

In response to ICANN's request for Public Interest Registry ("PIR") and the Internet Society ("ISOC") to publish information regarding the anticipated acquisition of PIR by Ethos Capital, LLC ("Ethos Capital"),¹ PIR, ISOC and Ethos Capital are taking the unprecedented step of releasing detailed information related to the transaction in the spirit of transparency and to address questions posed by some in the community relating to this change.

Today, we are publishing:

- PIR's Notice of Indirect Change of Control and Entity Conversion submitted to ICANN on 14 November 2019;
- ICANN's requests for additional information dated 9 December 2019; and
- PIR's responses to ICANN's requests for additional information provided to ICANN on 20 December 2019.

We are strong believers in the power of transparency and welcome this opportunity to provide additional information about this indirect change in control. We agree with ICANN's recommendation that it is in the public interest to publish as much information as possible, and we are publishing this response in coordination with ICANN's staff for release on the ICANN website. As one might reasonably expect in a transaction of this kind, there are some documents that are not appropriate for publication. PIR and Ethos Capital therefore relied on the principles set forth in ICANN's Documentary Information Disclosure Policy ("DIDP")² to assess what limited subset of the documents that we provided to ICANN would not be appropriate for publication. In applying ICANN's DIDP principles, only the following information is not included: the underlying equity purchase agreement, sensitive financial information, corporate organizational information, draft organizational documents, documentation provided to governmental entities and certain supporting contractual documents. To be clear, all of the identified documents are subject to specific confidentiality requirements and/or the DIDP principles, but were nonetheless provided to ICANN for review.

We will also be publishing in the coming days further documents describing the post-transaction commitments that we have made.

¹ <https://www.icann.org/en/system/files/correspondence/jeffrey-to-sullivan-nevett-09dec19-en.pdf> and <https://www.icann.org/news/blog/org-update>

² <https://www.icann.org/resources/pages/didp-2012-02-25-en>



1. PIR's Application for Indirect Change of Control, 14 November 2019

14 November 2019

VIA FEDEX AND ICANN NAMING SERVICES PORTAL

Internet Corporation for Assigned Names and Numbers
12025 E. Waterfront Drive, Suite 300
Los Angeles, CA 90094-2536
registrylegalnotices@icann.org

Re: Public Interest Registry – Notice of Indirect Change of Control and Entity Conversion

ICANN:

Public Interest Registry ("PIR") hereby provides ICANN with thirty (30) calendar days advance notice of its planned indirect change of control, described below, pursuant to Section 7.5 of each of the Registry Agreements between PIR and ICANN – a list of which is enclosed.

On 11 November 2019, PIR entered into an equity purchase agreement whereby Ethos Capital, LLC ("Ethos Capital"), acting through its affiliate Purpose Domains Direct, LLC, will, subject to the satisfaction of closing conditions, acquire 100% of the equity interests of PIR (the "Transaction"). A chart showing the current and post-Transaction structure of PIR is attached. PIR anticipates the closing of the Transaction to occur as soon as possible after the earlier of: (x) receipt of ICANN's consent to the Transaction or (y) the end of the required notice period under the Registry Agreements.

As part of and immediately before the consummation of the Transaction, PIR will undergo a statutory conversion and name change from Public Interest Registry to Public Interest Registry, LLC. The management and operations of PIR will remain unchanged throughout the process.

Ethos Capital is committed to furthering PIR's mission and values that have long distinguished it from other registries, including its deep commitment to community support and activities, high ethical standards, leadership in anti-abuse activities, and quality domain registrations. Ethos Capital also intends to create a PIR Stewardship Council, on which it will invite prominent and respected community members to serve, dedicated to upholding PIR's core founding values and providing continued support through a variety of community programs.



I trust we have provided all pertinent information, but please feel free to reach out if you have any questions or require additional information regarding this indirect change of control.

Sincerely,

PUBLIC INTEREST REGISTRY

A handwritten signature in blue ink, appearing to read "B. Cimbolic".

Brian Cimbolic
Vice President, General Counsel

cc: John Jeffrey john.jeffrey@icann.org
Cyrus Namazi cyrus.namazi@icann.org
Jon Nevett jon@pir.org



ICANN Registry Agreements with Public Interest Registry

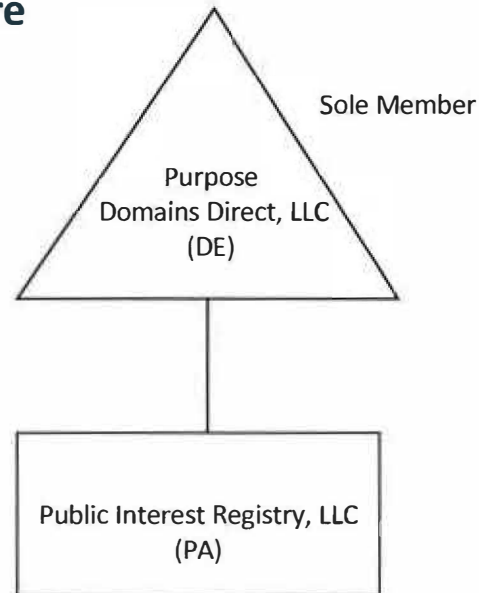
1. Registry Agreement, dated June 30, 2019, between ICANN and PIR, pursuant to which PIR operates .org.
2. Registry Agreement, dated March 6, 2014, by and between ICANN and PIR, as amended by the 2017 Global Amendment to Registry Agreements, effective as of July 31, 2017, pursuant to which PIR operates .ngo.
3. Registry Agreement, dated March 6, 2014, by and between ICANN and PIR, as amended by the 2017 Global Amendment to Registry Agreements, effective as of July 31, 2017, pursuant to which PIR operates .ong.
4. Registry Agreement, dated November 14, 2013, by and between ICANN and PIR as amended by Amendment No. 1, effective as of August 14, 2014, and further amended by the 2017 Global Amendment to Registry Agreements, effective as of July 31, 2017, pursuant to which PIR operates .xn--c1avg (Cyrillic script).
5. Registry Agreement, dated November 14, 2013, by and between ICANN and PIR as amended by Amendment No. 1, effective as of April 20, 2014, and further amended by the 2017 Global Amendment to Registry Agreements, effective as of July 31, 2017, pursuant to which PIR operates .xn--i1b6b1a6a2e (Devanagari script).
6. Registry Agreement, dated November 14, 2013, by and between ICANN and PIR as amended by the 2017 Global Amendment to Registry Agreements, effective as of July 31, 2017, pursuant to which PIR operates .xn--nqv7f (Chinese 2-character script).
7. Registry Agreement, dated November 14, 2013, by and between ICANN and PIR as amended by the 2017 Global Amendment to Registry Agreements, effective as of July 31, 2017, pursuant to which PIR operates .xn-nqv7fs00ema (Chinese 4-character script).



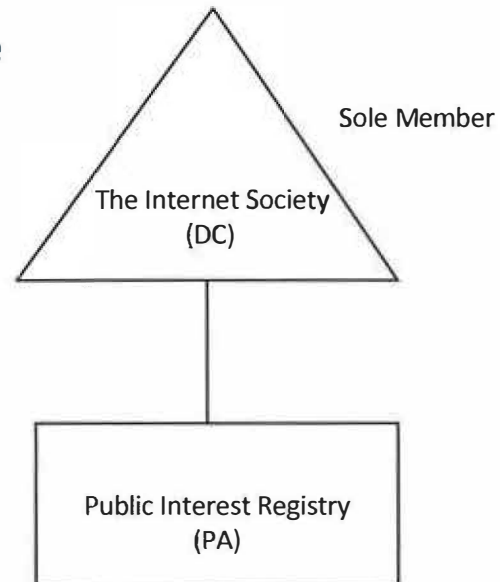
Ownership Structure

Attached

Planned PIR Ownership Structure



Previous PIR Ownership Structure



PIR Indirect Change of Control Information

The following information was submitted to ICANN on 14 November 2019 via the Naming Services Portal regarding the planned indirect change of control Public Interest Registry will undergo.

TLDs

1. .org
2. .ngo
3. .ong
4. .xn--c1avg
5. .xn--i1b6b1a6a2e
6. .xn--nqv7f
7. .xn-nqv7fs00ema

DUMs

1. .org - 10M
2. .ngo - 3,800
3. .ong - 3,800
4. .xn--c1avg - 1,100
5. .xn--nqv7f - 235
6. .xn--i1b6b1a6a2e – 78
7. .xn-nqv7fs00ema – N/A

Overview of Name Change and Conversion:

Public Interest Registry will undergo a legal conversion to Public Interest Registry, LLC, under Pennsylvania law - its place of domicile. This type of legal conversion is not an assignment. The converted entity is the same entity as it was before the conversion, just a different legal type.

As stated in the Pennsylvania Consolidated Statutes (15 Pa.C.S.A. § 356):

§ 356. Effect of conversion

(a) General rule.-- When a conversion becomes effective, all of the following apply:

(1) The converted association is:

(i) Organized under and subject to the organic law of the converted association.

(ii) The same association without interruption as the converting association.

(iii) Deemed to have commenced its existence on the date the converting association commenced its existence in the jurisdiction in which the converting association was first created, incorporated, formed or otherwise came into existence, except for purposes of determining how the converted association is taxed.

Upon conversion, the entity will be known as Public Interest Registry, LLC. We understand ICANN will want to paper the updated name, and trust that simple one-page document between the parties that acknowledges the name change should be sufficient to update the Registry Agreements.

Overview of Indirect Change of Control:

This transaction does not involve the assignment of assets, or a merger/consolidation, by a Registry Operator. Public Interest Registry will remain the Registry Operator under its Registry Agreements. Public Interest Registry, LLC, will undergo an indirect change of control at its member level, whereby Purpose Domains Direct, LLC, will acquire 100% of the equity interests in Public Interest Registry, LLC, from The Internet Society – the previous sole member of Public Interest Registry. A chart showing the previous and planned structure is included.

The directors of Purpose Domains Direct, LLC, are [REDACTED], [REDACTED], and [REDACTED]. The sole member of Purpose Domains Direct, LLC is Purpose Domains Holdings, LLC.

Entity Information for Purpose Domains Direct, LLC:

1. Legal form of the entity – LLC
2. The specific national or other jurisdiction under which the entity was formed - Delaware
3. Attach evidence of the assignee's establishment as the entity described above. – DE Certificate of Formation included.
4. If the assignee entity is publicly traded, provide the exchange and symbol. – N/A
5. If the assignee entity is a subsidiary, provide the parent company. – Ethos Capital, LLC is the controlling entity.
6. DE 7670477
7. Address and Contact Information: [REDACTED]
[REDACTED]

Control Information for Purpose Domains Direct, LLC:

1. Directors:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Directors each attest that none of the events listed in online application for change of control have occurred or are applicable.

2. Shareholder: sole member of Purpose Domains Direct, LLC is Purpose Domains Holdings, LLC.

Authorized Signatory:

Jonathon Nevett
CEO

[REDACTED]

[REDACTED]

[REDACTED]

There are no updates to the PIR / ICANN points of contact associated with this indirect change of control.

Change to Public Registry Contact Information:

Update Registry Operator name to Public Interest Registry, LLC. No other changes.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT
COPY OF THE CERTIFICATE OF FORMATION OF "PURPOSE DOMAINS
DIRECT, LLC", FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF
OCTOBER, A.D. 2019, AT 1:45 O'CLOCK P.M.



7670477 8100
SR# 20197717118

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 203860406
Date: 10-24-19

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:45 PM 10/24/2019
FILED 01:45 PM 10/24/2019
SR 20197717118 - File Number 7670477

**CERTIFICATE OF FORMATION
OF
PURPOSE DOMAINS DIRECT, LLC**

This Certificate of Formation is duly executed and filed by the undersigned, an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 *Del. C.* § 18-101, *et seq.*) (the “Act”).

I. The name of the limited liability company is “Purpose Domains Direct, LLC”.

II. The address of the limited liability company’s registered office in the State of Delaware is Corporation Service Company, 251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808. The name of the limited liability company’s registered agent for service of process in the State of Delaware at such address is Corporation Service Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of Purpose Domains Direct, LLC as of the 24th day of October, 2019.

By: /s/ Todd Boudreau
Todd Boudreau
Authorized Person

2. ICANN Request for Additional Information, 9 December 2019

We have completed an initial review of the submitted information and have a request for additional information. Pursuant to the .org Registry Agreement, responses should be provided within 15 days of the receipt of this request but please let us know if that creates a difficulty for you. Once all additional information is provided, ICANN has up to 30 days to review the materials.

COVER LETTER

1. This document states that "... before the consummation of the Transaction, PIR will undergo a statutory conversion and name change from Public Interest Registry to Public Interest Registry, LLC". If the conversion and entity name is changed before the change of control, then a Registry Operator name change must first be processed so that all submitted information for the change of control is consistent with the new name.
 - 1.1. We note that you stated, "we understand ICANN will want to paper the updated name, and trust that simple one-page document between the parties that acknowledges the name change should be sufficient to update the Registry Agreements." We have asked several clarifying questions below about the process by which PIR will be changing its legal form and legal name. Once provided, we will be able to provide direction about how to best process a name change request.

PROPOSED OWNERSHIP STRUCTURE AND INDIVIDUALS

Several entities are named in the submission. For the avoidance of doubt, please provide the following:

2. Two comprehensive corporate organizational charts:
 - 2.1. The first chart should reflect the current ownership (or membership) structure. The chart should indicate the percentage of ownership each entity or individual has within the others listed on the chart.
 - 2.2. The second chart should document the proposed post-transaction ownership structure. It must illustrate the relationship between all entities or individuals that will have any indirect or direct ownership/control over the registry operator as well as all affiliates (as defined in the Registry Agreement) of said entities. The chart should include the percentage of ownership each will have after the proposed transaction closes. Please ensure that this includes Ethos Capital, LLC and any entities controlling Ethos Capital (as "control" is defined in the Registry Agreement).
3. For each entity listed in the proposed post-transaction organization chart, please provide the full legal name, principal place of business, directors and officers, shareholders and percentage of ownership they each have. For each individual listed, please provide their position/title, full names, date of birth, country of birth and current country of residence.
4. For all entities and affiliates listed in the proposed post-transaction organization chart, provide proof of establishment.
5. Although the submitted documentation states that "none of the events listed in the online application for change of control have occurred or are applicable", a response for each specific question was not provided. Please provide a response for each of the following

questions related to the background for the proposed shareholders, entities or directors and officers named in number two above and indicate whether any of them:

- 5.1. Within the past ten years, has been convicted of any crime related to financial or corporate governance activities, or has been judged by a court to have committed fraud or breach of fiduciary duty, or has been the subject of a judicial determination that is the substantive equivalent of any of these.
- 5.2. Within the past ten years, has been disciplined by any government or industry regulatory body for conduct involving dishonesty or misuse of funds of others.
- 5.3. Within the past ten years has been convicted of any willful tax-related fraud or willful evasion of tax liabilities.
- 5.4. Within the past ten years has been convicted of perjury, forswearing, failing to cooperate with a law enforcement investigation, or making false statements to a law enforcement agency or representative.
- 5.5. Has ever been convicted of any crime involving the use of computers, telephony systems, telecommunications or the Internet to facilitate the commission of crimes.
- 5.6. Has ever been convicted of any crime involving the use of a weapon, force, or the threat of force.
- 5.7. Has ever been convicted of any violent or sexual offense victimizing children, the elderly, or individuals with disabilities.
- 5.8. Has ever been convicted of the illegal sale, manufacture, or distribution of pharmaceutical drugs, or been convicted or successfully extradited for any offense described in Article 3 of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.
- 5.9. Has ever been convicted or successfully extradited for any offense described in the United Nations Convention against Transnational Organized Crime (all Protocols).
- 5.10 Has been convicted, within the respective timeframes, of aiding, abetting, facilitating, enabling, conspiring to commit, or failing to report any of the listed crimes (i.e., within the past 10 years for crimes listed in (5.1) - (5.4) above, or ever for the crimes listed in (5.5) – (5.9) above).
- 5.11 Has entered a guilty plea as part of a plea agreement or has a court case in any jurisdiction with a disposition of Adjudicated Guilty or Adjudication Withheld (or regional equivalents) within the respective timeframes listed above for any of the listed crimes (i.e., within the past 10 years for crimes listed in (5.1) - (5.4) above, or ever for the crimes listed in (5.5) – (5.9) above).
- 5.12 Is the subject of a disqualification imposed by ICANN and in effect at the time of this application.
6. Cross-ownership information was not provided. Please disclose any cross-ownership interests in registrars and/or registrar resellers, that may exist for any of the entities named in the responses to number one and number two, (collectively, the “Cross-ownership Parties”) above, specifically:
 - 6.1. Is there any ownership interest the Cross-ownership Parties hold in any registrar or reseller of registered names?
 - 6.2. Is there any ownership interest that a registrar or reseller of registered names holds in the Cross-ownership Parties?
 - 6.3. Are there any relationships under common control with, control or controlled by any registrar or reseller of registered names?

- 6.4. If any of the above are Yes please explain. If referencing a registrar, please include an IANA ID.

Note: ICANN retains the right to refer any identified relationships to a competition authority prior to change of control of the Registry Operator if it is determined that any such cross-ownership interests could raise competition issues.

TRANSACTION DOCUMENTS AND INFORMATION

7. Please answer the following questions and provide any relevant documentation, if any:
Was PIR aware at any time during the negotiations and finalization of the renewal of the .org Registry Agreement (effective 30 June 2019) that ISOC was engaged in discussions for or planning the sale of PIR or its assets? To the best of your knowledge, was ISOC engaged in discussions for or planning the sale of PIR or its assets at the time of the renewal of the .org Registry Agreement?
8. Please provide a copy of the Equity Purchase Agreement, dated November 11, 2019, pursuant to which Ethos Capital is indirectly acquiring 100% of the equity interests of PIR, together with all ancillary agreements necessary to determine the effect of the proposed transaction.
9. Please provide a schedule detailing the allocation/distribution of the purchase price among interested parties, including owners, members and consultants. Please include information on how the transaction will be funded and how that will affect the financial state of PIR and its ability to operate a secure and stable registry and fund the initiatives recently announced to support the .org community going forward (for example, will PIR incur debt obligations in connection with the transaction).
10. Please provide copies of all filings made by PIR with the Pennsylvania Secretary of State to effect its conversion to an LLC.
11. Please provide a copy of the notice to the Pennsylvania Attorney General regarding the proposed sale to Ethos Capital, LLC, including all additional documents and information provided to the Pennsylvania Attorney General in connection with its review of the proposed sale.
12. Please provide the proposed organizational documents to be implemented for PIR post-closing.
13. Please provide relevant financial information (e.g. audited financial statements) and organizational documents of the post-transaction beneficial owner of PIR, confirming that PIR will maintain sufficient financial resources to fund operations, including financial statements of the ultimate parent entity of PIR following the consummation of the transaction.
14. Please provide a list of ongoing transaction-related litigation involving the transaction parties or their related entities.
15. Please provide a list of all entities or individuals that have a financial, beneficial or controlling interest in the transaction.
16. Please provide a list of all former directors, officers or employees of ICANN that you are aware of that are or have been involved in, have advised on or otherwise have an interest in the transaction.

17. Please provide a list of all current directors, officers or employees of ICANN, if any, that are or have been involved in, have advised on or otherwise have an interest in the transaction.

FINANCIAL QUESTIONS

18. Please provide the financial information requested in Exhibit A. Please consider the term “assignee” to refer to Public Interest Registry LLC.

TECHNICAL OPERATIONS

19. Please identify the current provider for each of the critical functions of the registry (as defined in Spec 10 of the Registry Agreement) and state whether there will be a change to the provider for each of the critical functions as a result of the proposed transaction.

THE .ORG COMMUNITY

20. In order to support PIR’s recent public statements about programs or initiatives to promote/protect the .org community, please provide any controls or representations in the transaction documents (or otherwise) in relation to protecting the .org community.
21. Please provide information on how PIR and the proposed new controlling entities of PIR address the original criteria evaluated in the designation of ISOC/PIR as the operator of .org. Please include reference to any controls or representations in the transaction documents (or otherwise) regarding these criteria. Please confirm whether any funds from the Verisign endowment remain available for use.

EVALUATION FEES

22. Please acknowledge that any fees associated with evaluation of this Assignment or Change of Control request must be paid before the request can be approved.

COMMUNITY INQUIRIES

23. We note the heavy interest of many members of the .org community and ask that you consider responding to the community questions attached as Exhibit B.

ATTESTATION OF FULL AND TRUTHFUL DISCLOSURE

24. We note that PIR attested to several conditions in the submission. However, we noticed that you did not attest to the following: “I attest that the requested change only affects the ownership or shareholder(s) of Registry Operator and the Registry Operator does not change.” Please provide an explanation for this omission.
25. Please include an attestation of full and truthful disclosure in the same manner as provided in the initial submission with respect to the additional information provided pursuant to this request.

EXHIBIT A

Provide responses to each of the questions below with attachments.

1. Financial Statements: provide
audited or independently certified financial statements for the most recently completed fiscal year for the assignee, and
audited or unaudited financial statements for the most recently ended interim financial period for the assignee for which this information may be released.

For newly-formed assignee, or where financial statements are not audited, provide:
the latest available unaudited financial statements; and
an explanation as to why audited or independently certified financial statements are not available.

At a minimum, the financial statements should be provided for the legal entity listed as the assignee.

Financial statements are used in the analysis of projections and costs. A complete answer should include:

balance sheet;
income statement;
statement of shareholders equity/partner capital;
cash flow statement, and
notes to the financial statements including the accounting standard used to prepare the statements.

2. Projections Template: provide financial projections for costs and funding using Template 1, Most Likely Scenario available at <http://newgtlds.icann.org/en/applicants/agb/fin-proj-template-28dec11-en.xls>. Note, if certain services are outsourced, reflect this in the relevant cost section of the template. The template is intended to provide commonality among gTLD applications and thereby facilitate the evaluation process.

A complete answer is expected to be no more than 10 pages in addition to the template.

3.(a) Costs and capital expenditures: in conjunction with the financial projections template, describe and explain:
the expected operating costs and capital expenditures of setting up and operating the proposed registry;
any functions to be outsourced, as indicated in the cost section of the template, and the reasons for outsourcing;
any significant variances between years in any category of expected costs; and
a description of the basis / key assumptions including rationale for the costs provided in the projections

template. This may include an executive summary or summary outcome of studies, reference data, or other steps taken to develop the responses and validate any assumptions made.

As described in the Applicant Guidebook, the information provided will be considered in light of the entire application and the evaluation criteria. Therefore, this answer should agree with the information provided in Template 1 to:

- 1) maintain registry operations,
- 2) provide registry services described above, and
- 3) satisfy the technical requirements described in the Demonstration of Technical & Operational Capability section. Costs should include both fixed and variable costs.

Answers must demonstrate a conservative estimate of costs based on actual examples of previous or existing registry operations with similar approach and projections for growth and costs or equivalent. Attach reference material for such examples.

A complete answer is expected to be no more than 10 pages.

3.(b) Describe anticipated ranges in projected costs. Describe factors that affect those ranges.

A complete answer is expected to be no more than 10 pages.

4.(a) Funding and Revenue: Funding can be derived from several sources (e.g., existing capital or proceeds/revenue from operation of the proposed registry).

Describe:

I. How existing funds will provide resources for both:

- a) start-up of operations, and
- b) ongoing operations;

II. the revenue model including projections for transaction volumes and price (if the assignee does not intend to rely on registration revenue in order to cover the costs of the registry's operation, it must clarify how the funding for the operation will be developed and maintained in a stable and sustainable manner);

III. outside sources of funding (the assignee must, where applicable, provide evidence of the commitment by the party committing the funds). Secured vs unsecured funding should be clearly identified, including associated sources of funding (i.e., different types of funding, level and type of security/collateral, and key items) for each type of funding;

IV. Any significant variances between years in any category of funding and revenue; and

V. A description of the basis / key assumptions including rationale for the funding and revenue provided in the projections template. This may include an executive summary or summary

outcome of studies, reference data, or other steps taken to develop the responses and validate any assumptions made; and

VI. Assurances that funding and revenue projections cited in this application are consistent with other public and private claims made to promote the business and generate support. Answers must demonstrate:

- A conservative estimate of funding and revenue; and
- Ongoing operations that are not dependent on projected revenue.

A complete answer is expected to be no more than 10 pages.

4.(b) Describe anticipated ranges in projected funding and revenue. Describe factors that affect those ranges.

A complete answer is expected to be no more than 10 pages

5.(a) Contingency Planning: describe your contingency planning:

Identify any projected barriers/risks to implementation of the business approach described in the application and how they affect cost, funding, revenue, or timeline in your planning; Identify the impact of any particular regulation, law or policy that might impact the Registry Services offering; and Describe the measures to mitigate the key risks as described in this question. A complete answer should include, for each contingency, a clear description of the impact to projected revenue, funding, and costs for the 3-year period presented in Template 1 (Most Likely Scenario).

Answers must demonstrate that action plans and operations are adequately resourced in the existing funding and revenue plan even if contingencies occur.

A complete answer is expected to be no more than 10 pages.

5.(b) Describe your contingency planning where funding sources are so significantly reduced that material deviations from the implementation model are required. In particular, describe: **how on-going technical requirements will be met; and what alternative funding can be reasonably raised at a later time. Provide an explanation if you do not believe there is any chance of reduced funding. Complete the financial projections Template 2, Worst Case Scenario available at <http://newgtlds.icann.org/en/applicants/agb/fin-proj-template-28dec11-en.xls>**

A complete answer is expected to be no more than 10 pages, in addition to the template.

5.(c) Describe your contingency planning where activity volumes so significantly exceed the high projections that material deviation from the implementation model are required. In particular, how will on-going technical requirements be met?

A complete answer is expected to be no more than 10 pages.

6.(a) Provide a cost estimate for funding critical registry functions on an annual basis, and a rationale for these cost estimates commensurate with the technical, operational, and financial approach described in the application.

The critical functions of a registry which must be supported even if a registry's business and/or funding fails are:

(1) DNS resolution for registered domain names

Assignee should consider ranges of volume of daily DNS queries (e.g., 0-100M, 100M-1B, 1B+), the incremental costs associated with increasing levels of such queries, and the ability to meet SLA performance metrics.

(2) Operation of the Shared Registration System

Assignee should consider ranges of volume of daily EPP transactions (e.g., 0-200K, 200K-2M, 2M+), the incremental costs associated with increasing levels of such queries, and the ability to meet SLA performance metrics.

(3) Provision of Whois service

Assignee should consider ranges of volume of daily Whois queries (e.g., 0-100K, 100k-1M, 1M+), the incremental costs associated with increasing levels of such queries, and the ability to meet SLA performance metrics for both web-based and port-43 services.

(4) Registry data escrow deposits

Assignee should consider administration, retention, and transfer fees as well as daily deposit (e.g., full or incremental) handling. Costs may vary depending on the size of the files in escrow (i.e., the size of the registry database).

(5) Maintenance of a properly signed zone in accordance with DNSSEC requirements.

Assignee should consider ranges of volume of daily DNS queries (e.g., 0-100M, 100M-1B, 1B+), the incremental costs associated with increasing levels of such queries, and the ability to meet SLA performance metrics.

List the estimated annual cost for each of these functions (specify currency used). A complete answer is expected to be no more than 10 pages.

EXHIBIT B

1. Are the stewardship measures proposed for the new PIR sufficient to protect the interests of the dot org community? What is missing?
2. What level of scope, authority and independence will the proposed Stewardship Council possess? Will dot org stakeholders have opportunities to weigh in on the selection of the Council and development of its bylaws and its relationship to PIR and Ethos?
3. What assurances can the dot org community have that Ethos and PIR will keep their promises regarding price increases? Will there be any remedy if these promises are not kept?
4. What mechanisms does PIR currently have in place to implement measures to protect free speech and other rights of domain holders under its revised contract, and will those mechanisms change in any way with the transfer of ownership and control? In particular, how will PIR handle requests from government actors?
5. When is the planned incorporation of PIR as a B corp? Are there any repercussions for Ethos and/or PIR if this incorporation does not take place?
6. What guarantees are in place to retain the unique character of the dot org as a home for non-commercial organizations, one of the important stewardship promises made by PIR when it was granted the registry?
7. Did ISOC receive multiple bids for PIR? If yes, what criteria in addition to price were used to review the bids? Were the ICANN criteria originally applied to dot org bidders in 2002 considered? If no, would ISOC consider other bids should the current proposal be rejected?
8. How long has Ethos committed to stay invested in PIR? Are there measures in place to ensure continued commitment to the answers above in the event of a resale?
9. What changes to ICANN's agreement with PIR should be made to ensure that dot org is maintained in a manner that serves the public interest, and that ICANN has recourse to act swiftly if it is not?

3. **PIR Response to ICANN's Request for Additional Information, 20 December 2019**

PIR's response to ICANN's request for additional information included the following information (along with other confidential information not published here).

- **PIR's planned statutory conversion and name change.**
 - The planned statutory conversion and associated name change of PIR will occur substantially simultaneously with closing of the Transaction. PIR has provided drafts for ICANN's prior review of the documentation regarding the statutory conversion and associated name change to be filed at closing. PIR also will promptly provide ICANN with finalized copies of such documents upon their submission to the Commonwealth of Pennsylvania.
 - We understand ICANN's published instructions to be that, if a name change occurs in conjunction with an indirect change of control, both the name change and the indirect change of control should be handled through the single indirect change of control process.³
 - As a matter of law, "Public Interest Registry, a Pennsylvania nonprofit corporation" will be the same entity as "Public Interest Registry, LLC." There will not be a "new" entity or "assignee" involved in this indirect change of control. The conversion will be effectuated pursuant to Subchapter E of Part I, Chapter 3, of Title 15 Pa.C.S.A. As a matter of law, Public Interest Registry, LLC, will be "the same association without interruption" as Public Interest Registry.⁴ All property of Public Interest Registry will continue to be vested in Public Interest Registry, LLC "without reversion or impairment, and the conversion shall not constitute a transfer of any of that property."⁵
 - All debts, obligations and other liabilities of Public Interest Registry will continue as debts, obligations and other liabilities of Public Interest Registry LLC as a matter of law.⁶ Any requests regarding the financials of Public Interest Registry, LLC are necessarily the same as requests for the financials of PIR.
 - PIR is providing financial information to fully demonstrate that the continued security of registry operations will not be in jeopardy by this Transaction in the spirit of full transparency. If anything, the infusion of outside resources only acts to strengthen PIR's position in the competitive marketplace.
 - PIR is a mature registry with known costs and base of revenue, rather than an applicant for a yet-to-be-launched gTLD without a proven track record. Many of the questions in Exhibit A are taken from the New gTLD Applicant Guidebook, some referencing "applicant" and the Applicant Guidebook. As such, many of the requests set forth in ICANN's Exhibit A do not apply to a fully functioning, legacy gTLD registry operator (e.g. startup operations, anticipated costs, projections, etc.). PIR trusts the financial information and other documentation

³ "If the change is the result of a direct or indirect change of control of the registry operator, the assigning registry operator needs to utilize the appropriate Assignment process." <https://www.icann.org/en/system/files/files/registry-operator-name-change-25sep17-en.pdf>

⁴ 15 Pa.C.S.A. 356(a)(1).

⁵ 15 Pa.C.S.A. 356(a)(2).

⁶ 15 Pa.C.S.A. 356(a)(3).

provided herein is sufficient to demonstrate its financial ability to continue to provide secure registry services.

- **Background of the proposed shareholders, entities or directors and officers of acquiror.**

- The ownership chart provided by PIR in its application for indirect change of control illustrates the current membership structure of PIR and the post-Transaction ownership structure. As indicated in the chart, The Internet Society is currently the sole member of PIR (i.e. 100% control).
- PIR and Purpose Domains Direct, LLC, the post-transaction direct parent of PIR, will each establish a Board of Managers with five seats (each, the “Board”). The Board will include the CEO of PIR (currently Jon Nevett), two seats selected by Ethos Capital, and two seats selected by one or more minority equity holders.⁷ The Board will act by majority vote (i.e. Ethos Capital together with the PIR CEO can control the management and affairs of PIR). None of the minority investors will have any special rights or preferences other than standard minority investor approval rights and preferences.
- The management team of PIR will remain in place and continue to operate the business of PIR in a manner consistent with past practices in furtherance of the .ORG community.
- The investors in this Transaction do not include any ICANN registry operators or registrars, nor is ABRY Partners an investor.
- The Internet Society (“ISOC”) has created a newly formed supporting organization, Connected Giving Foundation, a non-profit Pennsylvania entity (“CGF”), for which it serves as its sole member. CGF is expected to be a Section 501(c)(3) public charity. Prior to, but in tandem with the closing of the Transaction, CGF will become a member of PIR and upon the conversion of PIR to PIR LLC, ISOC will no longer be a member of PIR LLC, and CGF will be the sole member of PIR LLC. Immediately thereafter, CGF will then sell its 100% membership in PIR to Purpose Domains Direct, LLC. CGF’s purpose is to ensure the ongoing financial stability of ISOC, whose mission is to support and promote the development of the Internet around the world – an Internet that is open, globally- connected, secure and trustworthy and that is a resource to enrich people’s lives, and a force for good in society. With the funds generated by the Transaction and paid to CGF, ISOC will be well positioned to continue its charitable mission by investing in programs that build and support the communities that make the Internet work, advance the development and application of Internet infrastructure, technologies, and open standards, and advocate for policy that is consistent with its vision for the Internet.
- None of the entities or individuals listed herein have, within the past ten years, been convicted of any crime related to financial or corporate governance activities, or has been judged by a court to have committed fraud or breach of fiduciary duty, or has been the subject of a judicial determination that is the substantive equivalent of any of these.

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The contemplated Board has expanded from 3 to 5 seats from the original Notice filed to ICANN.

- None of the entities or individuals listed herein have, within the past ten years, been disciplined by any government or industry regulatory body for conduct involving dishonesty or misuse of funds of others.
 - None of the entities or individuals listed herein have, within the past ten years, been convicted of any willful tax-related fraud or willful evasion of tax liabilities.
 - None of the entities or individuals listed herein have, within the past ten years, been convicted of perjury, forswearing, failing to cooperate with a law enforcement investigation, or making false statements to a law enforcement agency or representative.
 - None of the entities or individuals listed herein have ever been convicted of any crime involving the use of computers, telephony systems, telecommunications or the Internet to facilitate the commission of crimes.
 - None of the entities or individuals listed herein have ever been convicted of any crime involving the use of a weapon, force, or the threat of force.
 - None of the entities or individuals listed herein have ever been convicted of any violent or sexual offense victimizing children, the elderly, or individuals with disabilities. None of the entities or individuals listed herein have ever been convicted of the illegal sale, manufacture, or distribution of pharmaceutical drugs, or been convicted or successfully extradited for any offense described in Article 3 of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.
 - None of the entities or individuals listed herein have ever been convicted or successfully extradited for any offense described in the United Nations Convention against Transnational Organized Crime (all Protocols).
 - None of the entities or individuals listed herein have been convicted of aiding, abetting, facilitating, enabling, conspiring to commit, or failing to report any of the listed crimes (i.e., within the past 10 years for crimes listed in (5.1) - (5.4) above, or ever for the crimes listed in (5.5) – (5.9) above).
 - None of the entities or individuals listed herein have, entered a guilty plea as part of a plea agreement or has a court case in any jurisdiction with a disposition of Adjudicated Guilty or Adjudication Withheld (or regional equivalents) within the respective timeframes listed above for any of the listed crimes (i.e., within the past 10 years for crimes listed in (5.1) - (5.4) above, or ever for the crimes listed in (5.5) – (5.9) above).
 - None of the entities or individuals listed herein to their respective knowledge are the subject of a disqualification imposed by ICANN and in effect at the time of this application.
- **PIR’s knowledge during the negotiations and finalization of the renewal of the .org Registry Agreement (effective 30 June 2019) that ISOC was engaged in discussions for or planning the sale of PIR or its assets.**
- No, PIR was not aware that ISOC was engaged in discussions regarding the potential sale of PIR or its assets at the time of the negotiation and finalization of the renewal of the .ORG Registry Agreement. The negotiations over the .ORG Registry Agreement were handled by PIR without ISOC involvement and ended in February

2019, with the final version of the ultimately signed agreement being posted for public comment on March 18, 2019. In July 2019, ISOC first informed PIR that ISOC had previously received offers for the purchase of PIR or its assets and had determined that such offers were not in the interests of ISOC or PIR. PIR was not made aware of those discussions at the time they occurred. In September 2019, ISOC informed PIR that ISOC had received an offer for PIR that ISOC was contemplating entertaining. PIR was not involved in any process ISOC may have run with regards to the potential sale of the .ORG registry prior to September 2019,

- **Transaction funding and its affect if any on the financial state of PIR and its ability to operate a secure and stable registry.**
 - The purchase price as publicly announced is \$1.135 billion, and will be financed through a combination of cash from equity partners and a \$360 million term loan facility entered into by lenders to Purpose Domains Direct, LLC, the borrower and post-transaction direct parent of PIR. These lenders are established U.S. financial institutions, each of which has in excess of \$50 billion in assets under management and none of which is affiliated with Ethos Capital. The final purchase price, taking into account standard adjustments and the payment of Transaction-related fees and expenses, all as set forth in the Equity Purchase Agreement, will be paid to CGF, the seller of the membership interests in PIR. ISOC is the sole member of CGF and will use the funds in furtherance its mission to support an open, globally-connected, secure, and trustworthy Internet.
 - PIR has sufficient operational cash flow to service the loan incurred by Purpose Domains Direct, LLC, to pay taxes, and to continue to operate a secure and stable registry and fund its recently announced initiatives to support the .ORG community. As you may know, PIR has contributed tens of millions of dollars annually to ISOC (contributions it will no longer be making to ISOC after the Transaction) in amounts more than twice that which will be required to service the debt obligations.
 - PIR anticipates that the shift in tax status from a non-profit entity to a for-profit entity will not adversely impact PIR's finances or its ability to provide registry services.
- **Financial Information demonstrating that PIR will maintain sufficient financial resources to fund operations:**
 - PIR is providing its most recent audited financial statement for 2018, along with its IRS Form 990.⁸ This information more than demonstrates that PIR has sufficient financial resources to fund operations post-Transaction. Given PIR's longevity and its known and solid financial performance over the past 16 years in operating the .ORG registry, information regarding an equity investor does not seem pertinent. PIR does not rely on its current equity owner for funding, and given its base of consistent revenue generation, will similarly not require funding post-Transaction. As demonstrated through the Form 990 (and each of PIR's previously Form 990s, all of

⁸ <https://thenew.org/org-people/about-pir/resources/990-annual-report/>

which are publicly available), PIR's revenue more than sustains its operations, a fact which will not change following the Transaction.

- We note that the registry operator is not changing in this indirect change of control per ICANN's requirements.⁹ PIR remains the registry operator and has the proven financial wherewithal to ensure the registry remains secure, reliable, and stable. Further, as illustrated in the documents provided herein, PIR is under no burdensome financial restrictions that would hinder its financial ability to continue to securely operate its registries. The amounts PIR currently contributes to ISOC will more than cover any debt obligations and taxes, and leave a substantial amount to invest in the growth of .ORG.

- **Any on-going litigation.**

- To PIR's knowledge, there are no ongoing transaction-related litigation matters involving the transaction.

- **Former directors, officers or employees of ICANN that are or have been involved in, have advised on or otherwise have an interest in the transaction.**

- Nora Abusitta-Ouri currently serves as the Chief Purpose Officer of Ethos Capital. Allen Grogan and Fadi Chehade are acting as advisors to Ethos Capital. Each of them is a former ICANN officer, and Fadi Chehade is a former ICANN Board member as well.
- Joe Abley is the current CTO of PIR, and former Director of DNS Operations at ICANN. Suzanne Woolf is a Senior Director at PIR and is a former ICANN Board member.

- **Current directors, officers or employees of ICANN, if any, that are or have been involved in, have advised on or otherwise have an interest in the transaction.**

- None.

- **Critical registry functions of the registry.**

- There will be no change to any of the critical functions of the registry. Afilias will continue to serve as PIR's back-end registry service provider and DNS provider for all of its TLDs. Iron Mountain will continue to act as PIR's escrow agent.

- **Programs or initiatives to promote/protect the .org community. ISOC/PIR's response to community interest.**

⁹ <https://www.icann.org/en/system/files/files/change-of-control-guide-13dec17-en.pdf>

- PIR and Ethos Capital hosted a webinar on December 19, 2019 to discuss safeguards and controls that will be implemented for the .ORG Community upon consummation of the Transaction, including a PIR Stewardship Council, a commitment to anchor PIR in a Public Benefit LLC, and a commitment on domain registration pricing codified in a Certificate of Formation. A copy of the slides from that webinar are provided, and the recording can be accessed here: <https://www.pscp.tv/w/1zqKVElpoXWxB>
- More information on Ethos' commitment to protecting the .ORG community can be found here: <https://www.keypointsabout.org/blog/strengthening-org-for-the-future>

- **Criteria of evaluation used by ISOC; availability of Verisign endowment.**

- PIR was informed by ISOC that it did not exclusively apply the 2002 ICANN assessment criteria for new gTLD applications, because several conditions in the registry environment have changed since then, and many of the criteria do not in fact apply to a fully functioning registry operator. PIR believes, and has been informed that ISOC also believes, that applicable criteria from 2002 are met by the proposed Transaction in the following ways:
 - Ethos Capital is well-positioned to preserve a stable, well-functioning .ORG registry. ISOC believes Ethos Capital plans to invest in PIR as evidenced by the fact they are paying a significant premium for PIR in order to be able to do so. Ethos Capital has announced that they plan to make no short-term changes to PIR's registry management, and have committed to maintaining existing relationships and agreements.
 - PIR's ability to comply with ICANN-developed policies remains unchanged.
 - Ethos Capital's involvement will increase competition for registration services, because Ethos Capital is another company joining the marketplace with the intent to offer enhanced services to the market. Ethos Capital intends to offer the market high- quality, competitive registry services with an attractive customer value proposition, as PIR has throughout its history.
 - The Transaction represents a commitment to differentiation of the .ORG TLD, and other TLDs that PIR operates, from the rest of the TLD marketplace. That appears to us to be the value in which Ethos Capital wishes to invest.
 - Over the years, PIR has adopted mechanisms for promoting their registries operation in a manner that is responsive to the needs, concerns, and views of the relevant Internet user community, such as the PIR Advisory Council. Those mechanisms were part of what Ethos Capital seemed to desire in PIR, and they have announced investment in such mechanisms.
- There was no requirement in the 2002 process that the .ORG Registry Operator be a non-profit itself.

- No funds remain available for use from the Verisign endowment.
- **Cross-ownership interests in registrars and/or registrar resellers.**
- This transaction will not trigger any cross-ownership for purposes of Section 2.9(b) of the Registry Agreement, i.e., PIR will not as a result of this transaction become an Affiliate or reseller of any ICANN accredited registrar.

Summary

PIR, ISOC, and Ethos Capital would like to take this opportunity to assure the .ORG community that there are no agreements in place pursuant to which we anticipate control being granted to any other entity or individual, and there are no springing rights that would be triggered by any future event that would make any minority investor a majority investor.

We commit to maintaining as much transparency as one might reasonably expect, consistent with the principles set forth in ICANN's DIDP.