information relating to or developed under the grant.
6. The Foundation may withhold future payments at the Foundation's sole discretion if it has not received all required reports and/or the reports do not meet the Foundation's reporting requirements or the grant fails to achieve satisfactory progress.

## **RETURN OF GRANT FUNDS ON CHANGE IN PURPOSE:**

If there is a "Change in Purpose" (as hereinafter defined), upon the written request of Knight Foundation, Grantee shall (and shall cause the Fiscal Agent, if applicable, to), at Knight Foundation's sole discretion, promptly either (i) reassign to another charitable organization acceptable to Knight Foundation, or (ii) return to Knight Foundation, all grant funds that were not properly expended (in accordance with the approved project budget) prior to the first Change in Purpose subsequent to the date hereof. For purposes of this grant agreement, the term "Change in Purpose" means (i) any material change in the current charitable purpose of the Grantee as set forth on Annex I hereto, as determined by Knight Foundation in its sole discretion, including but not limited to any change in purpose or activities communicated by the Grantee to the IRS by means of a letter, Form 990 filing or other communication, (ii) at the sole discretion of Knight Foundation, any change required to be reported to Knight Foundation pursuant to item 3 of "Basic Grant Conditions," above, and/or in circumstances as contemplated by "Purpose" above, (iii) any winding up of the Grantee's activities or operations, (iv) any combination of the Grantee with any other charitable or other organization, whether by means of merger, transfer of assets or other reorganization event, and/or (v) any public announcement by Grantee or any of its affiliates with respect to any of the foregoing events. Grantee shall promptly notify Knight Foundation, in writing, upon the occurrence of any circumstance, event or development that could reasonably be expected to result in a potential Change in Purpose.

## **INTELLECTUAL PROPERTY:**

Grantee and the Foundation agree that all intellectual property (IP) rights (including copyright, patent, and any other rights) in materials arising out of or resulting from Grantee's use of the grant funds or any earning thereon (the "Public Materials") shall be owned by Grantee. Grantee acknowledges that the Foundation wishes to ensure the widest possible distribution of the Public Materials and ensure that they are and remain generally available to the public. Accordingly, Grantee hereby grants, and shall ensure that any individuals who have any IP rights in Public Materials shall grant, to the Foundation, under all IP rights of such party, a non-exclusive, transferable, perpetual, irrevocable, royalty-free, paid-up, worldwide, sublicenseable license to use or publish the Public Materials; provided, however, that the Foundation shall not exercise such rights except (a) in connection with the activities of the Foundation, and/or (b) in the event Grantee materially breaches the terms of this Agreement.

Grantee, at the Foundation's request, agrees to execute any additional documents required to affect such license. Upon Grantee's request in writing, the parties shall cooperate to identify whether any particular materials produced by Grantee constitute Public Materials; provided that Grantee and the Foundation acknowledge that Public Materials shall include all materials required to be developed as described in the applicable grant description.

In addition, upon completion of any Public Materials of a type identified in the table below under "Type of Public Material," Grantee shall make such Public Materials available free of charge to the public (such as via a public internet server with no subscription fees) under the terms of the "License for Public Availability" identified below. Grantee's distribution of such Public Materials shall also comply with any additional terms and conditions specified below.

### **1. Software**

**Type of Award of Specific KF Initiative & License for Public Availability:** Grant, inc. Knight News Challenge / GNU General Public License (version 2 or 3 at the grantee's option)

**Additional Terms and Conditions:** With the Foundation's prior written consent, Grantee may use another open source software license approved by the Open Source Initiative.

Exceptions to this clause must be approved by the Foundation in writing. Grantee shall not make available such Public Materials, or any derivative works of the Public Materials, under any other licensing terms, without the Foundation's prior written consent.

**TAX-EXEMPT STATUS:**

Grantee will maintain its tax-exempt status as a Section 501(c)(3) organization classified as a public charity under Sections 509(a)(1) or (2) current throughout the period of this grant and will comply with all applicable federal and state laws and regulations that govern the use of funds from private foundations to the Grantee organization. This includes but is not limited to the prohibition against activities described in Section 4945(d) of the Internal Revenue Code.

**BOOKS AND RECORDS:**

Grantee shall maintain its books and records, including an accurate record of the grant received and all expenses incurred under this grant, and retain such books and records for at least four years after completion of the use of this grant. Those records include a general ledger with enough detail to allow tracking of the use of Foundation funds, original invoices, bank statements, copies of checks disbursing grant funds and documentation of the business purpose of each expense.

At the Foundation's request, Grantee shall make its books and records available to the Foundation by permitting reasonable access to its files, records and personnel by the Foundation (or its designated representatives) for the purpose of making financial audits or other evaluations concerning this grant as the Foundation deems necessary. The fees and expenses of such designated representative shall be paid by Knight Foundation.

**MANAGEMENT AND INVESTMENT OF FUNDS, EARNINGS, AND APPRECIATION:**

All grant funds received, and earnings and appreciation on those funds, shall be invested in a designated account in a bank or investment firm that is a member of either the FDIC or SIPC. The investment will be in accordance with Grantee's governing documents and investment policies so long as they do not conflict with this Agreement, with the laws of the State of Florida, and with Federal laws. Earnings and appreciation on grant funds shall be used solely for the purpose of the Grant. Grantee may not assess an administrative or financial management fee unless agreed to in writing and in advance by the Foundation.

**UNEXPENDED FUNDS:**

The Foundation reserves the right, in its sole discretion, to discontinue funding if it is not satisfied with the progress of the grant or the content of any required written report. In the event of discontinuation or at the close of the grant, any unexpended funds shall immediately be returned to the Foundation, except where the Foundation has agreed in writing to an alternative use of the unused funds.

**ROYALTIES:**

Any materials produced by this grant and earnings thereon shall not provide royalties or otherwise inure to the personal benefit of individuals connected with this grant. Grantee shall not engage in any sales of such materials unless it has determined that such sales are substantially related to the charitable and educational purposes of the Grant. Any

revenues realized by Grantee or any sub-grantee from any such materials must be used exclusively for this project.

**NO-COST EXTENSION:**

If needed, Grantee should submit a request for a no-cost extension to the program officer before the end of the grant period. The request should contain the reason for the extension, its length and detail how any unexpended funds would be used.

**NO GUARANTEE OF FUTURE FUNDING:**

The Grantee acknowledges that the receipt of this grant does not imply a commitment on behalf of Knight Foundation to continue funding beyond the terms listed in this grant agreement.

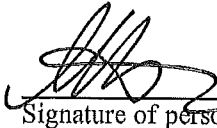
If you agree to the terms and conditions of this grant agreement, please sign and return this document to Knight Foundation. A self-addressed envelope is enclosed for your convenience. Please keep a copy of the signed document for your grant files. Grant payment according to the terms above will be released within 60 days of receiving this signed agreement.

*Lila Tretikov*

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Type or print name of person signing  
Agreement

*Executive Director*

\_\_\_\_\_  
Title



\_\_\_\_\_  
Signature of person signing Agreement

*11.20.15*

\_\_\_\_\_  
Date

All future correspondence regarding this grant should refer to grant # GR-2015-51260. Please sign and return this document to: Grants Administration, John S. and James L. Knight Foundation, 200 South Biscayne Blvd., Suite 3300, Miami, FL 33131-2349. The signed grant agreement can also be returned by emailing it to [grants@knightfoundation.org](mailto:grants@knightfoundation.org) or by uploading it to the Grant Agreement Requirement in Fluxx.

**JOHN S. AND JAMES L. KNIGHT FOUNDATION  
GRANT AGREEMENT  
ANNEX I**

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**GRANTEE:** Wikimedia Foundation Inc.

**GRANT ID:** GR-2015-51260

**AMOUNT:** \$250,000

**CONTACT:** Caitlin Virtue

**PURPOSE:** To advance new models for finding information by supporting stage one development of the Knowledge Engine by Wikipedia, a system for discovering reliable and trustworthy public information on the Internet.

**CHARITABLE PURPOSE:** The Wikimedia Foundation supports wikipedia and eight other wiki-based projects designed to enable people around the world to collaboratively develop educational materials for the benefit of all.





## Search Engine by Wikipedia Budget 2015-2016 (Board approved)

Position	Cost
8 Engineers (Software, Relevance, Services)	\$1,021,000
2 Data Analysts	\$180,000
4 Team Leads (Dir, VP, UX, PM)	\$586,000
Associated costs (20%) (Medical, equipment, travel)	\$357,400
Hardware	\$301,473
<b>Total</b>	<b>\$2,445,873</b>

The fiscal year runs from July 1, 2015 to June 30, 2016. If we see significant progress on the project during the first six months of the fiscal year, we may petition the Wikimedia Foundation Board of Trustees for permission to seek and spend additional resources in support of the project.

**Project Summary**

Organization: **Wikimedia Foundation**  
Recommended Amount: from **9/1/2015** to  
**8/31/2016** Total Project Cost: **\$2,445,873**  
Annual Operating Budget: **\$65,000,000**

**Purpose:** Knowledge Engine By Wikipedia is a federated knowledge engine that will give users the most reliable and most trustworthy public information channel on the web, applying fundamentals of transparent Wiki-based systems to surfacing the most relevant and important information. The funds requested are in support of Stage One of this project.

**1. Opportunity: What is the overall challenge being addressed? What is the proposed approach? And what evidence is there that this approach will work?**

Knowledge Engine By Wikipedia will democratize the discovery of media, news and information -- it will make the Internet's most relevant information more accessible and openly curated, and it will create an open data engine that's completely free of commercial interests. Today, commercial search engines dominate search-engine use of the Internet, and they're employing proprietary technologies to consolidate channels of access to the Internet's knowledge and information. Their algorithms obscure the way the Internet's information is collected and displayed. Knowledge Engine by Wikipedia upends this commercial structure by emphasizing six key areas: 1) Public curation mechanisms for quality; 2) Transparency, telling users exactly how the information originated; 3) Open data access to metadata, giving users the exact date source of the information; 4) Protected user privacy, with their searching protected by strict privacy controls; 5) No advertising, which assures the free flow of information and a complete separation from commercial interests; 6) Internalization, which emphasizes community building and the sharing of information instead of a top-down approach. Knowledge Engine by Wikipedia will be the Internet's first transparent search engine, and the first one originated by the Wikimedia Foundation.

**2. Strategy: How does the project align with Knight's mission, your portfolio goals, and other Knight funded projects?**

**3. Leadership: Why do you believe the team is well-positioned to succeed?**

The Wikimedia Foundation has a proven track record of leadership and innovation, and the staff overseeing Knowledge Engine by Wikipedia are among the most accomplished in their field:

**Lila Tretikov, Executive Director of the Wikimedia Foundation:** Ms. Tretikov is a widely respected technology figure who holds seven patents in intelligent data mapping and dynamic language applications. Last year, when *Forbes* magazine added Ms. Tretikov to its list of the world's 100 most powerful women, it praised her as a "technology leader" who has both smarts and vision. Before joining the Wikimedia Foundation in 2014, Ms. Tretikov spent eight years at the software company SugarCRM, where she held positions of increasing responsibility as the company grew, including chief product officer and chief technology officer.

**Wes Moran, Wikimedia Foundation Vice President, and Head of Search & Discovery:** Mr. Moran has two decades experience in product design and development, including interaction design, user interface, user experience, user-centered design, user research & testing, product management, design management, design systems, creative services leadership, and strategic planning. Before joining the Wikimedia Foundation in April 2015, Mr. Moran was Vice President of User Experience at SugarCRM, where he streamlined the company's software, which is used by 1.5 million people in 120 countries and 26 languages.

**Tomasz Finc, Wikimedia Foundation Director of Search and Discovery:** Working at the Wikimedia Foundation since 2008, Mr. Finc comes from his role as Director of Mobile and Features Engineering - a position from which he helped oversee Wikipedia's dramatic growth in mobile usage. From 2013, mobile pageviews went from 2 billion a month to 6.45 billion today, a growth of almost 225 percent. In that time, mobile pageviews have gone from 11 percent of Wikipedia's overall pageviews to 35 percent.

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#### **4. Activities: What are the key project activities?**

Knowledge Engine by Wikipedia has four key stages (Discovery, Advisory, Community, Extension), with each one taking 16-18 months to develop and transition into the overlapping stages. The Discovery stage has just begun, and is the stage for which the Wikimedia Foundation will use Knight funding. Over the next six months in this stage, the Wikimedia Foundation will:

- Utilize Key Performance Indicators (KPIs) to evaluate product iteration, and establish key understanding and feature development for prototypes.
- Conduct user tests based off mockup and prototypes for knowledge engine.
- Develop map tile service for knowledge engine prototypes.
- Develop natural language interface prototype from Wikidata Query Service.
- Develop prototypes for evolving wikipedia.org, which will become the home of the knowledge engine.
- Answer this targeted learning question: Would users go to Wikipedia if it were an open channel beyond an encyclopedia?
- Answer this targeted learning question: Can the Wikimedia Foundation get Wikipedia embedded via carriers and Original Equipment Manufacturers, and if so, what are the timelines and likelihood?
- Create a public-facing dashboard of key KPIs.
- Set goals and measure user satisfaction by analyzing key query-to-content flows.
- Set goals and measure user-perceived load time.
- Set goals and measure “no results rate.”
- Set goals and measure Application Programming Interface (API) usage

The Discovery phase will likely continue past December 31, 2015, but we will have explored these bulleted activities by the end of this year.

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## **5. Outcomes: What are the expected outcomes?**

The Discovery stage lays the foundation for the project. As this stage progresses, it will establish core relevancy, usage and performance metrics that help determine what is built. So among the expected results are metrics themselves. When the metrics are established, the foundation will be transparent about them, and will promote the transparency and anonymous approach it uses to derive those metrics. After 18 months of researching and testing, the results will include:

- Test results from exploring relevancy through a federation of open data sources, including structured data via Wikidata, and curation of that data with human and machine learning.
- Test results from research and user testing on current user flows.
- An improved search engine and API for Wikipedia searches.
- A public-facing dashboard of core metrics used in product development.
- A sample prototype on a small dataset to showcase possibilities.

After 12 months, the Wikimedia Foundation will assess the progress to these results. The larger impact of these results: The Wikimedia Foundation will have set the groundwork for Knowledge Engine by Wikipedia to proceed to its second stage, called “Advisory,” when the foundation will build a clear relationship with key advisors to foster the growth, advocacy and strength of the knowledge engine.

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## **6. Assessment: What are the critical ideas/assumptions that will be tested and what indicators will be tracked, by whom, and when?**

After 12 months, and then 18 months, the Wikimedia Foundation will measure the effectiveness of the Discovery stage on the stage's completeness - i.e., whether Wikipedia's own search engine and API are improved; how complete the dashboard's core metrics are around query-to-content flows, user-perceived load time, "no results rate," and API usage; and how concrete the sample prototype is. The biggest measure: Is Knowledge Engine by Wikipedia ready to proceed to its "Advisory" stage.

**7. Risks: What are the key challenges that could disrupt the project? And what will be done to optimize for success?**

<b>PRIOR KNIGHT CONTRIBUTIONS:</b>			
<b>Approved</b>	<b>Title</b>	<b>Amount</b>	<b>Program Area</b>
12/10/2012	For creating tools to deliver Wikipedia for free to users in the developing world	\$600,000	Media Innovation
12/5/2012	To support Wikimedia Foundation's operation of Wikipedia and other knowledge sharing platforms	\$250,000	Media Innovation

<b>PAYMENT SCHEDULE</b>	
<b>Due Date</b>	<b>Payment Amount (/index)</b>

**Risks:** Two challenges could disrupt the project:

1. Third-party influence or interference. Google, Yahoo or another big commercial search engine could suddenly devote resources to a similar project, which could reduce the success of the project. This is the biggest challenge, and an external one.
2. Sophisticated role hiring and team attrition. In the San Francisco Bay Area, hiring top engineering staff, and retaining them, is more challenging than ever because of competition from start-ups and established for-profit companies.

The main way to mitigate the first challenge: Proceed with the search engine project as deliberately as possible - which is what the Wikimedia Foundation is doing. The foundation is also optimizing the project for success by hiring engineers who are deeply motivated to work for a nonprofit with an important mission. We've always overcome this challenge, with engineers happy to join a work force that celebrates when people around the world get better access to knowledge.