Exhibit A25
Here are the ones I had comments on for our discussion.

Chris
New gTLD Program
Community Priority Evaluation Report
Report Date: 19 May 2014

Application ID: 1-880-17627
Applied-for String: LLC
Applicant Name: Dot Registry LLC

Overall Community Priority Evaluation Summary

Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation.

Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.

Panel Summary

Panel Summary

Overall Scoring

<table>
<thead>
<tr>
<th>Criteria</th>
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<th>Achievable</th>
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<tr>
<td>#1: Community Establishment</td>
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<tr>
<td>#2: Nexus between Proposed String and Community</td>
<td>3</td>
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<td>#3: Registration Policies</td>
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Minimum Required Total Score to Pass 14

Criterion #1: Community Establishment

1-A: Delineation

0/4 Point(s)

0/2 Point(s)

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the community demonstrates insufficient delineation, organization and pre-existence. The application received a score of 0 out of 2 points under criterion 1-A: Delineation.

Delineation

Two conditions must be met to fulfill the requirements for delineation: there must be a clear straightforward membership definition and there must be awareness and recognition of a community (as defined by the applicant) among its members.
The community defined in the application ("LLC") is:

Members of the community are defined as businesses registered as limited liability companies with the United States or its territories. Limited Liability Companies (LLCs) as they are commonly abbreviated, represent one of the most popular business entity structures in the US. LLC's commonly participate in acts of commerce, public services, and product creation.

An LLC is defined as a flexible form of enterprise that blends elements of partnership and corporate structures. It is a legal form of company that provides limited liability to its owners in the vast majority of United States jurisdictions. LLC's are a unique entity type because they are considered a hybrid, having certain characteristics of both a corporation and a partnership or sole proprietorship. LLC's are closely related to corporations in the sense that they participate in similar activities and provide limited liability to their partners. Additionally, LLC's share a key characteristic with partnerships through the availability of pass-through income taxation. LLC's are a more flexible entity type than a corporation and are often well suited for businesses owned by a single owner.

This community definition shows a clear and straightforward membership. While broad, the community is clearly delineated, as membership requires formal registration as a limited liability company with the relevant US state. In addition, limited liability companies must comply with US state law and show proof of best practice in commercial dealings to the relevant state authorities.

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability companies operate in vastly different sectors, which sometimes have little or no association with one another. Having the same legal business structure is not sufficient to forge a sense of community between limited liabilities. These limited liability companies would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the conditions to fulfill the requirements for delineation.

Organization
Two conditions must be met to fulfill the requirements for organization: these must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities.

The community as defined in the application does not have at least one entity mainly dedicated to the community. Although responsibility for corporate registration and the regulations pertaining to corporate formation are vested in each individual US state, these government agencies are fulfilling a function, rather than representing the community. In addition, the US states are not mainly dedicated to the community as they have other roles and functions beyond processing corporate registrations. According to the application, LLC's can be formed through any jurisdiction of the United States. Therefore members of this community exist in all 50 US states and its territories. LLC formation guidelines are dictated by state law and can vary based on each state's regulations. Persons form an LLC by filing required documents with the appropriate state authority, usually the Secretary of State. Most states require the filing of Articles of Organization. These are considered public documents and are similar to articles of incorporation, which establish a corporation as a legal entity. At minimum, the articles of organization give a brief description of the intended business purpose, the registered agent, and registered business address. LLC's are expected to conduct business in conjunction with the policies of the state in which they are formed, and the Secretary of State periodically evaluates LLC's level of good standing based on their commercial interactions with both the state and consumers.

The community as defined in the application does not have documented evidence of community activities. As there is no entity that is mainly dedicated to the community as defined in the LLC application, there is no
The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for organization.

Pre-existence

To fulfill the requirements for pre-existence, the community must have been active prior to September 2007 (when the new gTLD policy recommendations were completed).

The community as defined in the application was not active prior to September 2007. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

1-B Extension

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not demonstrate considerable size or longevity for the community. The application received a score of 0 out of 2 points under criterion 1-B: Extension.

Size

Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of a considerable size. The community for LLC as defined in the application is large in terms of number of members. According to the application:

With the number of registered LLCs in the United States totaling over five million in 2010 (as reported by the International Association of Commercial Administrators) it is hard for the average consumer to not conduct business with an LLC.

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability companies operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for size.

Longevity

Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application does not demonstrate longevity. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

1-B Extension

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not demonstrate considerable size or longevity for the community. The application received a score of 0 out of 2 points under criterion 1-B: Extension.

Size

Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of a considerable size. The community for LLC as defined in the application is large in terms of number of members. According to the application:

With the number of registered LLCs in the United States totaling over five million in 2010 (as reported by the International Association of Commercial Administrators) it is hard for the average consumer to not conduct business with an LLC.

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability companies operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for size.

Longevity

Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application does not demonstrate longevity. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.
as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” constituted merely to get a sought-after generic word as a gTLD string and, therefore, the pursuits of the LLC community are not of a lasting, non-transient nature.

Additionally, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability companies operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for longevity.

Criterion #2: Nexus between Proposed String and Community

2-A Nexus

The Community Priority Evaluation panel determined that the application did not meet the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook. The string identifies the community, but over-reaches substantially beyond the community. The application received a score of 0 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short-form or abbreviation of the community name. To receive a partial score for Nexus, the applied-for string must identify the community. “Identity” means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.

The applied-for string (.LLC) over-reaches substantially, as the string indicates a wider or related community of which the applicant is a part but is not specific to the applicant’s community. According to the application documentation:

“.LLC” was chosen as our gTLD string because it is the commonly used abbreviation for the entity type that makes up the membership of our community. In the English language, Limited Liability Company is primarily shortened to LLC when used to delineate business entity types. Since all of our community members are limited liability companies, we believed that “LLC” would be the simplest, most straightforward way to accurately represent our community.

LLC is a recognized abbreviation in all 50 states and US territories denoting the registration type of a business entity. Our research indicates that while other jurisdictions use LLC as a corporate identifier, their definitions are quite different and there are no other known associations or definitions of LLC in the English language.

While the string identifies the name of the community, it captures a wider geographical remit than the community has, as the corporate identifier is used in other jurisdictions (outside the US). Therefore, there is a substantial over-reach between the proposed string and community as defined by the applicant.

The Community Priority Evaluation panel determined that the applied-for string over-reaches substantially beyond the community. It therefore does not meet the requirements for Nexus.

2-B Uniqueness

The Community Priority Evaluation panel determined that the application did not meet the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook.
The string does not score a 2 or a 3 on Nexus. The application received a score of 0 out of 1 point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application does not demonstrate uniqueness as the string does not score a 2 or a 3 on Nexus and is therefore ineligible for a score of 1 for Uniqueness. The Community Priority Evaluation panel determined that the applied-for string does not satisfy the condition to fulfill the requirements for Uniqueness.

Criterion #3: Registration Policies

3-A Eligibility

The Community Priority Evaluation panel determined that the application met the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as eligibility is restricted to community members. The application received a maximum score of 1 point under criterion 3-A: Eligibility.

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of prospective registrants to community members. The application demonstrates adherence to this requirement by limiting eligibility to registered limited liability companies and by cross-referencing their documentation against the applicable US state's registration records in order to verify the accuracy of their application. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Eligibility.

3-B Name Selection

The Community Priority Evaluation panel determined that the application met the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as name selection rules are consistent with the articulated community-based purpose of the applied-for TLD. The application received a maximum score of 1 point under criterion 3-B: Name Selection.

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by outlining a comprehensive list of name selection rules, such as requirements that second level domain names should match or include a substantial part of the registrant’s legal name, and specifying that registrants will not be able to register product line registrations, amongst other requirements. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Name Selection.

3-C Content and Use

The Community Priority Evaluation panel determined that the application met the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the rules for content and use are consistent with the articulated community-based purpose of the applied-for TLD. The application received a maximum score of 1 point under criterion 3-C: Content and Use.

To fulfill the requirements for Content and Use, the registration policies must include rules for content and use for registrants that are consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by noting that all registrants must adhere to the content restrictions outlined in the applicant’s abuse policies. (Comprehensive details are provided in
The Community Priority Evaluation panel determined that the application did not meet the criterion for Enforcement as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the application provided specific enforcement measures but did not include appropriate appeal mechanisms. The application received a score of 0 out of 1 point under criterion 3-D: Enforcement.

Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeal mechanisms. The applicant outlined policies that include specific enforcement measures constituting a coherent set. However, the application did not outline an appeals process.

The Community Priority Evaluation panel determined that the application satisfies only one of the two conditions to fulfill the requirements for Enforcement.

Criterion #4: Community Endorsement 2/4 Point(s)

4-A Support 1/2 Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Support specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as there was documented support from at least one group with relevance. The application received a score of 1 out of 2 points under criterion 4-A: Support.

To receive the maximum score for Support, the applicant must have documented support from the recognized community institution(s)/member organization(s), or has otherwise documented authority to represent the community. “Recognize” means the institution(s)/organization(s) that, through membership or otherwise, are clearly recognized by the community members as representative of the community. To receive a partial score for Support, the applicant must have documented support from at least one group with relevance. “Relevance” refers to the communities explicitly and implicitly addressed.

The application included letters from a number of Secretaries of State of US states, which were considered to constitute support from groups with relevance, as each Secretary of State has responsibility for corporate registrations and the regulations pertaining to corporate formation in its jurisdiction. These entities are not the recognized community institution(s)/member organization(s), as these government agencies are fulfilling a function, rather than representing the community. The viewpoints expressed in these letters were not consistent across states. While several US states expressed clear support for the applicant during the Letters of Support verification process, others either provided qualified support, refrained from endorsing one particular applicant over another, or did not respond to the verification request. Letters of support from other entities did not meet the requirement for relevance based on the Applicant Guidebook criteria, as they were not from the recognized community institutions/member organizations. The Community Priority Evaluation Panel determined that the applicant partially satisfies the requirements for Support.

4-B Opposition 1/2 Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application received relevant opposition from one group of non-negligible size. The application received a score of 1 out of 2 points under criterion 4-B: Opposition.
To receive the maximum score for Opposition, the application must not have received any opposition of relevance. To receive a partial score for Opposition, the application must have received opposition from, at most, one group of non-negligible size.

The application received several letters of opposition, one of which was determined to be relevant opposition from an organization of non-negligible size. This opposition was from a community that was not identified in the application but which has an association to the applied-for string. Opposition was on the grounds that limiting registration to US registered corporations only would unfairly exclude non-US businesses. The remaining letters were either from groups/individuals of negligible size, or were not from communities which were not mentioned in the application but which have an association to the applied-for string. The Community Priority Evaluation Panel determined that the applicant partially satisfied the requirements for Opposition.

Disclaimer: Please note that these Community Priority Evaluation results do not necessarily determine the final result of the application. In limited cases the results might be subject to change. These results do not constitute a waiver or amendment of any provision of the Applicant Guidebook or the Registry Agreement. For updated application status and complete details on the program, please refer to the Applicant Guidebook and the ICANN New gTLDs microsite at <newgtlds.icann.org>.

Comment [A17]: The way I read this, is that its relevant because its from an organization of non-negligible size. I don't think that is the intention. Can we rephrase to say something to effect of a an organization with standing and of non-negligible size and perhaps even define the standing it has.
Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation.

Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.

Panel Summary

Overall Community Priority Evaluation Summary

Community Priority Evaluation Result | Did Not Prevail
--- | ---

Overall Community Priority Evaluation Summary

Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation.

Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.

Panel Summary

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<td>#2: Nexus between Proposed String and Community</td>
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<td>#3: Registration Policy</td>
<td>3</td>
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<td>#4: Community Endorsement</td>
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Minimum Required Total Score to Pass 14

Criterion #1: Community Establishment

1-A: Delineation

0/4 Point(s)

0/2 Point(s)

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the community demonstrates insufficient delineation, organization and pre-existence. The application received a score of 0 out of 2 points under criterion 1-A: Delineation.

Delineation

Two conditions must be met to fulfill the requirements for delineation: there must be a clear straightforward membership definition and there must be awareness and recognition of a community (as defined by the applicant) among its members.
The community defined in the application (“LLP”) is:

Members of the community are defined as businesses registered as Limited Liability Partnerships with the United States or its territories. Limited Liability Partnerships or (LLPs) as they are commonly abbreviated, are specifically designed to represent professional service businesses in the US. Limited Liability Partnerships are commonly adopted by businesses which focus on accounting, attorneys, architects, dentists, doctors and other fields treated as professionals under each state’s law.

A Limited Liability Partnership is defined as a partnership in which some or all partners (depending on jurisdiction) have limited liability. LLP’s therefore exhibit qualities of both partnerships and corporations. In an LLP, one partner is not responsible or liable for another partner’s misconduct or negligence. This distinction is why the LLP is a popular business entity amongst accountants, doctors, and lawyers, which deal heavily with issues that could inspire malpractice lawsuits.

This community definition shows a clear and straightforward membership. While broad, the community is clearly delineated, as membership requires formal registration as a limited liability partnership with the relevant US state (LLPs operate in about 40 US states). In addition, limited liability partnerships must comply with US state law and show proof of best practice in commercial dealings to the relevant state authorities.

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability partnerships operate in vastly different sectors, which sometimes have little or no association with one another. Having the same legal business structure is not sufficient to forge a sense of community between limited liability partnerships operating in different sectors of the economy. These limited liability partnerships would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for delineation.

Organization
Two conditions must be met to fulfill the requirements for organization: there must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities.

The community as defined in the application does not have at least one entity mainly dedicated to the community. Although responsibility for corporate registrations and the regulations pertaining to corporate formation are vested in each individual US state, these government agencies are fulfilling a function, rather than representing the community. In addition, the US states are not mainly dedicated to the community as they have other roles beyond processing corporate registrations. According to the application:

Limited Liability Partnerships can be formed through all but ten states in the United States. Therefore members of this community exist in close to forty US states. LLP formation guidelines are dictated by state law and can vary based on each state’s regulations. Persons form an LLP by filing required documents with the appropriate state authority, usually the Secretary of State.

The community as defined in the application does not have documented evidence of community activities. As there is no entity that is mainly dedicated to the community as defined in the LLP application, there is no documented evidence of community activities.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for organization.

Pre-existence
To fulfill the requirements for pre-existence, the community must have been active prior to September 2007.
(when the new gTLD policy recommendations were completed).

The community as defined in the application was not active prior to September 2007. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to a get-a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to a get-a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

1-B Extension

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not demonstrate considerable size or longevity for the community. The application received a score of 0 out of 2 points under criterion 1-B Extension.

Size

Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of a considerable size. The community, as defined in the application, is large in terms of number of members. According to the application, “LLP’s represent a small but prestigious sector of business in the United States.”

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability partnerships operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for size.

Longevity

Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application does not demonstrate longevity. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to a get-a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to a get-a sought-after generic word as a gTLD string and, therefore, the pursuits of the .LLP community are not of a lasting, non-transient nature.

Additionally, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability partnerships operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.
The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for longevity.

Criterion #2: Nexus between Proposed String and Community

2-A Nexus

0/4 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook. The string identifies the community, but over-reaches substantially beyond the community. The application received a score of 0 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short form or abbreviation of the community name. To receive a partial score for Nexus, the applied-for string must identify the community. “Identify” means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.

The applied-for string (LLP) over-reaches substantially, as the string indicates a wider or related community of which the applicant is a part but is not specific to the applicant's community. According to the application documentation:

“LLP” was chosen as our gTLD string because it is the commonly used abbreviation for the entity type that makes up the membership of our community. In the English language, Limited Liability Partnership is primarily shortened to LLP when used to denote business entity types.

LLP is a recognized abbreviation in all 50 states and U.S. territories denoting the registration type of a business entity. Our research indicates that LLP as corporate identifier is used in eleven other jurisdictions (Canada, China, Germany, Greece, India, Japan, Kazakhstan, Poland, Romania, Singapore, and the United Kingdom) though their formation regulations are different from the United States and their entity designations would not fall within the boundaries of our community definition.

While the string identifies the name of the community, it captures a wider geographical remit than the community has, as the corporate identifiers used in Poland, the UK, Canada and Japan, amongst others. Therefore, there is a substantial overreach between the proposed string and community as defined by the applicant.

The Community Priority Evaluation panel determined that the applied-for string over-reaches substantially beyond the community. It therefore does not meet the requirements for Nexus.

2-B Uniqueness

0/1 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the string does not score a 2 or a 3 on Nexus. The application received a score of 0 out of 1 point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application does not demonstrate uniqueness as the string does not score a 2 or a 3 on Nexus and is therefore ineligible for a score of 1 for Uniqueness. The Community Priority Evaluation panel determined that the applied-for string does not satisfy the conditions to fulfill the requirements for Uniqueness.
Criterion #3: Registration Policies

3-A Eligibility 3/4 Point(s)

The Community Priority Evaluation panel determined that the application met the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as eligibility is restricted to community members. The application received a maximum score of 1 point under criterion 3-A: Eligibility.

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of prospective registrants to community members. The application demonstrates adherence to this requirement by limiting eligibility to registered limited liability partnerships and by cross-referencing their documentation against the applicable US state’s registration records in order to verify the accuracy of their application. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Eligibility.

3-B Name Selection 1/1 Point(s)

The Community Priority Evaluation panel determined that the application met the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as name selection rules are consistent with the articulated community-based purpose of the applied-for gTLD. The application received a maximum score of 1 point under criterion 3-B: Name Selection.

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by outlining a comprehensive list of name selection rules, such as requirements that second level domain names should match or include a substantial part of the registrant’s legal name, and specifying that registrants will not be able to register product line registrations, amongst other requirements. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Name Selection.

3-C Content and Use 1/1 Point(s)

The Community Priority Evaluation panel determined that the application met the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the rules for content and use are consistent with the articulated community-based purpose of the applied-for gTLD. The application received a maximum score of 1 point under criterion 3-C: Content and Use.

To fulfill the requirements for Content and Use, the registration policies must include rules for content and use for registrants that are consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by noting that all registrants must adhere to the content restrictions outlined in the applicant’s abuse policies. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Content and Use.

3-D Enforcement 0/1 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Enforcement as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the application failed to demonstrate adherence to the required enforcement policies. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application does not satisfy the condition to fulfill the requirements for Enforcement.

Page 5
Guidebook as the application provided specific enforcement measures but did not include appropriate appeal mechanisms. The application received a score of 0 out of 1 point under criterion 3-D: Enforcement.

Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeals mechanisms. The applicant outlined policies that include specific enforcement measures constituting a coherent set. For example, if a registrant wrongfully applied for and was awarded a second level domain name, the right to hold this domain name will be immediately forfeited. (Comprehensive details are provided in Section 20 of the applicant documentation). However, the application did not outline an appeals process. The Community Priority Evaluation panel determined that the application satisfies only one of the two conditions to fulfill the requirements for Enforcement.

Criterion #4: Community Endorsement

4-A Support

To receive the maximum score for Support, the applicant is, or has documented support from, the recognized community institution(s)/member organization(s) or has otherwise documented authority to represent the community. “Recognized” means the institution(s)/organization(s) that, through membership or otherwise, are clearly recognized by the community members as representative of the community. To receive a partial score for Support, the applicant must have documented support from at least one group with relevance. “Relevance” refers to the community explicitly and implicitly addressed.

The Community Priority Evaluation panel determined that the applicant was not the recognized community institution(s)/member organization(s), nor did it have documented authority to represent the community, or documented support from a majority of the recognized community institution(s)/member organization(s). However, the applicant possesses documented support from at least one group with relevance and the documentation contained a description of the process and rationale used in arriving at the expression of support.

The application included letters from a number of Secretaries of State of US states, which were considered to constitute support from groups with relevance, as each Secretary of State has responsibility for corporate registrations and the regulations pertaining to corporate formation in its jurisdiction. These entities are not the recognized community institution(s)/member organization(s), as these government agencies are fulfilling a function, rather than representing the community. The viewpoints expressed in these letters were not consistent across states. While several US states expressed clear support for the applicant during the Letters of Support verification process, others either provided qualified support, refrained from endorsing one particular applicant over another, or did not respond to the verification request. Letters of support from other parties did not meet the requirement for relevance based on the Applicant Guidebook criteria, as they were not from the recognized community institutions/member organizations. The Community Priority Evaluation Panel determined that the applicant partially satisfies the requirements for Support.

4-B Opposition

1/2 Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application received relevant opposition from one group of non-negligible size. The application received a score of 1 out of 2 points under criterion 4-B: Opposition.
To receive the maximum score for Opposition, the application must not have received any opposition of relevance. To receive a partial score for Opposition, the application must have received opposition from, at most, one group of non-negligible size.

The application received several letters of opposition, one of which was determined to be relevant opposition from an organization of non-negligible size. This opposition was from a community that was not identified in the application but which has an association to the applied-for string. Opposition was on the grounds that limiting registration to US registered corporations only would unfairly exclude non-US businesses. The remaining letters were either from groups/individuals of negligible size, or were not from communities which were not mentioned in the application but which have an association to the applied-for string. The Community Priority Evaluation Panel determined that the applicant partially satisfied the requirements for Opposition.

Disclaimer: Please note that these Community Priority Evaluation results do not necessarily determine the final result of the application. In limited cases the results might be subject to change. These results do not constitute a waiver or amendment of any provision of the Applicant Guidebook or the Registry Agreement. For updated application status and complete details on the program, please refer to the Applicant Guidebook and the ICANN New gTLDs microsite at <newglds.icann.org>.
Exhibit A26
Hi

Russ and I reviewed the first 4 drafts (GMBH, LLC, LLP, INC) and had a few more comments. We really like several of the additional details you updated.

I've attached 3 documents with track changes on so you can see our comments.

- Many comments apply across reports. We tried not to repeat comments on each report.
- We are not sure all comments need to be addressed in the reports, but we should make sure that we are prepared to discuss at next week's briefing as we would expect similar questions to come up.
- You will see that there are a couple areas where we still are unsure about how best to capture the research and reasoning that led to the conclusion. We can expect that some of the subjective decisions will be questioned and we want to try to alleviate some of that by detailing some of what was done.
- We were also discussing how best to message the issue of clarifying construed community. Several applicants seem to have had trouble defining the community they are intending to serve and have instead defined a large group that includes members that are only peripherally relevant.

Confidential Third Party Information

Thanks

Chris

From: Christopher Bare <christopher.bare@icann.org>
Date: Thursday, May 29, 2014 4:48 PM
To: Christopher Bare <christopher.bare@icann.org>, Russ Weinstein <russ.weinstein@icann.org>
Cc: EIU Contact Information Redacted
Subject: Updated draft results (4)

Hi Chris and Russ,
I have attached the revised set of four corporate designation results (draft). We addressed most of your comments.

1. The term 'construed community' was not well received by the applicant community. We suggest a change to the term itself as well as additional explanation as to what is meant. Perhaps acknowledgement that while a group appears to exist/has existed for some time, the lack of an organizing or governing body .....does not meet requirements for the group to be considered a community......

Added in language from the AGB. Second paragraph under 4.2.3.
2. Criterion 1A - Delineation: Reference is made to the lack of at least one major entity dedicated to the community. **Would a large number of smaller entities qualify as a majority.** A reference to that effect and the fact that this was not represented in the application might help.

We will keep an open mind about fragmented communities.

3. Criterion 1A: Delineation: The report cites that lack of a dedicated entity leads to the lack of organized activities. **Can we elaborate?** What constitutes an organized activity. **Does the registering of a company with the Secretaries of State count as an activity?**

EIU feedback: too difficult to define such activities because of how they would vary across community. Moreover, it's not defined in the AGB, so the EIU decided not to add any clarification on this.

4. Criterion 2B - Uniqueness: There is reference to the string having other significant meaning. **Can we have an example (such as was provided in MLS) as to what other meanings might exist?**

Added examples where appropriate. If the applicant did not score a 2 or a 3 on Nexus, then they are ineligible for a score of 1 on Uniqueness and this is the explanation that we provided.

5. Criterion 3c - Content and Use: **Can we have an example or explanation as to how the applications Content and Use policies fall short of the requirements** (reference to GMBH)?

Yes, we added in more information on this.

6. Criterion 4 - Community Endorsement: We expect this section to get a lot of attention. More detail explaining the difference in the relevance of the letters of support would be helpful. For example an explanation that the letters form the SoS while somewhat relevant did carry as much weight due to the fact that they are not dedicated to the community but act as a regulator...etc.

We used the definitions provided in the AGB to add clarity on this section.

7. The term 'does not have awareness and recognition among its members' appears many times. **Can we do something to highlight this theme to bring it to the forefront.** This seems to be a critical part of every evaluation.

Already discussed-- likely difficult to add this.

Once you have the opportunity to take a second look, please feel free to provide feedback via phone or email that we can incorporate ahead of the meeting next week.
Best wishes,

EIU Contact Information
Redacted

Economist Intelligence Unit
Custom Research
   EIU Contact Information Redacted

Website: research.eiu.com

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New gTLD Program
Community Priority Evaluation Report
Report Date: 19 May 2014

Application ID: 1-880-35508
Applied-for String: LLP
Applicant Name: Dot Registry LLC

Overall Community Priority Evaluation Summary

Community Priority Evaluation Result: Did Not Prevail

Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation.

Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.

Panel Summary

Overall Scoring: 5 Point(s)

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<thead>
<tr>
<th>Criteria</th>
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<tr>
<td>#1: Community Establishment</td>
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<td>4</td>
</tr>
<tr>
<td>#2: Nexus between Proposed String and Community</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>#3: Registration Policies</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>#4: Community Endorsement</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
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<td>16</td>
</tr>
</tbody>
</table>

Minimum Required Total Score to Pass: 14

Criterion #1: Community Establishment 0/4 Point(s)

1-A Delineation 0/2 Point(s)

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the community demonstrates insufficient delineation, organization and pre-existence. The application received a score of 0 out of 2 points under criterion 1-A: Delineation.

Delineation

Two conditions must be met to fulfill the requirements for delineation: there must be a clear straightforward membership definition and there must be awareness and recognition of a community (as defined by the applicant) among its members.
The community defined in the application ("LLP") is:

Members of the community are defined as businesses registered as Limited Liability Partnerships with the United States or its territories. Limited Liability Partnerships or (LLPs) as they are commonly abbreviated, are specifically designed to represent professional service businesses in the US. Limited Liability Partnerships are commonly adopted by businesses which focus on: accounting, attorneys, architects, dentists, doctors and other fields treated as professionals under each state’s law….

A Limited Liability Partnership is defined as a partnership in which some or all partners (depending on jurisdiction) have limited liability. LLP’s therefore exhibit qualities of both partnerships and corporations. In an LLP, one partner is not responsible or liable for another partner’s misconduct or negligence. This distinction is why the LLP is a popular business entity amongst accountants, doctors, and lawyers; which deal heavily with issues that could inspire malpractice lawsuits.

This community definition shows a clear and straightforward membership. While broad, the community is clearly delineated, as membership requires formal registration as a limited liability partnership with the relevant US state (LLPs operate in about 40 US states). In addition, limited liability partnerships must comply with US state law and show proof of best practice in commercial dealings to the relevant state authorities.

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability partnerships operate in vastly different sectors, which sometimes have little or no association with one another. Having the same legal business structure is not sufficient to forge a sense of community between limited liability partnerships operating in different sectors of the economy. These limited liability partnerships would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for delineation.

Organization

Two conditions must be met to fulfill the requirements for organization: there must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities.

The community as defined in the application does not have at least one entity mainly dedicated to the community. Although responsibility for corporate registrations and the regulations pertaining to corporate formation are vested in each individual US state, these government agencies are fulfilling a function, rather than representing the community. In addition, the US states are not mainly dedicated to the community as they have other roles/functions beyond processing corporate registrations. According to the application:

Limited Liability Partnerships can be formed through all but ten states in the United States. Therefore members of this community exist in close to forty US states. LLP formation guidelines are dictated by state law and can vary based on each state’s regulations. Persons form an LLP by filing required documents with the appropriate state authority, usually the Secretary of State.

The community as defined in the application does not have documented evidence of community activities. As there is no entity that is mainly dedicated to the community as defined in the LLP application, there is no documented evidence of community activities.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for organization.

Pre-existence

To fulfill the requirements for pre-existence, the community must have been active prior to September 2007.
(when the new gTLD policy recommendations were completed).

The community as defined in the application was not active prior to September 2007. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to a get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to a get a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

1-B Extension

0/2 Point(s)

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not demonstrate considerable size or longevity for the community. The application received a score of 0 out of 2 points under criterion 1-B Extension.

Size

Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of a considerable size. The community for .LLP as defined in the application is large in terms of number of members. According to the application, “LLP’s represent a small but prestigious sector of business in the United States.”

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability partnerships operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for size.

Longevity

Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application does not demonstrate longevity. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to a get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to a get a sought-after generic word as a gTLD string and, therefore, the pursuits of the .LLP community are not of a lasting, non-transient nature.

Additionally, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability partnerships operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.
The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for longevity.

<table>
<thead>
<tr>
<th>Criterion #2: Nexus between Proposed String and Community</th>
<th>0/4 Point(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-A Nexus</td>
<td>0/3 Point(s)</td>
</tr>
</tbody>
</table>

The Community Priority Evaluation panel determined that the application did not meet the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook. The string identifies the community, but over-reaches substantially beyond the community. The application received a score of 0 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short-form or abbreviation of the community name. To receive a partial score for Nexus, the applied-for string must identify the community. “Identify” means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.

The applied-for string (.LLP) over-reaches substantially, as the string indicates a wider or related community of which the applicant is a part but is not specific to the applicant’s community. According to the application documentation:

".LLP" was chosen as our gTLD string because it is the commonly used abbreviation for the entity type that makes up the membership of our community. In the English language Limited Liability Partnership is primarily shortened to LLP when used to delineate business entity types…

LLP is a recognized abbreviation in all 50 states and US territories denoting the registration type of a business entity. Our research indicates that LLP as corporate identifier is used in eleven other jurisdictions (Canada, China, Germany, Greece, India, Japan, Kazakhstan, Poland, Romania, Singapore, and the United Kingdom) though their formation regulations are different from the United States and their entity designations would not fall within the boundaries of our community definition.

While the string identifies the name of the community, it captures a wider geographical remit than the community has, as the corporate identifier is used in Poland, the UK, Canada and Japan, amongst others. Therefore, there is a substantial over-reach between the proposed string and community as defined by the applicant.

The Community Priority Evaluation panel determined that the applied-for string over-reaches substantially beyond the community. It therefore does not meet the requirements for Nexus.

<table>
<thead>
<tr>
<th>2-B Uniqueness</th>
<th>0/1 Point(s)</th>
</tr>
</thead>
</table>

The Community Priority Evaluation panel determined that the application did not meet the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the string does not score a 2 or a 3 on Nexus. The application received a score of 0 out of 1 point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application does not demonstrate uniqueness as the string does not score a 2 or a 3 on Nexus and is therefore ineligible for a score of 1 for Uniqueness. The Community Priority Evaluation panel determined that the applied-for string does not satisfy the condition to fulfill the requirements for Uniqueness.
### Criterion #3: Registration Policies

<table>
<thead>
<tr>
<th>3-A Eligibility</th>
<th>1/1 Point(s)</th>
</tr>
</thead>
</table>

The Community Priority Evaluation panel determined that the application met the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as eligibility is restricted to community members. The application received a maximum score of 1 point under criterion 3-A: Eligibility.

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of prospective registrants to community members. The application demonstrates adherence to this requirement by limiting eligibility to registered limited liability partnerships and by cross-referencing their documentation against the applicable US state's registration records in order to verify the accuracy of their application. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Eligibility.

<table>
<thead>
<tr>
<th>3-B Name Selection</th>
<th>1/1 Point(s)</th>
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</thead>
</table>

The Community Priority Evaluation panel determined that the application met the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as name selection rules are consistent with the articulated community-based purpose of the applied-for TLD. The application received a maximum score of 1 point under criterion 3-B: Name Selection.

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by outlining a comprehensive list of name selection rules, such as requirements that second level domain names should match or include a substantial part of the registrant's legal name, and specifying that registrants will not be able to register product line registrations, amongst other requirements. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Name Selection.

<table>
<thead>
<tr>
<th>3-C Content and Use</th>
<th>1/1 Point(s)</th>
</tr>
</thead>
</table>

The Community Priority Evaluation panel determined that the application met the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the rules for content and use are consistent with the articulated community-based purpose of the applied-for TLD. The application received a maximum score of 1 point under criterion 3-C: Content and Use.

To fulfill the requirements for Content and Use, the registration policies must include rules for content and use for registrants that are consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by noting that all registrants must adhere to the content restrictions outlined in the applicant's abuse policies. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Content and Use.

<table>
<thead>
<tr>
<th>3-D Enforcement</th>
<th>0/1 Point(s)</th>
</tr>
</thead>
</table>

The Community Priority Evaluation panel determined that the application did not meet the criterion for Enforcement as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant...
Guidebook as the application provided specific enforcement measures but did not include appropriate appeal mechanisms. The application received a score of 0 out of 1 point under criterion 3-D: Enforcement.

Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeals mechanisms. The applicant outlined policies that include specific enforcement measures constituting a coherent set. For example, if a registrant wrongfully applied for and was awarded a second level domain name, the right to hold this domain name will be immediately forfeited. (Comprehensive details are provided in Section 20e of the applicant documentation). However, the application did not outline an appeals process. The Community Priority Evaluation panel determined that the application satisfies only one of the two conditions to fulfill the requirements for Enforcement.

Criterion #4: Community Endorsement 2/4 Point(s)

4-A Support 1/2 Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Support specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as there was documented support from at least one group with relevance. The application received a score of 1 out of 2 points under criterion 4-A: Support.

To receive the maximum score for Support, the applicant is, or has documented support from, the recognized community institution(s)/member organization(s), or has otherwise documented authority to represent the community. “Recognized” means the institution(s)/organization(s) that, through membership or otherwise, are clearly recognized by the community members as representative of the community. To receive a partial score for Support, the applicant must have documented support from at least one group with relevance. “Relevance” refers to the communities explicitly and implicitly addressed.

The Community Priority Evaluation panel determined that the applicant was not the recognized community institution(s)/member organization(s), nor did it have documented authority to represent the community, or documented support from a majority of the recognized community institution(s)/member organization(s). However, the applicant possesses documented support from at least one group with relevance and this documentation contained a description of the process and rationale used in arriving at the expression of support.

The application included letters from a number of Secretaries of State of US states, which were considered to constitute support from groups with relevance, as each Secretary of State has responsibility for corporate registrations and the regulations pertaining to corporate formation in its jurisdiction. These entities are not the recognized community institution(s)/member organization(s), as these government agencies are fulfilling a function rather than representing the community. The viewpoints expressed in these letters were not consistent across states. While several US states expressed clear support for the applicant during the Letters of Support verification process, others either provided qualified support, refrained from endorsing one particular applicant over another, or did not respond to the verification request. Letters of support from other entities did not meet the requirement for relevance based on the Applicant Guidebook criteria, as they were not from the recognized community institutions/member organizations. The Community Priority Evaluation Panel determined that the applicant partially satisfies the requirements for Support.

4-B Opposition 1/2 Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application received relevant opposition from one group of non-negligible size. The application received a score of 1 out of 2 points under criterion 4-B: Opposition.
To receive the maximum score for Opposition, the application must not have received any opposition of relevance. To receive a partial score for Opposition, the application must have received opposition from, at most, one group of non-negligible size.

The application received several letters of opposition, one of which was determined to be relevant opposition from an organization of non-negligible size. This opposition was from a community that was not identified in the application but which has an association to the applied-for string. Opposition was on the grounds that limiting registration to US registered corporations only would unfairly exclude non-US businesses. The remaining letters were either from groups/individuals of negligible size, or were not from communities which were not mentioned in the application but which have an association to the applied for string. The Community Priority Evaluation Panel determined that the applicant partially satisfied the requirements for Opposition.

Disclaimer: Please note that these Community Priority Evaluation results do not necessarily determine the final result of the application. In limited cases the results might be subject to change. These results do not constitute a waiver or amendment of any provision of the Applicant Guidebook or the Registry Agreement. For updated application status and complete details on the program, please refer to the Applicant Guidebook and the ICANN New gTLDs microsite at <newgtlds.icann.org>.
New gTLD Program
Community Priority Evaluation Report
Report Date: 19 May 2014

Application ID: 1-880-17627
Applied-for String: LLC
Applicant Name: Dot Registry LLC

Overall Community Priority Evaluation Summary

Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation.

Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.

Panel Summary

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<td>#4: Community Endorsement</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>16</td>
</tr>
</tbody>
</table>

Minimum Required Total Score to Pass 14

Criterion #1: Community Establishment

1-A Delineation

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the community demonstrates insufficient delineation, organization and pre-existence. The application received a score of 0 out of 2 points under criterion 1-A: Delineation.

Delineation
Two conditions must be met to fulfill the requirements for delineation: there must be a clear straightforward membership definition and there must be awareness and recognition of a community (as defined by the applicant) among its members.
The community defined in the application ("LLC") is:

Members of the community are defined as businesses registered as limited liability companies with the United States or its territories. Limited Liability Companies or (LLC’s) as they are commonly abbreviated, represent one of the most popular business entity structures in the US. LLC’s commonly participate in acts of commerce, public services, and product creation....

An LLC is defined as a flexible form of enterprise that blends elements of partnership and corporate structures. It is a legal form of company that provides limited liability to its owners in the vast majority of United States jurisdictions. LLC’s are a unique entity type because they are considered a hybrid, having certain characteristics of both a corporation and a partnership or sole proprietorship. LLC’s are closely related to corporations in the sense that they participate in similar activities and provide limited liability to their partners. Additionally, LLC’s share a key characteristic with partnerships through the availability of pass-through income taxation. LLC’s are a more flexible entity type than a corporation and are often well suited for businesses owned by a single owner.

This community definition shows a clear and straightforward membership. While broad, the community is clearly delineated, as membership requires formal registration as a limited liability company with the relevant US state. In addition, limited liability companies must comply with US state law and show proof of best practice in commercial dealings to the relevant state authorities.

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability companies operate in vastly different sectors, which sometimes have little or no association with one another. Having the same legal business structure is not sufficient to forge a sense of community between limited liability companies operating in different sectors of the economy. These limited liability companies would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for delineation.

Organization

Two conditions must be met to fulfill the requirements for organization: there must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities.

The community as defined in the application does not have at least one entity mainly dedicated to the community. Although responsibility for corporate registrations and the regulations pertaining to corporate formation are vested in each individual US state, these government agencies are fulfilling a function, rather than representing the community. In addition, the US states are not mainly dedicated to the community as they have other roles/functions beyond processing corporate registrations. According to the application:

LLC’s can be formed through any jurisdiction of the United States. Therefore members of this community exist in all 50 US states and its territories. LLC formation guidelines are dictated by state law and can vary based on each state’s regulations. Persons form an LLC by filing required documents with the appropriate state authority, usually the Secretary of State. Most states require the filing of Articles of Organization. These are considered public documents and are similar to articles of incorporation, which establish a corporation as a legal entity. At minimum, the articles of organization give a brief description of the intended business purposes, the registered agent, and registered business address. LLC’s are expected to conduct business in conjunction with the policies of the state in which they are formed, and the Secretary of State periodically evaluates a LLC’s level of good standing based on their commercial interactions with both the state and consumers.

The community as defined in the application does not have documented evidence of community activities. As there is no entity that is mainly dedicated to the community as defined in the LLC application, there is no...
documented evidence of community activities.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for organization.

Pre-existence
To fulfill the requirements for pre-existence, the community must have been active prior to September 2007 (when the new gTLD policy recommendations were completed).

The community as defined in the application was not active prior to September 2007. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

1-B Extension 0/2 Point(s)

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not demonstrate considerable size or longevity for the community. The application received a score of 0 out of 2 points under criterion 1-B: Extension.

Size
Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of a considerable size. The community for .LLC as defined in the application is large in terms of number of members. According to the application:

> With the number of registered LLC’s in the United States totaling over five million in 2010 (as reported by the International Association of Commercial Administrators) it is hard for the average consumer to not conduct business with an LLC.

However, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability companies operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for size.

Longevity
Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application does not demonstrate longevity. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to get a sought-after generic word
as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string and, therefore, the pursuits of the .LLC community are not of a lasting, non-transient nature.

Additionally, the community as defined in the application does not have awareness and recognition among its members. This is because limited liability companies operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for longevity.

**Criterion #2: Nexus between Proposed String and Community**

2-A Nexus  

0/3 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook. The string identifies the community, but over-reaches substantially beyond the community. The application received a score of 0 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short-form or abbreviation of the community name. To receive a partial score for Nexus, the applied-for string must identify the community. “Identify” means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.

The applied-for string (.LLC) over-reaches substantially, as the string indicates a wider or related community of which the applicant is a part but is not specific to the applicant’s community. According to the application documentation:

“.LLC” was chosen as our gTLD string because it is the commonly used abbreviation for the entity type that makes up the membership of our community. In the English language Limited Liability Company is primarily shortened to LLC when used to delineate business entity types. Since all of our community members are limited liability companies we believed that “.LLC” would be the simplest, most straightforward way to accurately represent our community.

LLC is a recognized abbreviation in all 50 states and US territories denoting the registration type of a business entity. Our research indicates that while other jurisdictions use LLC as a corporate identifier, their definitions are quite different and there are no other known associations or definitions of LLC in the English language.

While the string identifies the name of the community, it captures a wider geographical remit than the community has, as the corporate identifier is used in other jurisdictions (outside the US). Therefore, there is a substantial over-reach between the proposed string and community as defined by the applicant.

The Community Priority Evaluation panel determined that the applied-for string over-reaches substantially beyond the community. It therefore does not meet the requirements for Nexus.

2-B Uniqueness  

0/1 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant.
Guidebook as the string does not score a 2 or a 3 on Nexus. The application received a score of 0 out of 1 point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application does not demonstrate uniqueness as the string does not score a 2 or a 3 on Nexus and is therefore ineligible for a score of 1 for Uniqueness. The Community Priority Evaluation panel determined that the applied-for string does not satisfy the condition to fulfill the requirements for Uniqueness.

<table>
<thead>
<tr>
<th>Criterion #3: Registration Policies</th>
<th>3/4 Point(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-A Eligibility</td>
<td>1/1 Point(s)</td>
</tr>
</tbody>
</table>

The Community Priority Evaluation panel determined that the application met the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as eligibility is restricted to community members. The application received a maximum score of 1 point under criterion 3-A: Eligibility.

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of prospective registrants to community members. The application demonstrates adherence to this requirement by limiting eligibility to registered limited liability companies and by cross-referencing their documentation against the applicable US state’s registration records in order to verify the accuracy of their application. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Eligibility.

| 3-B Name Selection                 | 1/1 Point(s) |

The Community Priority Evaluation panel determined that the application met the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as name selection rules are consistent with the articulated community-based purpose of the applied-for gTLD. The application received a maximum score of 1 point under criterion 3-B: Name Selection.

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by outlining a comprehensive list of name selection rules, such as requirements that second level domain names should match or include a substantial part of the registrant’s legal name, and specifying that registrants will not be able to register product line registrations, amongst other requirements. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Name Selection.

| 3-C Content and Use                | 1/1 Point(s) |

The Community Priority Evaluation panel determined that the application met the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the rules for content and use are consistent with the articulated community-based purpose of the applied-for TLD. The application received a maximum score of 1 point under criterion 3-C: Content and Use.

To fulfill the requirements for Content and Use, the registration policies must include rules for content and use for registrants that are consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by noting that all registrants must adhere to the content restrictions outlined in the applicant’s abuse policies. (Comprehensive details are provided in
Section 20e of the applicant documentation. The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Content and Use.

### 3-D Enforcement

0/1 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Enforcement as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the application provided specific enforcement measures but did not include appropriate appeal mechanisms. The application received a score of 0 out of 1 point under criterion 3-D: Enforcement.

Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeals mechanisms. The applicant outlined policies that include specific enforcement measures constituting a coherent set. For example, if a registrant wrongfully applied for and was awarded a second level domain name, the right to hold this domain name will be immediately forfeited. (Comprehensive details are provided in Section 20e of the applicant documentation). However, the application did not outline an appeals process. The Community Priority Evaluation panel determined that the application satisfies only one of the two conditions to fulfill the requirements for Enforcement.

### Criterion #4: Community Endorsement

2/4 Point(s)

#### 4-A Support

1/2 Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Support specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as there was documented support from at least one group with relevance. The application received a score of 1 out of 2 points under criterion 4-A: Support.

To receive the maximum score for Support, the applicant is, or has documented support from, the recognized community institution(s)/member organization(s), or has otherwise documented authority to represent the community. “Recognized” means the institution(s)/organization(s) that, through membership or otherwise, are clearly recognized by the community members as representative of the community. To receive a partial score for Support, the applicant must have documented support from at least one group with relevance. “Relevance” refers to the communities explicitly and implicitly addressed.

The application included letters from a number of Secretaries of State of US states, which were considered to constitute support from groups with relevance, as each Secretary of State has responsibility for corporate registrations and the regulations pertaining to corporate formation in its jurisdiction. These entities are not the recognized community institution(s)/member organization(s), as these government agencies are fulfilling a function, rather than representing the community. The viewpoints expressed in these letters were not consistent across states. While several US states expressed clear support for the applicant during the Letters of Support verification process, others either provided qualified support, refrained from endorsing one particular applicant over another, or did not respond to the verification request. Letters of support from other entities did not meet the requirement for relevance based on the Applicant Guidebook criteria, as they were not from the recognized community institutions/member organizations. The Community Priority Evaluation Panel determined that the applicant partially satisfies the requirements for Support.

#### 4-B Opposition

1/2 Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application received relevant opposition from one group of non-negligible size. The application received a score of 1 out of 2 points under criterion 4-B: Opposition.
To receive the maximum score for Opposition, the application must not have received any opposition of relevance. To receive a partial score for Opposition, the application must have received opposition from, at most, one group of non-negligible size.

The application received several letters of opposition, one of which was determined to be relevant opposition from an organization of non-negligible size. This opposition was from a community that was not identified in the application but which has an association to the applied-for string. Opposition was on the grounds that limiting registration to US registered corporations only would unfairly exclude non-US businesses. The remaining letters were either from groups/individuals of negligible size, or were not from communities which were not mentioned in the application but which have an association to the applied for string. The Community Priority Evaluation Panel determined that the applicant partially satisfied the requirements for Opposition.

Disclaimer: Please note that these Community Priority Evaluation results do not necessarily determine the final result of the application. In limited cases the results might be subject to change. These results do not constitute a waiver or amendment of any provision of the Applicant Guidebook or the Registry Agreement. For updated application status and complete details on the program, please refer to the Applicant Guidebook and the ICANN New gTLDs microsite at <newgtlds.icann.org>.
Exhibit A27
Hi Chris,

Back to you. All changes were made in track changes so that you can easily review. We've also responded to some of your comments in comment boxes.

Best wishes,

Hilary

On 2 June 2014 21:23, Christopher Bare <christopher.bare@icann.org> wrote:

For INC, the changes should be the same as the others. The only reason we didn’t mark up that document was that the recommendations were identical.

Thanks

Chris
Hi Chris,

I've made the suggested changes and sent along to Leila for a review to make sure I captured everything. Quick question: is there a reason why you didn't send back .INC? Should we make the same changes for that evaluation?

Best wishes,

EIU Contact Information Redacted

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On 2 June 2014 12:07, EIU Contact Information Redacted wrote:
Thanks, Chris. I will look through and let you know of any questions and next steps.

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On 30 May 2014 17:34, Christopher Bare <christopher.bare@icann.org> wrote:

Privileged and Confidential.

Russ and I reviewed the first 4 drafts (GMBH, LLC, LLP, INC) and had a few more comments. We really like several of the additional details you updated.

I've attached 3 documents with track changes on so you can see our comments.

- Many comments apply across reports. We tried not to repeat comments on each report.
- We are not sure all comments need to be addressed in the reports, but we should make sure that we are prepared to discuss at next week's briefing as we would expect similar questions to come up.
- You will see that there are a couple areas where we still are unsure about how best to capture the research and reasoning that led to the conclusion. We can expect that some of the subjective decisions will be questioned and we want to try to alleviate some of that by detailing some of what was done.
- We were also discussing how best to message the issue of clarifying construed community. Several applicants seem to have had trouble defining the community they are intending to serve and have instead defined a large group that includes members that are only peripherally relevant.

Confidential Third Party Information
Hi Chris and Russ,

I have attached the revised set of four corporate designation results [draft]. We addressed most of your comments.

1. The term 'construed community' was not well received by the applicant community. We suggest a change to the term itself as well as additional explanation as to what is meant. Perhaps acknowledgement that while a group appears to exist/has existed for some time, the lack of an organizing or governing body does not meet requirements for the group to be considered a community.

Added in language from the AGB. Second paragraph under 4.2.3.

2. Criterion 1A- Delineation: Reference is made to the lack of at least one major entity dedicated to the community. Would a large number of smaller entities qualify as a majority. A reference to that effect and the fact that this was not represented in the application might help.

We will keep an open mind about fragmented communities.

3. Criterion 1A: Delineation: The report cites that lack of a dedicated entity leads to the lack of organized activities. Can we elaborate? What constitutes an organized activity. Does the registering of a company with the Secretaries of State count as an activity?

EIU feedback: too difficult to define such activities because of how they would vary across community. Moreover, it's not defined in the AGB, so the EIU decided not to add any clarification on this.

4. Criterion 2B- Uniqueness: There is reference to the string having other significant meaning. Can we have an example (such as was provided in MLS) as to what other meanings might exist?
Added examples where appropriate. If the applicant did not score a 2 or a 3 on Nexus, then they are ineligible for a score of 1 on Uniqueness and this is the explanation that we provided.

5. Criterion 3c- Content and Use: can we have an example or explanation as to how the applications Content and Use policies fall short of the requirements (reference to GMBH)?

Yes, we added in more information on this.

6. Criterion 4- Community Endorsement: We expect this section to get a lot of attention. More detail explaining the difference in the relevance of the letters of support would be helpful. For example an explanation that the letters form the SoS while somewhat relevant did carry as much weight due to the fact that they are not dedicated to the community but act as a regulator...etc.

We used the definitions provided in the AGB to add clarity on this section.

7. The term 'does not have awareness and recognition among its members' appears many times. Can we do something to highlight this theme to bring it to the forefront. This seems to be a critical part of every evaluation.

Already discussed-- likely difficult to add this.

Once you have the opportunity to take a second look, please feel free to provide feedback via phone or email that we can incorporate ahead of the meeting next week.

Best wishes,

Economist Intelligence Unit
Custom Research

Website: research.eiu.com

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New gTLD Program
Community Priority Evaluation Report
Report Date: 19 May 2014

Application ID: 1-880-17627
Applied-for String: LLC
Applicant Name: Dot Registry LLC

Overall Community Priority Evaluation Summary

<table>
<thead>
<tr>
<th>Community Priority Evaluation Result</th>
<th>Did Not Prevail</th>
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</tr>
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</table>

Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation.

Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.

Panel Summary

### Overall Scoring 5 Point(s)

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<tr>
<th>Criteria</th>
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<td>4</td>
</tr>
<tr>
<td>#2: Nexus between Applied-for String and Community</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>#3: Registration Eligibility</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>#4: Community Endorsement</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
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<td>16</td>
</tr>
</tbody>
</table>

Minimum Required Total Score to Pass 14

### Criterion #1: Community Establishment

**0/4 Point(s)**

1-A: Delineation

**0/2 Point(s)**

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the community demonstrates insufficient delineation, organization and pre-existence. The application received a score of 0 out of 2 points under criterion 1-A: Delineation.

Delineation

Two conditions must be met to fulfill the requirements for delineation: there must be a clear straightforward membership definition and there must be awareness and recognition of a community (as defined by the applicant) among its members.
The community defined in the application ("LLC") is:

Members of the community are defined as businesses registered as limited liability companies with the United States or its territories. Limited Liability Companies or (LLC's) as they are commonly abbreviated, represent one of the most popular business entity structures in the US. LLC's commonly participate in acts of commerce, public services, and product creation.

An LLC is defined as a flexible form of enterprise that blends elements of partnership and corporate structures. It is a legal form of company that provides limited liability to its owners in the vast majority of United States jurisdictions. LLC's are a unique entity type because they are considered a hybrid, having certain characteristics of both a corporation and a partnership or sole proprietorship. LLC's are closely related to corporations in the sense that they participate in similar activities and provide limited liability to their partners. Additionally, LLC's share a key characteristic with partnerships through the availability of pass-through income taxation. LLC's are a more flexible entity type than a corporation and are often well suited for businesses owned by a single owner.

This community definition shows a clear and straightforward membership. While broad, the community is clearly delineated, as membership requires formal registration as a limited liability company with the relevant US state. In addition, limited liability companies must comply with US state law and show proof of best practice in commercial dealings to the relevant state authorities.

However, the community as defined in the application does not have awareness and recognition of a community among its members. This is because limited liability companies operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as an LLC. Based on the Panel's research, there is no evidence of LLC's from different sectors acting as a community as defined by the Applicant Guidebook. Having the same legal business structure is not sufficient to forge a sense of community between limited liability companies operating in different sectors of the economy. These limited liability companies would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation Panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for delineation.

Organization:
Two conditions must be met to fulfill the requirements for organization: there must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities.

The community as defined in the application does not have at least one entity mainly dedicated to the community. Although responsibility for corporate registrations and the regulations pertaining to corporate formation are vested in each individual US state, these government agencies are fulfilling a function, rather than representing the community. In addition, the offices of the Secretaries of State of US states are not mainly dedicated to the community as they have other roles and functions beyond processing corporate registrations. According to the application:

LLC's can be formed through any jurisdiction of the United States. Therefore members of this community exist in all 50 US states and its territories. LLC formation guidelines are dictated by state law and can vary based on each state's regulations. Persons form an LLC by filing required documents with the appropriate state authority, usually the Secretary of State. Most states require the filing of Articles of Organization. These are considered public documents and are similar to articles of incorporation, which establish a corporation as a legal entity. At minimum, the articles of organization give a brief description of the intended business purposes, the registered agent, and registered business address. LLC's are expected to conduct business in conjunction with the policies of the state in which they are formed, and the Secretary of State periodically evaluates a LLC's level
of good standing based on their commercial interactions with both the state and consumers.

The community as defined in the application does not have documented evidence of community activities. As there is no entity that is mainly dedicated to the community as defined in the LLC application, there is no documented evidence of community activities.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for organization.

Pre-existence
To fulfill the requirements for pre-existence, the community must have been active prior to September 2007 (when the new gTLD policy recommendations were completed).

The community as defined in the application was not active prior to September 2007. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

I-B Extension 0/2 Point(s)

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not demonstrate considerable size or longevity for the community. The application received a score of 0 out of 2 points under criterion 1-B: Extension.

Size
Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of a considerable size. The community for LLC as defined in the application is large in terms of number of members. According to the application:

With the number of registered LLC's in the United States totaling over five million in 2010 (as reported by the International Association of Commercial Administrators) it is hard for the average consumer to not conduct business with an LLC.

However, as previously stated the community as defined in the application does not have awareness and recognition of a community among its members. This is because limited liability companies operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as an LLC. Based on the Panel’s research, there is no evidence of LLCs from different sectors acting as a community as defined by the Applicant Guidebook. These limited liability companies would therefore not associate themselves with being part of the community as defined by the applicant. This is because limited liability companies operate in different sectors, which sometimes have little or no association with one another, and having the same legal structure is not sufficient to forge a sense of community amongst them.

The Community Priority Evaluation panel determined that the community as defined in the application only
satisfies one of the two conditions to fulfill the requirements for size.

Longevity

Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application does not demonstrate longevity. As mentioned previously, the Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string and “false negatives” (not awarding priority to a qualified community application). Therefore, the pursuits of the LLC community are not of a lasting, non-transient nature.

Additionally, as previously stated, the community as defined in the application does not have awareness and recognition of a community among its members. This is because limited liability companies operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as a LLC. Based on the Panel’s research, there is no evidence of LLCs from different sectors acting as a community as defined by the AGB. These limited liability companies would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for longevity.

**Criterion #2: Nexus between Proposed String and Community**

| 2-A Nexus | 0/3 Points |

The Community Priority Evaluation panel determined that the application did not meet the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook. The string identifies the community, but over-reaches substantially beyond the community. The application received a score of 0 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short form or abbreviation of the community name. To receive a partial score for Nexus, the applied-for string must identify the community. “Identify” means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.

The applied-for string (LLC) over-reaches substantially, as the string indicates a wider or related community of which the applicant is a part but is not specific to the applicant’s community. According to the application documentation:

“LLC” was chosen as our gTLD string because it is the commonly used abbreviation for the entity type that makes up the membership of our community. In the English language Limited Liability Company is primarily shortened to LLC when used to delineate business entity types. Since all of our community members are limited liability companies we believed that “LLC” would be the simplest, most straightforward way to accurately represent our community.

LLC is a recognized abbreviation in all 50 states and US territories denoting the registration type of a business entity. The Panel’s research indicates that while other jurisdictions use LLC as a corporate identifier, their definitions are quite different and there are no other known associations or definitions of LLC in the English language.
While the string identifies the name of the community, it captures a wider geographical remit than the community has, as the corporate identifier is used in other jurisdictions (outside the US). Therefore, there is a substantial over-reach between the proposed string and community as defined by the applicant.

The Community Priority Evaluation panel determined that the applied-for string over-reaches substantially beyond the community. It therefore does not meet the requirements for Nexus.

2-B Uniqueness 0/1 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the string does not score a 2 or a 3 on Nexus. The application received a score of 0 out of 1 point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application does not demonstrate uniqueness as the string does not score a 2 or a 3 on Nexus and is therefore ineligible for a score of 1 for Uniqueness. The Community Priority Evaluation panel determined that the applied-for string does not satisfy the condition to fulfill the requirements for Uniqueness.

Criterion #3: Registration Policies 3/4 Point(s)

3-A Eligibility 1/1 Point(s)

The Community Priority Evaluation panel determined that the application met the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as eligibility is restricted to community members. The application received a maximum score of 1 point under criterion 3-A: Eligibility.

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of prospective registrants to community members. The application demonstrates adherence to this requirement by limiting eligibility to registered limited liability companies and by cross-referencing their documentation against the applicable US state’s registration records in order to verify the accuracy of their application. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Eligibility.

3-B Name Selection 1/1 Point(s)

The Community Priority Evaluation panel determined that the application met the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as name selection rules are consistent with the articulated community-based purpose of the applied-for gTLD. The application received a maximum score of 1 point under criterion 3-B: Name Selection.

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by outlining a comprehensive list of name selection rules, such as requirements that second level domain names should match or include a substantial part of the registrant’s legal name, and specifying that registrants will not be able to register product line registrations, amongst other requirements. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Name Selection.
The Community Priority Evaluation panel determined that the application met the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the rules for content and use are consistent with the articulated community-based purpose of the applied-for TLD. The application received a maximum score of 1 point under criterion 3-C: Content and Use.

To fulfill the requirements for Content and Use, the registration policies must include rules for content and use for registrants that are consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by noting that all registrants must adhere to the content restrictions outlined in the applicant's abuse policies. (Comprehensive details are provided in Section 20c of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Content and Use.

The Community Priority Evaluation panel determined that the application did not meet the criterion for Enforcement as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the application provided specific enforcement measures but did not include appropriate appeal mechanisms. The application received a score of 0 out of 1 point under criterion 3-D: Enforcement.

Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeals mechanisms. The applicant outlined policies that include specific enforcement measures constituting a coherent set. For example, if a registrant wrongly applied for and was awarded a second level domain name, the right to hold this domain name will be immediately forfeited. (Comprehensive details are provided in Section 20c of the applicant documentation). However, the application did not outline an appeals process. The Community Priority Evaluation panel determined that the application satisfies only one of the two conditions to fulfill the requirements for Enforcement.

The Community Priority Evaluation panel determined that the application partially met the criterion for Support specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as there was documented support from at least one group with relevance. The application received a score of 1 out of 2 points under criterion 4-A: Support.

To receive the maximum score for Support, the applicant is, or has documented support from, the recognized community institution(s)/member organization(s), or has otherwise documented authority to represent the community. "Recognized" means the institution(s)/organization(s) that, through membership or otherwise, are clearly recognized by the community members as representative of the community. To receive a partial score for Support, the applicant must have documented support from at least one group with relevance. "Relevance" refers to the communities explicitly and implicitly addressed.

The Community Priority Evaluation panel determined that the applicant was not the recognized community institution(s)/member organization(s), nor did it have documented authority to represent the community, or...
documented support from a majority of the recognized community institution(s)/member organization(s). However, the applicant possesses documented support from at least one group with relevance and this documentation contained a description of the process and rationale used in arriving at the expression of support.

The application included letters from a number of Secretaries of State of US states, which were considered to constitute support from groups with relevance, as each Secretary of State has responsibility for corporate registrations and the regulations pertaining to corporate formation in its jurisdiction. These entities are not the recognized community institution(s)/member organization(s), as these government agencies are fulfilling a function, rather than representing the community. The viewpoints expressed in these letters were not consistent across states. While several US states expressed clear support for the applicant during the Letters of Support verification process, others either provided qualified support, refrained from endorsing one particular applicant over another, or did not respond to the verification request. Letters of support from other entities did not meet the requirement for relevance based on the Applicant Guidebook criteria, as they were not from the recognized community institutions/member organizations. The Community Priority Evaluation Panel determined that the applicant partially satisfies the requirements for Support.

4-B Opposition

The Community Priority Evaluation panel determined that the application partially met the criterion for Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application received relevant opposition from one group of non-negligible size. The application received a score of 1 out of 2 points under criterion 4-B: Opposition.

To receive the maximum score for Opposition, the application must not have received any opposition of relevance. To receive a partial score for Opposition, the application must have received opposition from, at most, one group of non-negligible size.

The application received several letters of opposition, one of which was determined to be relevant opposition from an organization of non-negligible size. This opposition was from a community that was not identified in the application but which has an association to the applied-for string. Opposition was on the grounds that limiting registration to US registered corporations only would unfairly exclude non-US businesses. The remaining letters were either from groups/individuals of negligible size, or were not from communities which were not mentioned in the application but which have an association to the applied for string. The Community Priority Evaluation Panel determined that the applicant partially satisfied the requirements for Opposition.

Disclaimer: Please note that these Community Priority Evaluation results do not necessarily determine the final result of the application. In limited cases the results might be subject to change. These results do not constitute a waiver or amendment of any provision of the Applicant Guidebook or the Registry Agreement. For updated application status and complete details on the program, please refer to the Applicant Guidebook and the ICANN New gTLDs microsite at <newgtlds.icann.org>.
New gTLD Program  
Community Priority Evaluation Report  
Report Date: 19 May 2014

Application ID: 1-880-35508  
Applied-for String: LLP  
Applicant Name: Dot Registry LLC

Overall Community Priority Evaluation Summary

<table>
<thead>
<tr>
<th>Community Priority Evaluation Result</th>
<th>Did Not Prevail</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation. Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.

Panel Summary

<table>
<thead>
<tr>
<th>Overall Scoring</th>
<th>5 Point(s)</th>
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<tr>
<td>Criteria</td>
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<td>#1: Community Establishment</td>
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<tr>
<td>#2: Nexus between Proposed String and Community</td>
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</tr>
<tr>
<td>#3: Registration Eligibility</td>
<td>3</td>
</tr>
<tr>
<td>#4: Community Endorsement</td>
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<tr>
<td>Total</td>
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Minimum Required Total Score to Pass 14

<table>
<thead>
<tr>
<th>Criterion #1: Community Establishment</th>
<th>0/4 Point(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-A: Delineation</td>
<td>0/2 Point(s)</td>
</tr>
</tbody>
</table>

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the community demonstrates insufficient delineation, organization and pre-existence. The application received a score of 0 out of 2 points under criterion 1-A: Delineation.

Delineation  
Two conditions must be met to fulfill the requirements for delineation: there must be a clear straightforward membership definition and there must be awareness and recognition of a community (as defined by the applicant) among its members.
The community defined in the application ("LLP") is:

Members of the community are defined as businesses registered as Limited Liability Partnerships with the United States or its territories. Limited Liability Partnerships or (LLPs) as they are commonly abbreviated, are specifically designed to represent professional service businesses in the US. Limited Liability Partnerships are commonly adopted by businesses which focus on: accounting, attorneys, architects, dentists, doctors and other fields treated as professionals under each state's law.

A Limited Liability Partnership is defined as a partnership in which some or all partners (depending on jurisdiction) have limited liability. LLPs therefore exhibit qualities of both partnerships and corporations. In an LLP, one partner is not responsible or liable for another partner's misconduct or negligence. This distinction is why the LLP is a popular business entity amongst accountants, doctors, and lawyers; which deal heavily with issues that could inspire mal-practice lawsuits.

This community definition shows a clear and straightforward membership. While broad, the community is clearly delineated, as membership requires formal registration as a limited liability partnership with the relevant US state (LLPs operate in about 40 US states). In addition, limited liability partnerships must comply with US state law and show proof of best practice in commercial dealings to the relevant state authorities.

However, the community defined in the application does not have awareness and recognition of a community among its members. This is because limited liability partnerships operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as an LLP. Based on research, there is no evidence of LLPs from different sectors acting as a community as defined by the Applicant Guidebook. These limited liability partnerships would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for delineation:

Organization

Two conditions must be met to fulfill the requirements for organization: there must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities.

The community as defined in the application does not have at least one entity mainly dedicated to the community. Although responsibility for corporate registrations and the regulations pertaining to corporate formation are vested in each individual US state, these government agencies are fulfilling a function, rather than representing the community. In addition, the offices of the Secretaries of State of US states are not mainly dedicated to the community as they have other roles/functions beyond processing corporate registrations. According to the application:

Limited Liability Partnerships can be formed through all but ten states in the United States. Therefore members of this community exist in close to forty US states. LLP formation guidelines are dictated by state law and vary based on each state's regulations. Persons form an LLP by filing required documents with the appropriate state authority, usually the Secretary of State.

The community as defined in the application does not have documented evidence of community activities. As there is no entity that is mainly dedicated to the community as defined in the LLP application, there is no documented evidence of community activities.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for organization.
Pre-existence
To fulfill the requirements for pre-existence, the community must have been active prior to September 2007 (when the new gTLD policy recommendations were completed).

The community as defined in the application was not active prior to September 2007. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

1-B Extension

The Community Priority Evaluation panel determined that the community as defined in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not demonstrate considerable size or longevity for the community. The application received a score of 0 out of 2 points under criterion 1-B: Extension.

Size
Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of considerable size. The community for .LLP as defined in the application is large in terms of number of members. According to the application, “LLP’s represent a small but prestigious sector of business in the United States.”

However, as previously stated, the community as defined in the application does not have awareness and recognition of a community among its members. This is because limited liability partnerships operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as an LLP. Based on the research the Panel’s research, there is no evidence of LLPS from different sectors acting as a community as defined by the AGB. These limited liability partnerships would therefore not associate themselves with being a part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for size.

Longevity
Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application does not demonstrate longevity. As mentioned previously, according to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to get a sought-after generic word as a gTLD string and, therefore, the pursuits of the .LLP community are not of a lasting, non-transient nature.
Additionally, as previously stated, the community as defined in the application does not have awareness and recognition of a community among its members. This is because limited liability partnerships operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as an LLP. Based on our research, the Panel’s research, there is no evidence of LLPs from different sectors acting as a community as defined by the AGR. These limited liability partnerships would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for longevity.

### Criterion #2: Nexus between Proposed String and Community

#### 2-A Nexus

The Community Priority Evaluation panel determined that the application did not meet the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook. The string identifies the community, but over-reaches substantially beyond the community. The application received a score of 0 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short-form or abbreviation of the community name. To receive a partial score for Nexus, the applied-for string must identify the community. “Identify” means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.

The applied-for string (LLP) over-reaches substantially, as the string indicates a wider or related community of which the applicant is a part but is not specific to the applicant’s community. According to the application documentation:

"LLP" was chosen as our gTLD string because it is the commonly used abbreviation for the entity type that makes up the membership of our community. In the English language Limited Liability Partnership is primarily shortened to LLP when used to delineate business entity types…

LLP is a recognized abbreviation in all 50 states and US territories denoting the registration type of a business entity. Our research indicates that LLP as corporate identifier is used in eleven other jurisdictions (Canada, China, Germany, Greece, India, Japan, Kazakhstan, Poland, Romania, Singapore, and the United Kingdom) though their formation regulations are different from the United States and their entity designations would not fall within the boundaries of our community definition.

While the string identifies the name of the community, it captures a wider geographical remit than the community has, as the corporate identifier is used in Poland, the UK, Canada and Japan, amongst others. Therefore, there is a substantial over-reach between the proposed string and community as defined by the applicant.

The Community Priority Evaluation panel determined that the applied-for string over-reaches substantially beyond the community. It therefore does not meet the requirements for Nexus.

#### 2-B Uniqueness

The Community Priority Evaluation panel determined that the application did not meet the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the string does not score ≥ 2 or ≥ 3 on Nexus. The application received a score of 0 out of 1.
point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application does not demonstrate uniqueness as the string does not score a 2 or a 3 on Nexus and is therefore ineligible for a score of 1 for Uniqueness. The Community Priority Evaluation panel determined that the applied-for string does not satisfy the condition to fulfill the requirements for Uniqueness.

Criterion #3: Registration Policies

<table>
<thead>
<tr>
<th>3-A Eligibility</th>
<th>1/1 Point(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Community Priority Evaluation panel determined that the application met the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as eligibility is restricted to community members. The application received a maximum score of 1 point under criterion 3-A: Eligibility.</td>
<td></td>
</tr>
</tbody>
</table>

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of prospective registrants to community members. The application demonstrates adherence to this requirement by limiting eligibility to registered limited liability partnerships and by cross-referencing their documentation against the applicable US state’s registration records in order to verify the accuracy of their application. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Eligibility.

<table>
<thead>
<tr>
<th>3-B Name Selection</th>
<th>1/1 Point(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Community Priority Evaluation panel determined that the application met the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as name selection rules are consistent with the articulated community-based purpose of the applied-for gTLD. The application received a maximum score of 1 point under criterion 3-B: Name Selection.</td>
<td></td>
</tr>
</tbody>
</table>

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by outlining a comprehensive list of name selection rules, such as requirements that second-level domain names should match or include a substantial part of the registrant's legal name, and specifying that registrants will not be able to register product line registrations, amongst other requirements. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Name Selection.

<table>
<thead>
<tr>
<th>3-C Content and Use</th>
<th>1/1 Point(s)</th>
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<tbody>
<tr>
<td>The Community Priority Evaluation panel determined that the application met the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the rules for content and use are consistent with the articulated community-based purpose of the applied-for gTLD. The application received a maximum score of 1 point under criterion 3-C: Content and Use.</td>
<td></td>
</tr>
</tbody>
</table>

To fulfill the requirements for Content and Use, the registration policies must include rules for content and use for registrants that are consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by noting that all registrants must adhere to the content restrictions outlined in the applicant's abuse policies. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the
application satisfies the condition to fulfill the requirements for Content and Use.

### 3-D Enforcement  \(0/1\) Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Enforcement as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the application provided specific enforcement measures but did not include appropriate appeals mechanisms. The application received a score of 0 out of 1 point under criterion 3-D: Enforcement.

Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeals mechanisms. The applicant outlined policies that include specific enforcement measures constituting a coherent set. For example, if a registrant wrongfully applied for and was awarded a second level domain name, the right to hold this domain name will be immediately forfeited. (Comprehensive details are provided in Section 20 of the applicant documentation). However, the application did not outline an appeals process.

The Community Priority Evaluation panel determined that the application satisfies only one of the two conditions to fulfill the requirements for Enforcement.

### Criterion #4: Community Endorsement  \(2/4\) Point(s)

#### 4-A Support  \(1/2\) Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Support specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as there was documented support from at least one group with relevance. The application received a score of 1 out of 2 points under criterion 4-A: Support.

To receive the maximum score for Support, the applicant is, or has documented support from, the recognized community institution(s)/member organization(s), or has otherwise documented authority to represent the community. "Recognized" means the institution(s)/organization(s) that, through membership or otherwise, are clearly recognized by the community members as representative of the community. To receive a partial score for Support, the applicant must have documented support from at least one group with relevance. "Relevance" refers to the communities explicitly and implicitly addressed.

The Community Priority Evaluation panel determined that the applicant was not the recognized community institution(s)/member organization(s), nor did it have documented authority to represent the community, or documented support from a majority of the recognized community institution(s)/member organization(s). However, the applicant possesses documented support from at least one group with relevance and this documentation contained a description of the process and rationale used in arriving at the expression of support.

The application included letters from a number of Secretaries of State of US states, which were considered to constitute support from groups with relevance, as each Secretary of State has responsibility for corporate registrations and the regulations pertaining to corporate formation in its jurisdiction. These entities are not the recognized community institution(s)/member organization(s), as these government agencies are fulfilling a function, rather than representing the community. The viewpoints expressed in these letters were not consistent across states. While several US states expressed clear support for the applicant during the Letters of Support verification process, others either provided qualified support, refrained from endorsing one particular applicant over another, or did not respond to the verification request. Letters of support from other entities did not meet the requirement for relevance based on the Applicant Guidebook criteria, as they were not from the recognized community institutions/member organizations. The Community Priority Evaluation Panel determined that the applicant partially satisfies the requirements for Support.

Comment [A4]: This paragraph is not in the other 2 related reports. What is the difference here?
### 4-B Opposition

<table>
<thead>
<tr>
<th>1/2 Point(s)</th>
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</table>

The Community Priority Evaluation panel determined that the application partially met the criterion for Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application received relevant opposition from one group of non-negligible size. The application received a score of 1 out of 2 points under criterion 4-B: Opposition.

To receive the maximum score for Opposition, the application must not have received any opposition of relevance. To receive a partial score for Opposition, the application must have received opposition from, at most, one group of non-negligible size.

The application received several letters of opposition, one of which was determined to be relevant opposition from an organization of non-negligible size. This opposition was from a community that was not identified in the application but which has an association to the applied-for string. Opposition was on the grounds that limiting registration to US registered corporations only would unfairly exclude non-US businesses. The remaining letters were either from groups/individuals of negligible size, or were not from communities which were not mentioned in the application but which have an association to the applied-for string. The Community Priority Evaluation Panel determined that the applicant partially satisfied the requirements for Opposition.

**Disclaimer:** Please note that these Community Priority Evaluation results do not necessarily determine the final result of the application. In limited cases the results might be subject to change. These results do not constitute a waiver or amendment of any provision of the Applicant Guidebook or the Registry Agreement. For updated application status and complete details on the program, please refer to the Applicant Guidebook and the ICANN New gTLDs microsite at newgtds.icann.org.
Confidential Third Party Information
Confidential Third Party Information
Confidential Third Party Information
Confidential Third Party Information
Confidential Third Party Information
Confidential Third Party Information
New gTLD Program
Community Priority Evaluation Report
Report Date: 19 May 2014

Application ID: 1-880-35979
Applied-for String: INC
 Applicant Name: Dot Registry LLC

Overall Community Priority Evaluation Summary

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<tr>
<th>Community Priority Evaluation Result</th>
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<tbody>
<tr>
<td>Thank you for your participation in the New gTLD Program. After careful consideration and extensive review of the information provided in your application, including documents of support, the Community Priority Evaluation panel determined that the application did not meet the requirements specified in the Applicant Guidebook. Your application did not prevail in Community Priority Evaluation.</td>
<td></td>
</tr>
<tr>
<td>Your application may still resolve string contention through the other methods as described in Module 4 of the Applicant Guidebook.</td>
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Panel Summary

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<td>Criteria</td>
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<td>#1: Community Establishment</td>
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<td>#2: Nexus between Proposed String and Community</td>
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<td>#3: Registration Policies</td>
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<tr>
<td>#4: Community Endorsement</td>
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</tr>
<tr>
<td>Total</td>
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Minimum Required Total Score to Pass 14

Criterion #1: Community Establishment 0/4 Point(s)

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the community demonstrates insufficient delineation, organization and pre-existence. The application received a score of 0 out of 2 points under criterion 1-A: Delineation.

Delineation
Two conditions must be met to fulfill the requirements for delineation: there must be a clear straightforward membership definition and there must be awareness and recognition of a community (as defined by the applicant) among its members.
The community defined in the application ("INC") is:

Members of the community are defined as businesses registered as corporations within the United States or its territories. This would include Corporations, Incorporated Businesses, Benefit Corporations, Mutual Benefit Corporations and Non-Profit Corporations. Corporations or "INC's" as they are commonly abbreviated, represent one of the most complex business entity structures in the U.S. Corporations commonly participate in acts of commerce, public services, and product creation.

A corporation is defined as a business created under the laws of a State as a separate legal entity, that has privileges and liabilities that are distinct from those of its members. While corporate law varies in different jurisdictions, there are four characteristics of the business corporation that remain consistent: legal personality, limited liability, transferable shares, and centralized management under a board structure. Corporate statutes typically empower corporations to own property, sign binding contracts, and pay taxes in a capacity separate from that of its shareholders.

This community definition shows a clear and straightforward membership. While broad, the community is clearly defined, as membership requires formal registration as a corporation with the relevant US state. In addition, corporations must comply with US state law and show proof of best practice in commercial dealings to the relevant state authorities.

However, the community as defined in the application does not have awareness and recognition of a community among its members. This is because corporations operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as an INC. Based on our research, the Panel's research, there is no evidence of INC's from different sectors acting as a community as defined by the Applicant Guidebook. These incorporated firms would therefore not associate themselves with being part of the community as defined in the application.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for delineation.

Organization
Two conditions must be met to fulfill the requirements for organization: there must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities.

The community as defined in the application does not have at least one entity mainly dedicated to the community. Although responsibility for corporate registrations and the regulations pertaining to corporate formation are vested in each individual US state, these government agencies are fulfilling a function, rather than representing the community. In addition, the offices of the Secretaries of State of US states are not mainly dedicated to the community as they have other roles/functions beyond processing corporate registrations. According to the application:

Corporations can be formed through any jurisdiction of the United States. Therefore members of this community exist in all 50 US states and its territories. Corporation formation guidelines are dictated by state law and can vary based on each State’s regulations. Persons form a corporation by filing required documents with the appropriate state authority, usually the Secretary of State. Most states require the filing of Articles of Incorporation. These are considered public documents and are similar to articles of organization, which establish a limited liability company as a legal entity. At minimum, the Articles of Incorporation give a brief description of proposed business activities, shareholders, stock issued and the registered business address.

The community as defined in the application does not have documented evidence of community activities. As there is no entity that is mainly dedicated to the community as defined in the INC application, there is no
documented evidence of community activities.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for organization.

**Pre-existence**

To fulfill the requirements for pre-existence, the community must have been active prior to September 2007 (when the new gTLD policy recommendations were completed).

The community as defined in the application was not active prior to September 2007. According to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to a get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to a get a sought-after generic word as a gTLD string, and therefore could not have been active prior to the above date (although its constituent parts were active).

The Community Priority Evaluation panel determined that the community as defined in the application does not fulfill the requirements for pre-existence.

**1-B Extension 0/2 Point(s)**

The Community Priority Evaluation panel determined that the community as identified in the application did not meet the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application did not demonstrate considerable size or longevity for the community. The application received a score of 0 out of 2 points under criterion 1-B: Extension.

**Size**

Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of a considerable size. The community for .INC as defined in the application is large in terms of number of members. According to the application:

> With almost 470,000 new corporations registered in the United States in 2010 (as reported by the International Association of Commercial Administrators) resulting in over 8,000,000 total corporations in the US, it is hard for the average consumer to not conduct business with a corporation.

However, as previously stated, the community as defined in the application does not have awareness and recognition of a community among its members. This is because corporations operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as an INC. Based on our research, the Panel's research, there is no evidence of INCs from different sectors acting as a community as defined by the Applicant Guidebook. These incorporated firms would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application only satisfies one of the two conditions to fulfill the requirements for size.

**Longevity**

Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.
The community as defined in the application does not demonstrate longevity. As mentioned previously, according to section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, the CPE process is conceived to identify qualified community-based applications, while preventing both “false positives” (awarding undue priority to an application that refers to a “community” construed merely to a get a sought-after generic word as a gTLD string) and “false negatives” (not awarding priority to a qualified community application). The Community Priority Evaluation panel determined that this application refers to a “community” construed merely to a get a sought-after generic word as a gTLD string and, therefore, the pursuits of the .INC community are not of a lasting, non-transient nature.

However, as previously stated, the community as defined in the application does not have awareness and recognition of a community among its members. This is because corporations operate in vastly different sectors, which sometimes have little or no association with one another. Research showed that firms are typically organized around specific industries, locales, and other criteria not related to the entities structure as an INC. Based on our research, the Panel’s research, there is no evidence of INCs from different sectors acting as a community as defined by the Applicant Guidebook. These incorporated firms would therefore not associate themselves with being part of the community as defined by the applicant.

The Community Priority Evaluation panel determined that the community as defined in the application does not satisfy either of the two conditions to fulfill the requirements for longevity.

Criterion #2: Nexus between Proposed String and Community

0/4 Point(s)

Criterion #2-A Nexus

0/3 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook. The string identifies the community, but over-reaches substantially beyond the community. The application received a score of 0 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short-form or abbreviation of the community name. To receive a partial score for Nexus, the applied-for string must identify the community. “Identify” means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.

The applied-for string (.INC) over-reaches substantially, as the string indicates a wider or related community of which the applicant is a part but is not specific to the applicant’s community. According to the application documentation:

“.INC” was chosen as our gTLD string because it is the commonly used abbreviation for the entity type that makes up the membership of our community. In the English language the word incorporation is primarily shortened to Inc. when used to delineate business entity types. For example, McMillion Incorporated would additionally be referred to as McMillion Inc. Since all of our community members are incorporated businesses we believed that “.INC” would be the simplest, most straightforward way to accurately represent our community.

Inc. is a recognized abbreviation in all 50 states and US Territories denoting the corporate status of an entity. Our research indicates that Inc. as corporate identifier is used in three other jurisdictions (Canada, Australia, and the Philippines) though their formation regulations are different from the United States and their entity designations would not fall within the boundaries of our community definition.

While the string identifies the name of the community, it captures a wider geographical remit than the community has, as the corporate identifier is used in Canada, Australia and the Philippines. Therefore, there is a substantial over-reach between the proposed string and community as defined by the applicant.
The Community Priority Evaluation panel determined that the applied-for string over-reaches substantially beyond the community. It therefore does not meet the requirements for nexus.

### 2-B Uniqueness

0/1 Point(s)

The Community Priority Evaluation panel determined that the application did not meet the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the string does not score a 2 or a 3 on Nexus. The application received a score of 0 out of 1 point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application does not demonstrate uniqueness as the string does not score a 2 or a 3 on Nexus and is therefore ineligible for a score of 1 for Uniqueness. The Community Priority Evaluation panel determined that the applied-for string does not satisfy the condition to fulfill the requirements for Uniqueness.

### Criterion #3: Registration Policies

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<thead>
<tr>
<th>Sub-Criterion</th>
<th>Points</th>
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<tbody>
<tr>
<td>3-A Eligibility</td>
<td>1/1 Point(s)</td>
</tr>
<tr>
<td>3-B Name Selection</td>
<td>1/1 Point(s)</td>
</tr>
<tr>
<td>3-C Content and Use</td>
<td>1/1 Point(s)</td>
</tr>
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The Community Priority Evaluation panel determined that the application met the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as eligibility is restricted to community members. The application received a maximum score of 1 point under criterion 3-A: Eligibility.

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of prospective registrants to community members. The application demonstrates adherence to this requirement by limiting eligibility to registered corporations and by cross-referencing their documentation against the applicable US state’s registration records in order to verify the accuracy of their application, etc. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Eligibility.

The Community Priority Evaluation panel determined that the application met the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as name selection rules are consistent with the articulated community-based purpose of the applied-for TLD. The application received a maximum score of 1 point under criterion 3-B: Name Selection.

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by outlining a comprehensive list of name selection rules, such as requirements that second level domain names should match or include a substantial part of the registrant’s legal name, and specifying that registrants will not be able to register product line registrations, amongst other requirements. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Name Selection.

The Community Priority Evaluation panel determined that the application met the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as name selection rules are consistent with the articulated community-based purpose of the applied-for TLD. The application received a maximum score of 1 point under criterion 3-B: Name Selection.

To fulfill the requirements for Name Selection, the registration policies for name selection for registrants must be consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by outlining a comprehensive list of name selection rules, such as requirements that second level domain names should match or include a substantial part of the registrant’s legal name, and specifying that registrants will not be able to register product line registrations, amongst other requirements. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Name Selection.
The Community Priority Evaluation panel determined that the application met the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the rules for content and use are consistent with the articulated community-based purpose of the applied-for gTLD. The application received a maximum score of 1 point under criterion 3-C: Content and Use.

To fulfill the requirements for Content and Use, the registration policies must include rules for content and use for registrants that are consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by noting that all registrants must adhere to the content restrictions outlined in the applicant’s abuse policies. (Comprehensive details are provided in Section 20e of the applicant documentation). The Community Priority Evaluation panel determined that the application satisfies the condition to fulfill the requirements for Content and Use.

### 3-D Enforcement

The Community Priority Evaluation panel determined that the application did not meet the criterion for Enforcement as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook as the application provided specific enforcement measures but did not include appropriate appeal mechanisms. The application received a score of 0 out of 1 point under criterion 3-D: Enforcement.

Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeal mechanisms. The applicant outlined policies that include specific enforcement measures constituting a coherent set. For example, if a registrant wrongfully applied for and was awarded a second level domain name, the right to hold this domain name will be immediately forfeited. (Comprehensive details are provided in Section 20e of the applicant documentation). However, the application did not outline an appeals process. The Community Priority Evaluation panel determined that the application satisfies only one of the two conditions to fulfill the requirements for Enforcement.

### Criterion #4: Community Endorsement

To receive the maximum score for Support, the applicant is, or has documented support from, the recognized community institution(s)/member organization(s), or has otherwise documented authority to represent the community. “Recognized” means the institution(s)/organization(s) that, through membership or otherwise, are clearly recognized by the community members as representative of the community. To receive a partial score for Support, the applicant must have documented support from at least one group with relevance. “Relevance” refers to the communities explicitly and implicitly addressed.

The Community Priority Evaluation panel determined that the applicant included letters from a number of Secretaries of State of US states, which were considered to constitute support from groups with relevance, as each Secretary of State has responsibility for corporate
registrations and the regulations pertaining to corporate formation in its jurisdiction. These entities are not the recognized community institution(s)/member organization(s), as these government agencies are fulfilling a function, rather than representing the community. The viewpoints expressed in these letters were not consistent across states. While several US states expressed clear support for the applicant during the Letters of Support verification process, others either provided qualified support, refrained from endorsing one particular applicant over another, or did not respond to the verification request. Letters of support from other entities did not meet the requirement for relevance based on the Applicant Guidebook criteria, as they were not from the recognized community institutions/member organizations. The Community Priority Evaluation Panel determined that the applicant partially satisfies the requirements for Support.

4-B Opposition 1/2 Point(s)

The Community Priority Evaluation panel determined that the application partially met the criterion for Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application received relevant opposition from one group of non-negligible size. The application received a score of 1 out of 2 points under criterion 4-B: Opposition.

To receive the maximum score for Opposition, the application must not have received any opposition of relevance. To receive a partial score for Opposition, the application must have received opposition from, at most, one group of non-negligible size.

The application received several letters of opposition, one of which was determined to be relevant opposition from an organization of non-negligible size. This opposition was from a community that was not identified in the application but which has an association to the applied-for string. Opposition was on the grounds that limiting registration to US registered corporations only would unfairly exclude non-US businesses. The remaining letters were either from groups/individuals of negligible size, or were not from communities which were not mentioned in the application but which have an association to the applied for string. The Community Priority Evaluation Panel determined that the applicant partially satisfied the requirements for Opposition.

Disclaimer: Please note that these Community Priority Evaluation results do not necessarily determine the final result of the application. In limited cases the results might be subject to change. These results do not constitute a waiver or amendment of any provision of the Applicant Guidebook or the Registry Agreement. For updated application status and complete details on the program, please refer to the Applicant Guidebook and the ICANN New gTLDs microsite at <newgtlds.icann.org>.
Exhibit A28
INDEPENDENT REVIEW PROCESS (IRP)
INTERNATIONAL CENTRE FOR DISPUTE RESOLUTION
ICDR Case No. 01-15-0002-8061

Despegar Online SRL
Donuts, Inc.
Famous Four Media Limited
Registry, LLC
Radix FZC
-vs-
ICANN
-vs-
Little Birch, LLC
Minds + Machines Group Limited

Final Declaration

IRP Panel
Thomas H. Webster
Dirk P. Tirez
Peter J. Rees QC (Chair)
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A. Introduction and Procedural History

1. This Final Declaration is issued by this Independent Review Process ("IRP") Panel pursuant to the Bylaws of the Internet Corporation for Assigned Names and Numbers ("ICANN"). This IRP has been administered under the International Centre for Dispute Resolution ("ICDR") International Dispute Resolution Procedures as amended and in effect as of 1 June 2014 along with ICANN's Supplementary Procedures.

2. On 4 March 2015, following a failed Cooperative Engagement Process with ICANN, Despegar Online SRL, Donuts Inc., Famous Four Media Limited, Registry LLC and Radix FZC submitted a Request for IRP in relation to ICANN's treatment of the generic top-level domain ("gTLD") string .hotel ("the .hotel IRP").

3. On 17 April 2015, ICANN submitted its Response to this Request.

4. On 15 March 2015, following a failed Cooperative Engagement Process with ICANN, Little Birch, LLC and Minds + Machines Group Limited submitted a Request for IRP in relation to ICANN's treatment of the gTLD string .eco ("the .eco IRP").

5. On 27 April 2015, ICANN submitted its Response to this Request.

6. On 12 May 2015, the ICDR confirmed to the parties that the cases regarding .hotel IRP and .eco IRP would be merged and the parties agreed to keep written submissions separate but recognized that the issues presented by the two cases were closely linked and that the parties' interests in the proceedings were so similar that both should be dealt with during a single hearing.

7. Despegar Online SRL, Donuts Inc., Famous Four Media Limited, Registry LLC, Radix FZC, Little Birch, LLC and Minds + Machines Group Limited are all represented by Flip Petillion and Jan Janssen of Crowell & Moring LLP and ICANN is represented by Jeffrey A. LeVee and Rachel Zernik of Jones Day.

8. The IRP Panel consisting of Thomas H. Webster, Dirk P. Tirez and Peter J. Rees QC (Chair) ("Panel"), having been duly constituted to consider these two Requests, conducted a preparatory conference with the party representatives on 25 August 2015 at which, and following consultation with the party representatives, the procedure was fixed by the Panel for the further conduct of the IRP.
9. On 7 October 2015, the Panel received a letter from Fasken Martineau seeking to make submissions to the Panel on behalf of Big Room Inc. ("Big Room") whilst acknowledging that Big Room was not a party to the IRP.


11. On 10 November 2015, ICANN submitted its Sur-Replies in both the .hotel IRP and the .eco IRP matters.

12. On 20 November 2015, the Panel received an e-mail from HOTREC seeking to make submissions to the Panel whilst acknowledging that HOTREC was not a party to the IRP.

13. On 2 December 2015, in advance of the telephone hearing due to take place on 7 December 2015, the Panel sent an e-mail to the representatives of the parties asking a number of questions.

14. On 4 December 2015, the parties responded in writing to the Panel’s questions.

15. On 7 December 2015, a telephone hearing took place at which the representatives of all the parties made their submissions to the Panel.

B. Factual Background - General

16. In 2005, ICANN’s Generic Names Supporting Organization ("GNSO") began a policy development process to consider the introduction of new gTLDs. As part of this process the New gTLD Applicant Guidebook ("Guidebook") was developed and was approved by the Board of ICANN in June 2011 and the New gTLD Program was launched.

17. The final version of the Guidebook was published on 4 June 2012. It provides detailed instructions to gTLD applicants and sets out the procedures for evaluating new gTLD applications. The Guidebook provides that new gTLD applicants may designate their applications as either standard or community based, the latter to be "operated for the benefit of a clearly delineated community" (Guidebook § 1.2.3.1).

18. If more than one standard application was made for the same gTLD applicants were asked to try and achieve an amicable agreement under which one or more
of them withdrew their applications. If no amicable solution could be found, applicants in contention for the same gTLD would be invited to participate in an auction for the gTLD.

19. If a community based application was made for a gTLD for which other applicants had made standard applications, the community based applicant was invited to elect to proceed to Community Priority Evaluation ("CPE") whereby its application would be evaluated by a CPE Panel in order to establish whether the application met the CPE criteria. The CPE Panel could award up to a maximum of 16 points to the application on the basis of the CPE criteria. If an application received 14 or more points the applicant would be considered to have prevailed in CPE (Guidebook § 4.2.2). The four CPE criteria are: (i) community establishment; (ii) nexus between proposed string and community; (iii) registration policies; and (iv) community endorsement. Each criterion is worth a maximum of 4 points (Guidebook § 4.2.3).

20. If an applicant prevails in CPE, it will proceed to the next stage of evaluation and other standard applications for the same gTLD will not proceed because the community based application will be considered to have achieved priority (Guidebook § 4.2.2).

21. ICANN appointed an external provider, the Economic Intelligence Unit ("EIU") to constitute the CPE Panel.

22. ICANN has a Documentary Information Disclosure Policy ("DIDP"), which permits requests to be made to ICANN to make public documents “concerning ICANN’s operational activities, and within ICANN’s possession, custody or control”.

23. ICANN also has in place a process by which any person or entity, materially affected by an action of ICANN, may request review or reconsideration of that action by the Board of ICANN ("Reconsideration Request") (Art IV.2 of ICANN’s Bylaws).

24. ICANN also has in place a process for independent third-party review of Board actions alleged by an affected party to be inconsistent with the Articles of Incorporation or Bylaws of ICANN (Art IV.3 of ICANN’s Bylaws), namely the IRP Process.

25. Article IV.3.4 of ICANN’s Bylaws provides:

"Requests for such independent review shall be referred to an Independent Review Process Panel ("IRP Panel"), which shall be charged with comparing contested actions of the Board to the Articles of Incorporation and Bylaws,
and with declaring whether the Board has acted consistently with the provisions of those Articles of Incorporation and Bylaws. The IRP Panel must apply a defined standard of review to the IRP request, focusing on:

a. did the Board act without conflict of interest in taking its decision?

b. did the Board exercise due diligence and care in having a reasonable amount of facts in front of them?; and

c. did the Board members exercise independent judgment in taking the decision, believed to be in the best interests of the company?"

C. Factual Background - Specific

26. Despegar Online SRL, Donuts Inc., Famous Four Media Limited, Fegistry LLC and Radix FZC each submitted standard applications for .hotel. HOTEL Top-Level-Domain s.a.r.l. ("HTLD") submitted a community based application for .hotel.

27. Little Birch, LLC and Minds + Machines Group Limited each submitted standard applications for .eco. Big Room submitted a community based application for .eco.

28. On 19 February 2014, HTLD was invited to elect to proceed to CPE, which it did, and its application was forwarded to the EIU for evaluation.

29. On 12 March 2014, Big Room was invited to elect to proceed to CPE, which it did, and its application was forwarded to the EIU for evaluation.

30. On 11 June 2014, the CPE Panel from EIU issued its report, which determined that HTLD’s application should receive 15 points on the CPE criteria, thereby prevailing in CPE with the consequence that the standard applications for .hotel would not proceed.

31. On 28 June 2014, Despegar Online SRL, DotHotel Inc., dot Hotel Limited, Fegistry LLC, Spring McCook LLC and Top Level Domain Holdings Limited submitted a Reconsideration Request “to have that decision by the Community Priority Evaluation panel reconsidered”, and, on 4 August 2014, Donuts Inc., Fair Winds Partners, LLC, Famous Four Media Limited, Minds + Machines Group Limited and Radix FZC submitted a request to ICANN pursuant to its DIDP for certain documents related to the decision of the CPE Panel.

32. On 22 August 2014, the Board Governance Committee ("BGC") of ICANN denied the Reconsideration Request to have the CPE Panel decision reconsidered and, on 3 September 2014, ICANN responded to the DIDP request
by referring to certain correspondence that was publicly available, but not providing any other documentation sought in the DIDP request.

33. On 22 September 2014, Despegar Online SRL, Radix FZC, Famous Four Media Limited, Fegistry LLC, Donuts Inc., and Minds + Machines Group Limited submitted a Reconsideration Request to “seek reconsideration of ICANN staff’s response to the Requesters’ request for documents pursuant to ICANN’s Document Information Disclosure Policy (‘DIDP’)”, and, on 11 October 2014, the BGC of ICANN denied that Reconsideration Request.

34. On 6 October 2014, the CPE Panel from EIU issued its report, which determined that Big Room’s application should receive 14 points on the CPE criteria, thereby prevailing in CPE with the consequence that the standard applications for .eco would not proceed.

35. On 22 October 2014, Little Birch, LLC and Minds + Machines Group Limited submitted a Reconsideration Request seeking “the reconsideration of ICANN’s Community Priority Evaluation Panel’s determination whereby [Big Room’s application] prevailed in Community Priority Evaluation”, They also submitted a request to ICANN pursuant to its DIDP for certain documents related to the decision of the CPE Panel.

36. On 31 October 2014, ICANN responded to the DIDP request by referring to certain correspondence that was publicly available, but not providing any other documentation sought in the DIDP request, and, on 18 November 2014, the BGC of ICANN denied the Reconsideration Request to have the CPE Panel decision reconsidered.

37. On 27 February 2015, ICANN staff became aware of a configuration issue with ICANN’s online New gTLD Applicant and Global Domains Division (“GDD”) portals. It appears that, between 17 March 2014 and 27 February 2015, user credentials were used to obtain sensitive and confidential business information concerning several of the .hotel applicants.

38. On 5 June 2015, Crowell & Moring LLP wrote to the ICANN Board and the President of ICANN’s GDD “on behalf of Travel Reservations SRL (formerly, Despegar Online SRL), Donuts Inc. (and its subsidiary applicant Spring McCook, LLC), Famous Four Media Limited (and its subsidiary applicant dot Hotel limited), Fegistry LLC, Minds + Machines Group Limited (formerly Top Level Domain Holdings Limited), and Radix FZC (and its subsidiary applicant DotHotel Inc.)”. The letter requested “full information concerning this data exposure issue and the actions that have been taken by ICANN to limit damages for the affected parties” and set out a list of information sought.
39. On 5 July 2015, ICANN responded to the letter of 5 June 2015 under the heading "Response to Documentary Information Disclosure Policy Request". ICANN provided further information concerning the issue and referred to certain information that was publicly available, but did not provide any other documentation.

40. Neither the Board of ICANN nor the President of ICANN’s GDD has responded to the letter of 5 June 2015.

D. Relief Requested

41. The relief requested by the Claimants in both the .hotel and .eco Requests for IRP was, essentially, the same, namely:

- Declare that ICANN breached its Articles of Incorporation, its Bylaws, and or the gTLD Guidebook;
- Declare that ICANN must reject the determination that HTLD’s application for .hotel and Big Room’s application for .eco be granted community priority;
- Award Claimants their costs in this proceeding; and
- Award such other relief as the Panel may find appropriate in order to ensure that the ICANN Board follow its Bylaws, Articles of Incorporation, or other policies, or other relief that Claimants may request after further briefing or argument.

42. In the Reply to ICANN’s Response in the .hotel IRP a further request for relief was added, namely:

- Declare that ICANN must reject HTLD’s application for .hotel.

43. In response to the questions raised by the Panel on 2 December 2015, the Claimants’ representative also asked for the following relief:

i. That the Panel consider declaring that ICANN continues to act inconsistently with its Articles of Incorporation, its Bylaws, and or the Guidebook by:

   - upholding the determination that HTLD’s application for .hotel be granted community priority;
   - upholding HTLD’s application for .hotel; and
   - upholding the determination that Big Room’s application for .eco be granted community priority.

ii. That the Panel declare that ICANN has breached and continues to breach its Articles of Incorporation and/or Bylaws by upholding the
provisions of the gTLD Applicant Guidebook or of the new gTLD policy
which are in violation of the Articles of Incorporation and/or Bylaws.

iii. That the Panel examine the consistency with ICANN's Articles of
Incorporation and Bylaws of;

- the contents of the Guidebook
- the CPE process itself
- the selection and appointment process of the EIU as the CPE
  Panel, and
- the implementation of the CPE process that has led to ICANN
  accepting community priority for .hotel and .eco.

E. Claimants’ Submissions

44. In their submissions, the Claimants, in both the .hotel and .eco IRPs matters,
criticise the CPE process as a whole and complain that the ICANN Board failed
to establish, implement and supervise a fair and transparent CPE process in the
selection of the CPE Panel. They also complain that the CPE process is unfair,
non-transparent and discriminatory due to the use of anonymous evaluators,
and that no quality review process exists for CPE Panel decisions.

45. In relation to the CPE process as a whole, the Claimants also argue that, as no
opportunity is given for applicants to be heard on the substance of a CPE
determination (by either the CPE Panel itself, or by ICANN upon receiving the
Panel's decision), CPE determinations are made without due process.

46. However, relief in respect of these wider issues was not requested by the
Claimants in either the .hotel or .eco Requests, and, although such relief was
referred to by the Claimants in their response to the Panel's questions of 2
December 2015, it was confirmed by the Claimants at the hearing on 7
December 2015 that the Claimants were not, in fact, asking the Panel to make a
declaration as to the selection process of the CPE Panel by ICANN, nor any
declaration as to the CPE process as a whole, nor whether that process breaches
ICANN's Articles of Incorporation or Bylaws, nor whether the Guidebook
breaches ICANN’s Articles of Incorporation or Bylaws.

47. Accordingly, for the purposes of this IRP, it is the submissions made by the
Claimants which address the specific relief sought by the Claimants in relation
to the granting of CPE in the .hotel and .eco applications that are relevant for
the Panel.

48. In the .hotel and .eco Requests and Replies, the Claimants make the following
submissions in relation to the CPE Panel's determinations on CPE:
i. “By accepting a third-party determination that is contrary to its policies, ICANN has failed to act with due diligence and failed to exercise independent judgment” (.hotel Request § 9, .eco Request § 9)

ii. “The extraordinary outcomes for Big Room’s application for .eco and HTLD’s application for .hotel were only possible due to a completely different and clearly erroneous application of the evaluation criteria in the .eco and .hotel CPE” (.eco Request § 48)

iii. “If the CPE Panel used the same standard as, e.g., in the .gay, .immo and .taxi CPEs, it would never have decided that the requirements for nexus were met” (.hotel Request § 52, .eco Request § 50)

iv. “The abovementioned examples of disparate treatment in the CPE process also show that the CPE process was performed in violation of ICANN’s CPE policy” (.hotel Request § 53, .eco Request § 51)

v. “the CPE Panel in the .hotel CPE committed several additional policy violations. It did not analyze whether there was a ‘community’ within the definition of that term under the rules of the Applicant Guidebook” (.hotel Request § 53)

vi. “the CPE Panel in the .eco CPE committed several additional policy violations. It did not analyze whether there was a ‘community’ within the definition of that term under the rules of the Applicant Guidebook” (.eco Request § 51)

vii. “The requirement of a pre-existing community and the suspicious date of incorporation of Big Room have never been examined by the CPE Panel” (.eco Request § 53)

viii. “The CPE Panel also did not provide meaningful reasoning for its decision. It even went as far as inventing facts” (.hotel Request § 55)

ix. “The CPE Panel also did not provide meaningful reasoning for its decision. It even went as far as neglecting obvious facts” (.eco Request § 56)

x. “However, the CPE Panel’s reliance on the support of a distinct, yet undefined, community shows that the support for the .hotel gTLD came from a ‘community’ other than the one that was defined by the applicant. The need to introduce a distinct and undefined community goes against the exact purpose of the CPE policy, requiring support of the community targeted by the string. It is at odds with the CPE Panel’s findings on organization and nexus between the proposed string and the ‘community’.” (.hotel Request § 56)

xi. “the CPE Panel disregarded the obvious point that the .eco string does not identify a community and that it has numerous other meanings beyond the definitions in the OED....Big Room would not have qualified for community priority if the CPE Panel had not granted the maximum score for uniqueness of the string.” (.eco Request § 58)

xii. “The CPE Panel has never considered the appropriateness of [Big Room’s] appeal process. In contrast, however, the CPE Panel did investigate the
appropriateness of proposed appeal processes in other CPEs requiring that the appeals processes be clearly described, failing which the application would score zero on the enforcement requirement." (.eco Request § 59)

xiii. "The Applicant Guidebook explicitly calls on the Board to individually consider an application under an ICANN accountability mechanism...such as a Request for Reconsideration" (.hotel Request § 64, .eco Request § 67) NB the Panel notes that this is not actually what the Guidebook says. It says that the "Board reserves the right to individually consider an application for a new gTLD...under exceptional circumstances"

xiv. "Claimants showed that the CPE Panel manifestly misapplied ICANN's defined standards in the CPE. It is unclear how else to interpret such a fundamental misapplication other than as an obvious policy violation" (.eco Request § 69)

xv. "Claimants were merely asking that ICANN comply with its own policies and fundamental obligations in relation to the performance of the CPE process" (.hotel Request § 66, .eco Request § 69)

xvi. "The IRP Panel's task is to look at whether ICANN's unquestioning acceptance of the CPE Panel's advice and ICANN's refusal to review the issue raised by Claimants are compatible with ICANN's fundamental obligations" (.hotel Reply § 4, .eco Reply § 3)

xvii. "ICANN's reasoning would logically result in any review of the CPE being denied, no matter how arbitrary the original evaluation may be" (.hotel Reply § 4, .eco Reply § 8)

xviii. "the ICANN Board decided not to check whether or not the evaluation process had been implemented in compliance with principles of fairness, transparency, avoiding conflicts of interest and non-discrimination." (.hotel Reply § 34, .eco Reply § 33)

xix. "One cannot investigate whether a standard was applied fairly and correctly without looking into how the standard was applied...the ICANN Board deliberately refused to examine whether the standard was applied correctly, fairly, equitably and in a non-discriminatory manner" (.hotel Reply § 39, .eco Reply § 38)

xx. "As the IRP Panel's task includes a review as to whether ICANN discriminated in the application of its policies and standards, the IRP Panel is obliged to consider how the standards were applied in different cases" (.hotel Reply § 45, .eco Reply § 44)

49. In the .hotel Reply, the Claimants also make the following submissions in relation to the declaration they are seeking that ICANN must reject HTLD's application for .hotel:

i. "The IRP Panel is also requested to assess ICANN's refusal to take appropriate action to offer redress to parties affected by the data exposure issue. In coming to its conclusion, the IRP Panel may examine all the
relevant information that was available to ICANN in relation to the question of taking action” (.hotel Reply § 4)

ii. “ICANN never showed any willingness to take appropriate measures” (.hotel Reply § 49)

iii. “In this case a crime was committed seemingly with the specific purpose of obtaining a better position within the new gTLD program, and the crime was made possible due to misuse of user credentials for which HTLD (or an individual associated to HTLD) was responsible....It would indeed not be in the public interest to allocate a critical Internet resource to an entity that is closely linked with individuals who have misused, or who have permitted the misuse of, their user credentials” (.hotel Reply § 50)

50. Also in the .hotel Reply the Claimants submit:

“Second Claimant in the .eco case, Minds + Machines Group Limited (Minds + Machines), also applied for the .hotel gTLD. Minds + Machines fully supports the claim initiated by Claimants in this case and joins their request. That Minds + Machines join the proceedings is accepted by all Claimants” (.hotel Reply § 2)

F. ICANN’s Submissions

51. In the .hotel and .eco Responses and Sur-Replies, ICANN makes the following submissions in relation to the CPE Panel’s determinations on CPE:

i. “Claimants did not state a proper basis for reconsideration as defined in ICANN’s Bylaws” (.hotel Response § 4, .eco Response § 4)

ii. “ICANN’s Board...has no obligation to review (substantively or otherwise) any such report” (.hotel Response § 9, .eco Response § 9)

iii. “nothing in the Articles or Bylaws requires the Board [to conduct a substantive review” (.hotel Response § 9, .eco Response § 10)

iv. “neither the creation nor the acceptance of the CPE Panel’s Report regarding HTLD’s Application for .HOTEL constitutes Board action” (.hotel Response § 12)

v. “neither the creation nor the acceptance of the CPE Panel’s Report regarding Big Room’s Application for .ECO constitutes Board action” (.eco Response § 13)

vi. “in making those decisions [acceptance of the Guidebook and the decisions by the Board to reject Claimants’ Reconsideration Request], the Board followed ICANN’s Articles and Bylaws” (.hotel Response § 13, .eco Response § 14)

vii. “BGC denied Claimants’ Reconsideration Request finding that Claimants had ‘failed to demonstrate that the CPE Panel acted in contravention of
established policy or procedure’ in rendering the Report” (.eco Response § 29)

viii. “BGC denied Claimants’ Reconsideration Request [in respect of the DIDP Request] finding that the Claimants had ‘failed to demonstrate that ICANN staff acted in contravention of established policy or procedure’ in responding to the DIDP Request” (.hotel Response § 28)

ix. “the reconsideration process does not call for the BGC to perform a substantive review of CPE Reports” (.hotel Response § 49, .eco Response § 49)

x. “Claimants do not identify any ICANN Article or Bylaws provision that the BGC allegedly violated in reviewing their Reconsideration Request” (.hotel Response § 51, .eco Response § 50)

xi. “It is not the role of the BGC (or, for that matter, this IRP Panel) to second-guess the substantive determinations of independent, third-party evaluators.” (.hotel Response § 53, .eco Response § 52)

xii. “Claimants’ only evidence that the CPE Panel in fact erred is the bare allegation that because certain other, completely separate, applications for entirely different strings did not prevail in CPE then .HOTEL TLD’s application also should not have prevailed. Claimants’ argument is baseless. The outcome of completely unrelated CPEs does not, and should not, have any bearing on the outcome of the CPE regarding .HOTEL TLD’s Application” (.hotel Response § 55)

xiii. “Claimants’ only evidence that the CPE Panel in fact erred is the bare allegation that because certain other, completely separate, applications for entirely different strings did not prevail in CPE, Big Room’s application also should not have prevailed. Claimants’ argument is baseless. The outcome of completely unrelated CPEs does not, and should not, have any bearing on the outcome of the CPE regarding Big Room’s Application” (.eco Response § 54)

xiv. “there is not – nor is it desirable to have – a process for the BGC or the Board (through the NGPC) to supplant its own determination ....over the guidance of an expert panel formed for that particular purpose” (.hotel Sur-Reply § 11, .eco Sur-Reply § 10)

52. In the .hotel Sur-Reply, ICANN also makes the following submissions in relation to the declaration the Claimants are seeking that ICANN must reject HTLD’s application for .hotel:

i. “Claimants argue that the Portal Configuration is relevant to this IRP, but they have not identified any Board action or inaction with respect to this issue that violates ICANN’s Articles or Bylaws such that it is subject to independent review, now or ever” (.hotel Sur-Reply § 23)
ii. "The ICANN Board took no action (and was not required to take action under either the ICANN Articles or Bylaws) with respect to Claimant’s letter and DIDP request" (.hotel Sur-Reply § 24)

iii. "Claimants have failed to demonstrate that the Board has a duty to act with respect to Claimants’ belief as to what the Board should do. Again Claimants have also failed to show that the Board’s conduct in this regard has in any way violated ICANN’s Articles or Bylaws" (.hotel Sur-Reply § 25)

53. Also in the .hotel Sur-Reply ICANN submits:

"Minds + Machines Limited ("Minds + Machines") is not a Claimant in this proceeding but, nevertheless signed the Reply and now seeks to join as an additional claimant. Article 7 of the International Center for Dispute Resolution’s International Dispute Resolution Procedures explicitly provides that “[n]o additional party may be joined after the appointment of any [neutral], unless all parties, including the additional party, otherwise agree” (ICDR International Dispute Resolution Procedures, Art. VII (emphasis added)). ICANN does not consent to the joinder of Minds + Machines because any claims Minds + Machines may have with respect to the CPE Report or ICANN’s response to that Report are time-barred (Bylaws, Art. IV, § 3.3 (30 day deadline to file IRP request))” (.hotel Sur-Reply § 35)

G. The Issues

54. As has already been stated, Article IV.3.4 of ICANN’s Bylaws provides:

"Requests for such independent review shall be referred to an Independent Review Process Panel ("IRP Panel"), which shall be charged with comparing contested actions of the Board to the Articles of Incorporation and Bylaws, and with declaring whether the Board has acted consistently with the provisions of those Articles of Incorporation and Bylaws. The IRP Panel must apply a defined standard of review to the IRP request, focusing on:

a. did the Board act without conflict of interest in taking its decision?

b. did the Board exercise due diligence and care in having a reasonable amount of facts in front of them?; and

c. did the Board members exercise independent judgment in taking the decision, believed to be in the best interests of the company?"
Given that the wider issues of the CPE process as a whole, the appointment of EIU and the provisions of Guidebook are not being pursued, the Panel has concluded that the contested actions of the Board of ICANN in this IRP are:

i. The denial by the BGC on 22 August 2014, of the Reconsideration Request to have the CPE Panel decision in .hotel reconsidered.

ii. The denial by the BGC on 11 October 2014 of the Reconsideration Request to seek reconsideration of ICANN staff’s response to the DIDP request in relation to the .hotel CPE decision.

iii. The denial by the BGC on 18 November 2014, of the Reconsideration Request to have the CPE Panel decision in .eco reconsidered.


In addition, the Panel has the procedural issue to deal with of the attempt by Minds + Machines Group Limited to join the .hotel IRP.

H. Analysis - General

Before turning to the specific analysis of each of the issues stated above, there are some general points which the Panel wishes to highlight, which have application to one or more of the issues in question.

The analysis, which the Panel is charged with carrying out in this IRP, is one of comparing the actions of the Board with the Articles of Incorporation and Bylaws, and declaring whether the Board has acted consistently with the provisions of those Articles of Incorporation and Bylaws. The Panel has identified the following relevant provisions of the Articles of Incorporation and Bylaws against which the actions, or inactions, of the Board should be compared.

Articles of Incorporation

Article 4
The Corporation shall operate for the benefit of the Internet community as a whole, carrying out its activities in conformity with relevant principles of international law and applicable international conventions and local law and, to the extent appropriate and consistent with these Articles and its Bylaws, through open and transparent processes that enable competition and open entry in Internet-related markets. To this effect, the Corporation shall cooperate as appropriate with relevant international organizations.
Bylaws

Article 1.2
In performing its mission, the following core values should guide the decisions and actions of ICANN:

1. Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet.
2. Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN’s activities to those matters within ICANN’s mission requiring or significantly benefiting from global coordination.
3. To the extent feasible and appropriate, delegating coordination functions to or recognizing the policy role of other responsible entities that reflect the interests of affected parties.
4. Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.
5. Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment.
6. Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.
7. Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.
8. Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.
9. Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.
10. Remaining accountable to the Internet community through mechanisms that enhance ICANN’s effectiveness.
11. While remaining rooted in the private sector, recognizing that governments and public authorities are responsible for public policy and duly taking into account governments’ or public authorities’ recommendations.

These core values are deliberately expressed in very general terms, so that they may provide useful and relevant guidance in the broadest possible range of circumstances. Because they are not narrowly prescriptive, the specific way in which they apply, individually and collectively, to each new situation will necessarily depend on many factors that cannot be fully anticipated or enumerated; and because they are statements of principle rather than practice,
situations will inevitably arise in which perfect fidelity to all eleven core values simultaneously is not possible. Any ICANN body making a recommendation or decision shall exercise its judgment to determine which core values are most relevant and how they apply to the specific circumstances of the case at hand, and to determine, if necessary, an appropriate and defensible balance among competing values.

Article II.3
ICANN shall not apply its standards, policies, procedures, or practices inequitably or single out any particular party for disparate treatment unless justified by substantial and reasonable cause, such as the promotion of effective competition.

Article III.1
ICANN and its constituent bodies shall operate to the maximum extent feasible in an open and transparent manner and consistent with procedures designed to ensure fairness.

Article IV.1
In carrying out its mission as set out in these Bylaws, ICANN should be accountable to the community for operating in a manner that is consistent with these Bylaws, and with due regard for the core values set forth in Article I of these Bylaws. The provisions of this Article, creating processes for reconsideration and independent review of ICANN actions and periodic review of ICANN's structure and procedures, are intended to reinforce the various accountability mechanisms otherwise set forth in these Bylaws, including the transparency provisions of Article III and the Board and other selection mechanisms set forth throughout these Bylaws.

Article IV.3
The Board has designated the Board Governance Committee to review and consider any such Reconsideration Requests. The Board Governance Committee shall have the authority to:

a. evaluate requests for review or reconsideration;
b. summarily dismiss insufficient requests;
c. evaluate requests for urgent consideration;
d. conduct whatever factual investigation is deemed appropriate;
e. request additional written submissions from the affected party, or from other parties;
f. make a final determination on Reconsideration Requests regarding staff action or inaction, without reference to the Board of Directors; and
g. make a recommendation to the Board of Directors on the merits of the request, as necessary.
59. In response to the questions posed by the Panel on 2 December 2015, ICANN confirmed its position as follows:

i. The EIU’s determinations are presumptively final. The Board’s review on reconsideration is not substantive, but rather is limited to whether the EIU followed established policy or procedure.

ii. ICANN has an obligation to adhere to all of its obligations under its Articles of Incorporation and its Bylaws.

iii. The Bylaws, and the BGC’s determinations on prior Reconsideration Requests, have established a specific standard for when it is appropriate to reconsider CPE determinations (i.e., when the CPE Panel violated established policy or procedure).

iv. When considering the Reconsideration Requests in the .eco and .hotel matters, the BGC had before it the EIU’s determination and the “facts” that the Claimants had submitted with their Reconsideration Requests. The BGC also considered the Guidebook as well as other published CPE procedures. This was all the information required for the BGC to determine that the EIU had followed established policy and procedure in rendering the CPE determinations.

v. The Board is not aware (whether through the BGC or otherwise) as to whether EIU makes any comparative analysis of other CPE determinations it has made when considering individual community priority applications.

60. During the hearing on 7 December 2015, ICANN further confirmed its position as follows:

i. The Claimants (save for Minds + Machines Group Limited in the .hotel IRP) are not time-barred from seeking IRP of:
   a. The denial by the BGC on 22 August 2014 of the Reconsideration Request to have the CPE Panel decision in .hotel reconsidered.
   b. The denial by the BGC on 11 October 2014 of the Reconsideration Request to seek reconsideration of ICANN staff’s response to the DIDP request in relation to the .hotel CPE decision.
   c. The denial by the BGC on 18 November 2014 of the Reconsideration Request to have the CPE Panel decision in the .eco matter reconsidered.

ii. There is no ICANN quality review or control process, which compares the determinations of the EIU on the various CPE applications.
iii. The core values, which apply to ICANN by virtue of its Bylaws, have not been imposed contractually on the EIU, and the EIU are not, in consequence, subject to them.

iv. The CPE process operated by the EIU involves 5 core EIU staff and 2 independent evaluators. The independent evaluators separately score each CPE application and submit their separate scores to the EIU core staff. The independent evaluators do not confer on the scoring. The independent evaluators are not the same for each CPE application; sometimes both are different and sometimes one is different.

v. ICANN considers there is nothing in its Articles of Incorporation or Bylaws, which requires ICANN to comply with due process.

vi. ICANN does not believe that it is subject to any general international law principle requiring it to comply with due process.

vii. Upon receipt of a Reconsideration Request, ICANN expects the BGC to carry out a procedural review of the CPE determination, not a substantive review and that this procedural review should look at whether the EIU had followed the correct procedure and had correctly applied ICANN policies.

61. In the light of the relevant provisions of the Articles of Incorporation and Bylaws identified above, and the clarifications provided by ICANN as to its position in relation to CPE applications and Reconsideration Requests made in respect of them, the Panel will now consider each of the contested actions of the Board of ICANN in this IRP. In doing so, the Panel has taken into account, where relevant, all the submissions of the parties, including, without limitation, those specifically set out in sections E. and F. above.

62. Given the confirmation by ICANN, that a time bar is not being raised in relation to the substantive issues in this IRP, the Panel does not have to discuss this question save for when it considers Minds + Machines Group Limited’s attempt to join in the .hotel IRP.

I. Analysis – Specific

1. The denial by the BGC, on 22 August 2014, of the Reconsideration Request to have the CPE Panel decision in .hotel reconsidered.

63. In conducting this analysis, the Panel have carefully considered the CPE report dated 11 June 2014, which determined that HTLD’s community based application had prevailed, the Reconsideration Request dated 28 June 2014 and the BGC denial of the Reconsideration Request dated 22 August 2014. In doing so, the Panel has considered whether the Board (through the BGC) has acted consistently with the provisions of ICANN’s Articles of Incorporation and Bylaws.
64. The Panel is clear that, in doing so, it is required by ICANN’s Bylaws to apply a defined standard of review focusing on:

   a. whether the BGC acted without conflict of interest in taking its decision?
   b. whether the BGC exercised due diligence and care in having a reasonable amount of facts in front of them?; and
   c. whether the BGC exercised independent judgment in taking the decision, believed to be in the best interests of the company?

65. No allegation of conflict of interest has been made by the Claimants and the Panel has no information or documentation upon which it could reach any view as to whether a conflict of interest existed or not. In conclusion, so far as that requirement is concerned, the Panel can make no finding.

66. As to the requirements of due diligence and care, and the exercise of independent judgment, ICANN’s position is that the review undertaken by the BGC should be a procedural review of the CPE determination, not a substantive review, and that this procedural review should look at whether the EIU had followed the correct procedure and had correctly applied ICANN policies.

67. That appears to the Panel to be correct, but what is of critical importance is the manner in which the review of whether the EIU has followed the correct procedure and has correctly applied ICANN’s policies is conducted.

68. In their Reply in the .hotel IRP at §39 the Claimants submit:

   “One cannot investigate whether a standard was applied fairly and correctly without looking into how the standard was applied.....The ICANN Board instead limited its review to the question of whether the CPE Panel had made mention of the applicable standard. Such a limited review is not a meaningful one.”

69. The Panel agrees that if the BGC is charged with considering whether the EIU correctly applied ICANN policies (which ICANN accepts it is), then it needs to look into how the standard was applied. It is not sufficient to limit the review to the question of whether mention was made of the relevant policy. The BGC needs to have a reasonable degree of assurance that the EIU has correctly the applied the policy.

70. This is particularly so given that the EIU is not subject to ICANN’s core values, the EIU independent evaluators are not the same for each CPE application, there is no ICANN quality review or control process which compares the
determinations of the EIU on the various CPE applications and ICANN is not aware as to whether EIU makes any comparative analysis of other CPE determinations it has made when considering individual community priority applications.

71. In their Reconsideration Request of 28 June 2014, at page 5, the Claimants say:

“In this case, however, there are 3 instances where the Panel has not followed the [Guidebook] policy and processes for conducting CPE. Further, the Panel, and ICANN staff have breached more general ICANN policies and procedures in the conduct of this CPE.”

72. The three instances of failure to follow the Guidebook policy alleged by the Claimants are:

1. Failure to identify a “Community”;
2. Failure to consider self-awareness and recognition of the community; and
3. Failure to apply the test for Uniqueness.

73. In their Reconsideration Request, the Claimants then go into significant detail as to the ways in which they allege the EIU failed to follow the Guidebook policy. However, in the BGC denial of 22 August 2014, the BGC state:

“...while the Request is couched in terms of the Panel’s purported violations of various procedural requirements, the Requesters do not identify any misapplication of a policy or procedure, but instead challenge the merits of the Panel’s Report, which is not a basis for reconsideration”

74. The BGC’s comment quoted above is plainly wrong as any detailed reading of the Reconsideration Request shows. It is unfortunate that the BGC should have included such comments in its determination as, in the Panel’s view, this has contributed to this IRP and the clear feeling, on the part of the Claimants, that their Reconsideration Request was not treated appropriately by the BGC.

75. In their Reconsideration Request, the Claimants argue that the first question to be asked by the EIU in following the policy and procedure in the Guidebook is whether there is a community that meets the definition of a community under the Guidebook. They say:

“The Panel did not attempt this analysis, in breach of the requirements of the policy and process for CPE.... This is not a disagreement about a finding by the Panel on this topic; the Panel did not consider this definition, nor apply the test for “community” required.... Had it
considered the matter, it would have appreciated that the applicants' definition, rather than showing cohesion, depended instead on coercion.”

76. In dealing with this allegation the BGC gave consideration to the definition of community in the Guidebook and stated:

“However, the Requesters point to no obligation to conduct any inquiry as to the definition of community other than those expressed in section 4.2.3 of the Guidebook. As such, the Requesters fault the Panel for adhering to the Guidebook’s definition of a “community” when evaluating the Application. Given that the Panel must adhere to the standards laid out in the Guidebook, this ground for reconsideration fails.

The Requesters also contend the Applicant’s proposed community, i.e., the “Hotel Community” does not qualify as a community for CPE purposes because “rather than showing cohesion, [it] depend[s] on coercion....But the Panel reached the contrary conclusion... As even the Requesters note, a request for reconsideration cannot challenge the substance of the Panel’s conclusions, but only its adherence to the applicable policies and procedures”

77. In their Reconsideration Request, the Claimants argue that the second question to be asked by the EIU in following the policy and procedure in the Guidebook is whether there was a failure to consider self-awareness and recognition of the community. They say:

“...the Panel has imported the test for determining whether there is a “community” – self-awareness that the group is a community- into the test for “delineation”. With respect, that is an error of process that further invalidates the findings.

Even if it were not, and self-awareness and recognition are considered with Delineation, the actual response given under that enquiry about “self-awareness and recognition” shows that the Panel does not understand the test that is to be applied....

What is required is a showing by evidence that the members of the alleged community regard themselves as members of a defined community, which is recognised as such by the members, and by people outside the community.

It is important to note that the Panel finds that the alleged community is clearly delineated, because there is an ISO definition of “hotel”, and because every hotel is a member of the alleged community....
78. In dealing with this allegation, the BGC gave consideration to the definition of delineation in the Guidebook and stated:

“The Panel began its assessment of the test for delineation by noting: “Two conditions must be met to fulfil the requirements for delineation; there must be a clear, straightforward membership definition, and there must be awareness and recognition of a community (as defined by the applicant) among its members” (Report, Pg. 1.) As the Requesters admit, the Panel then “proceeds through the proper requirements of Delineation, which it names accurately....The Requesters thus defeat their own argument, as they squarely concede the Panel assessed the “proper requirements” of the test for delineation.

Again the Requesters dispute the Panel's allusion to the “awareness and recognition” of the Hotel Community’s members not because that reference constitutes any procedural violation, but because the Requesters simply disagree whether there is any such recognition amongst the Hotel Community’s members.......Disagreement with the Panel’s substantive conclusions, however, is not a proper basis for reconsideration”

79. In their Reconsideration Request, the Claimants argue that the third question to be asked by the EIU in following the policy and procedure in the Guidebook is whether there was a failure properly to apply the test for Uniqueness. They say:

“The Panel has not followed ICANN policy or process in arriving at the conclusion that the string has “no other significant meaning beyond identifying the community” because it has itself cited a significant other meaning and relied on that other meaning (that the word means “an establishment with services and additional facilities where accommodation and in most cases meals are available”) in order to measure and find Delineation.

This is not a disagreement about a conclusion – this is a demonstration of a failure of process by the Panel. It cannot use the significant meaning of “hotel” under an ISO definition for one purpose (a finding under delineation), then deny that meaning and say there is “no other significant meaning” for the purpose of finding Uniqueness....

The word “hotel” means to most of the world what the ISO definition says it means – a place for lodging and meals. To assert that it means to most
people the association of business enterprises that run the hotels is unsubstantiated and absurd."

80. In dealing with this allegation the BGC gave consideration to the definition of uniqueness in the Guidebook and stated:

“The Requesters have identified no procedural deficiency in the Panel’s determination that the uniqueness requirement was met. The Requesters concede that “HOTEL” has the significant meaning of a place for lodging and meals, and common sense dictates that the Hotel Community consists of those engaged in providing those services. The attempt to distinguish between those who run hotels and hotels themselves is merely a semantic distinction. Again, while the Requesters may disagree with the Panel’s substantive conclusion, that is not a proper basis for reconsideration.

81. As for the alleged breaches of more general ICANN policies and procedures in the conduct of the .hotel CPE, the Claimants refer to Article 7 of ICANN’s Affirmation of Commitments and Articles I.2.8, III.1 and IV.2.20 of ICANN’s Bylaws and say:

“Requestor submits that various aspects of the CPE process breach, or risk breaching, these fundamental provisions...there are a number of features which are prejudicial to standard applicants, including:

(a) Insufficient material was made available to them as to who the Panelist was, and their qualifications....
(b) There is no publication of materials to be examined by the Panel....
(c) Insufficient analysis and reasons were given on how the Panelist reached their CPE report....”

82. In dealing with this allegation the BGC stated:

“None of these concerns represent a policy or procedure violation for the purposes of reconsideration under ICANN’s Bylaws. The Guidebook does not provide for any of the benefits that the Requesters claim they did not receive during CPE of the Application. In essence, the Requesters argue that because the Guidebook’s CPE provisions do not include Requester’s “wish list” of procedural requirements, the Panel’s adherence to the Guidebook violates the broadly-phrased fairness principles embodied in ICANN’s foundational documents. Were this a proper ground for reconsideration, every standard applicant would have the ability to rewrite the Guidebook via a reconsideration request.”

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83. In considering the original CPE report of 11 June 2014, the Reconsideration Request dated 28 June 2014 and the BGC denial of the Reconsideration request dated 22 August 2014, the Panel have looked closely at whether the BGC simply undertook an administrative “box ticking” exercise to see whether mention was made of the relevant policy or procedure in denying the Reconsideration Request, or whether, as the Panel considers the BGC is required to do, it looked into how the relevant policy or procedure was actually applied by the EIU, and whether, in doing so, the BGC could have a reasonable degree of assurance that the EIU had correctly the applied the policy or procedure.

84. Taking, first of all, the three instances of failure to follow the Guidebook policy alleged by the Claimants, it is clear from the BGC determination document of 22 August 2014 as a whole and, particularly, from those extracts quoted above that each one was carefully considered by the BGC in its determination, and that the BGC did properly consider how the relevant policy or procedure was actually applied by the EIU, and whether, in doing so, the BGC could have a reasonable degree of assurance that the EIU had correctly the applied the policy or procedure.

85. In doing so, the Panel is satisfied that the BGC acted consistently with the provisions of ICANN’s Articles of Incorporation and Bylaws and that the Claimants complaints in this regard are not made out.

86. As for the alleged breaches of more general ICANN policies and procedures in the conduct of the .hotel CPE claimed by the Claimants in the Reconsideration Request, it is clear from the face of these allegations that these are complaints about the CPE process as a whole and are not specific to the .hotel CPE. In consequence of the Claimants’ confirmation at the hearing on 2 December 2015, that relief in respect of the CPE process as a whole is not being pursued, it is not strictly necessary for the Panel to consider this further. However, the Panel wishes to put on record that it considers that the BGC, in denying the Claimants’ Reconsideration Request, acted consistently with the provisions of ICANN’s Articles of Incorporation and Bylaws and that the Claimants’ complaints in this regard are also not made out.

2. The denial by the BGC, on 11 October 2014, of the Reconsideration Request to seek reconsideration of ICANN staff’s response to the DIDP request in relation to the .hotel CPE decision.

87. In conducting this analysis, the Panel has carefully considered the DIDP Request dated 4 August 2014, the Response from ICANN of 3 September 2014, the Reconsideration Request dated 19 September 2014 and the BGC denial of the Reconsideration Request dated 11 October 2014. In doing so, the Panel has
considered whether the Board (through the BGC) has acted consistently with the provisions of ICANN’s Articles of Incorporation and Bylaws.

88. The Panel knows that, in doing so, it is required by ICANN’s Bylaws to apply a defined standard of review focusing on:

a. whether the BGC acted without conflict of interest in taking its decision?
b. whether the BGC exercised due diligence and care in having a reasonable amount of facts in front of them?; and
c. whether the BGC exercised independent judgment in taking the decision, believed to be in the best interests of the company?

89. As with the previous issue, no allegation of conflict of interest has been made by the Claimants and the Panel has no information or documentation upon which it could reach any view as to whether a conflict of interest existed or not. In conclusion, so far as that requirement is concerned, the Panel can make no finding.

90. In line with the approach taken in the previous issue, the Panel consider that the review undertaken by the BGC should look at whether the ICANN staff, in responding to the DIDP Request, followed the correct procedure and correctly applied ICANN policies, and that, in doing so, the BGC needs to look into how the procedure was followed and how policy was applied so that the BGC has a reasonable degree of assurance that the ICANN staff correctly followed the requisite procedure and correctly applied ICANN policies.

91. In their DIDP Request of 4 August 2014, the Claimants asked for four categories of documents, namely:

1) “All correspondence, reports, documents, agreements, contracts, emails, or any other forms of communication ("Communications") between individual member of ICANN’s Board or any member of ICANN Staff and the [EIU] or any other organisation or third party involved in the selection or organisation of the CPE Panel for the Report, relating to the appointment of the Panel that produced the Report, and dated within the 12 month period preceding the date of the Report;"
2) The curriculum vitaeas ("CVs") of the members appointed to the CPE Panel;
3) All Communications (as defined above) between individual members of the CPE Panel and/or ICANN, directly relating to the creation of the Report; and
4) All Communications (as defined above) between the CPE Panel and/or Hotel TLD or any other party prior with a material bearing on the creation of the Report.”
92. In ICANN's Response of 3 September 2014 it was explained that ICANN, whether at Board or staff level, is not involved with the selection to the CPE Panel of the two individual evaluators that perform the scoring in the CPE process and that ICANN is not provided with information about who the evaluators on any individual CPE Panel may be. As this is all done within the EIU, ICANN, it was stated, did neither have the documentation sought in numbered request 1) above, nor did it have the CVs sought in numbered request 2) above. These are clear statements that no such documentation exists.

93. However, the Response goes on to say that to "the extent that ICANN has documentation with the EIU for the performance of its role as the coordinating firm as it relates to the .HOTEL CPE, those documents are subject to certain of the Defined Conditions of Non-Disclosure set forth in the DIDP." It then goes on to state the defined Conditions for Nondisclosure upon which ICANN is relying to justify nondisclosure. Five separate Conditions for Nondisclosure are listed.

94. The Response does not give any more detail as to what documents it actually has "for the performance of its role as the coordinating firm", nor which specific Conditions for Nondisclosure apply to which specific documents or category of documents it actually has, and, in consequence, it is not possible to judge whether the policy for nondisclosure has been correctly applied.

95. In dealing with the documentation sought in numbered request 3) above, the Response states "Because of the EIU's role as the panel firm, ICANN does not have any communications (nor does it maintain any communications) with the evaluators that identify the scoring for any individual CPE. As a result, ICANN does not have documents of this type." That is a clear and comprehensive statement that such documentation does not exist.

96. However, the Response goes on to say that to "the extent that ICANN has communications with persons from EIU who are not involved in the scoring of a CPE, but otherwise assist in a particular CPE, (as anticipated in the CPE Panel Process Document), those documents are subject to the following Defined Conditions of Nondisclosure set forth in the DIDP". It then goes on to state the defined Conditions for Nondisclosure upon which ICANN is relying to justify nondisclosure. Four separate Conditions for Nondisclosure are listed.

97. The Response does not give any more detail as to what "communications with persons from EIU who are not involved in the scoring of a CPE", nor which specific Conditions for Nondisclosure apply to which specific documents or category of documents it actually has and, in consequence, it is not possible to judge whether the policy for nondisclosure has been correctly applied.
98. In dealing with the documentation sought in numbered request 4) above, the Response states:

“In order to maintain the independence and neutrality of the CPE Panels as coordinated by the EIU, ICANN has limited the ability for requesters or other interested parties to initiate direct contact with the panels – the CPE Panel goes through a validation process regarding letters of support or opposition (as described in the CPE Panel Process document) but that is the extent of direct communications that the CPE Panel is expected to have. For process control purposes, from time to time ICANN is cc’d on the CPE Panel’s verification emails. These emails are not appropriate for disclosure pursuant to the following Defined Conditions of Nondisclosure set forth in the DIDP”.

It then goes on to state the single defined Condition for Nondisclosure upon which ICANN is relying to justify nondisclosure.

99. In this instance, unlike those for numbered requests 1), 2) and 3) above, ICANN has described a single category of documents and the single Condition for Nondisclosure upon which it relies, thus making it possible to judge whether the policy for nondisclosure has been correctly applied.

100. In the Panel’s view, it is unfortunate that the ICANN staff did not adopt the same approach to dealing with documents which ICANN was not prepared to disclose when responding to numbered requests 1), 2) and 3) as was adopted with numbered request 4). Simply to say that “to the extent” ICANN has documents which fall within the categories requested in numbered requests 1), 2) and 3) such documents are not disclosable, for a variety of reasons, without making any attempt to link categories of document to particular Conditions for Nondisclosure, gives the impression of a process not properly conducted.

101. Such an approach does not provide the confidence that those requesting disclosure of documents are entitled to have, namely that a collection of potentially responsive documents has taken place and a review has actually been conducted by the ICANN staff as to whether any of the documents identified as responsive to the request are subject to any of the Conditions of Nondisclosure, as is required by ICANN’s published policy for responding to DIDP requests. If the ICANN staff had made this clear in the response it could well have provided the Claimants with the reassurance that both procedure and policy had been followed and applied.

102. In the Reconsideration Request of 19 September 2014, the Claimants say:

“ICANN should not interpose such obstacles to access without providing a factual basis to determine if its claimed privileges have any merit. At
minimum, the BGC should review the asserted protections and independently determine if they have any supportable grounds”.

103. Such a request is understandable in the circumstances. Article 4 of ICANN’s Articles of Incorporation require it to carry out its activities “through open and transparent processes”. Its Core Values include:

“Making decisions by applying documented policies neutrally and objectively, with integrity and fairness”, its Bylaws include the requirement to “operate to the maximum extent feasible in an open and transparent manner and consistent with procedures designed to ensure fairness”.

104. The Panel is, of course, charged with reviewing the action of ICANN’s Board, rather than its staff, but the Panel wishes to make clear that, in carrying out its activities, the Board should seek to ensure that ICANN’s staff comply with the Articles of Incorporation and Bylaws of ICANN, and that a failure of the Board to ensure such compliance is a failure of the Board itself.

105. Although the Reconsideration Request said that “the BGC should review the asserted protections and independently determine if they have any supportable grounds”, it is the view of the Panel that this should not have been the starting point for the BGC in looking at the actions of the ICANN staff in dealing with the DIDP Request. As has already been said, the BGC does need to have a reasonable degree of assurance that the ICANN staff has correctly followed the requisite procedure and correctly applied ICANN policies. If the BGC considers it has that assurance, the Panel does not consider the BGC is required to conduct any form of independent determination as to the decisions made by the ICANN staff. The BGC would only need to go that far if it came to the conclusion that the ICANN staff had not followed the requisite procedure and/or had not correctly applied ICANN policies.

106. It is obvious, from the face of the denial of the Reconsideration Request issued by the BGC on 11 October 2014, that such an independent determination did not take place, and it appears that the BGC were satisfied that the ICANN staff had correctly followed procedure and applied policy. In the denial the BGC quite correctly state:

“It is ICANN’s responsibility to determine whether requested documents fall within those Nondisclosure Conditions. Specifically, pursuant to the DIDP process “a review is conducted as to whether the documents identified as responsive to the Request are subject to any of the [Nondisclosure Conditions]...Here, in finding that certain requested
documents were subject to Nondisclosure Conditions, ICANN adhered to the DIDP process.

107. Whilst the BGC does not explicitly say that a collection process occurred, it is implicit in the BGC denial that the BGC does believe that process was followed. In dealing specifically with numbered requests 1), 2) and 3), the denial says:

"Here, in finding that certain requested documents were subject to Nondisclosure Conditions, ICANN adhered to the DIDP process. Specifically, as to “documentation with the EIU for the performance of its role” and “communications with persons from EIU who are not involved in the scoring of a CPE,” ICANN analysed the Requesters’ requests in view of the DIDP Nondisclosure Conditions, including those covering “information exchanged, prepared for, or derived from the deliberative and decision-making processes” and “confidential business information and/or internal policies and procedures.”

108. The denial quotes from the DIDP response as follows:

“ICANN must independently undertake the analysis of each Condition as it applies to the documentation at issue, and make the final determination as to whether any Nondisclosure Conditions apply”

The denial then goes on to say:

In conformance with the publicly posted DIDP process.... ICANN undertook such analysis, as noted above, and articulated its conclusions in the DIDP Response. While the Requesters may not agree with ICANN’s determination that certain Nondisclosure Conditions apply here, the requesters identify no policy or procedure that ICANN staff violated in making its determination, and the Requesters' substantive disagreement with that determination is not a basis for reconsideration.”

109. The denial also reaches a similar conclusion as to the adherence by the ICANN staff to the DIDP process in determining that the potential harm caused by disclosure outweighed the public interest in disclosure.

110. Whilst the Panel considers that the ICANN staff could, and should, have been more explicit as to the process they had followed in refusing disclosure, the BGC determination document of 11 October 2014 provides the requisite degree of confirmation that the correct procedure was actually followed, that the BGC did, properly, consider whether the relevant policy or procedure was actually applied by the ICANN staff and whether, in doing so, the BGC could have a reasonable degree of assurance that the ICANN staff had correctly the applied the policy or procedure.
111. In doing so, the Panel is satisfied that the BGC acted consistently with the provisions of ICANN's Articles of Incorporation and Bylaws and that the Claimants complaints in this regard are not made out.

3. The denial by the BGC, on 18 November 2014, of the Reconsideration Request to have the CPE Panel decision in .eco reconsidered.

112. In conducting this analysis, the Panel has carefully considered the CPE report dated 6 October 2014, which determined that Big Room's community based application had prevailed, the Reconsideration Request dated 22 October 2014 and the BGC denial of the Reconsideration request dated 18 November 2014. In doing so, the Panel has considered whether the Board (through the BGC) has acted consistently with the provisions of ICANN's Articles of Incorporation and Bylaws.

113. The Panel is clear that, in doing so, it is required by ICANN's Bylaws to apply a defined standard of review focusing on:

   a. whether the BGC acted without conflict of interest in taking its decision?
   b. whether the BGC exercised due diligence and care in having a reasonable amount of facts in front of them?; and
   c. whether the BGC exercised independent judgment in taking the decision, believed to be in the best interests of the company?

114. As with the previous two issues, no allegation of conflict of interest has been made by the Claimants and the Panel has no information or documentation upon which it could reach any view as to whether a conflict of interest existed or not. In conclusion, so far as that requirement is concerned, the Panel can make no finding.

115. As it did in considering the first issue, and for the reasons stated there, the Panel considers that if the BGC is charged with considering whether the EIU correctly applied ICANN policies (which ICANN accepts it is), then it needs to look into how the standard was applied. It is not sufficient to limit the review to the question of whether mention was made of the relevant policy. The BGC needs to have a reasonable degree of assurance that the EIU has correctly the applied the policy.

116. In their Reconsideration Request of 22 October 2014, at page 10, the Claimants say:
"Requester therefore requests ICANN in accordance with its Reconsideration Request process to:

- Reconsider the Determination, and in particular not award a passing score in view of the [CPE] criteria set out in the [Guidebook] for the reasons expressed in this Reconsideration Request and any reasons, arguments and information to be supplemented to this Request or forming part of a new Reconsideration Request in the future;
- Reconsider ICANN’s decision that the Requester’s application for the .eco gTLD “Will not Proceed” to contracting; and
- Restore the “Application Status” of the Requester’s application and the Application submitted by the Applicant to “Evaluation Complete”, their respective “Contention Resolution Statuses” to “Active”, and their “Contention Resolution Result” to “In Contention”.

117. Earlier in the Reconsideration Request (at pages 2 and 3), the Claimants argue that the concept “eco” is much broader than the community definition provided by Big Room in its community based application and say:

“the community definition contained in the Application... in Requester’s opinion – does not meet the criteria for community-based gTLDs that have been set out in ICANN’s Applicant Guidebook”

118. The Reconsideration Request goes on to give the reasons for this assertion, which can be summarised as:

- there is no clear and unambiguous definition of the community that Big Room’s community based application is intended to serve;
- the string .eco does not closely describe the community or the community members and over-reaches substantially beyond the community referred to in the application;
- the term .eco has various meanings that are completely unrelated to the community determined in Big Room’s application; and
- the CPE Panel failed to detail the letters of opposition received.

119. The BGC’s denial states:

“The Requesters do not identify any misapplication of any policy or procedure by ICANN or the CPE Panel. Rather the Requesters simply disagree with the CPE Panel’s determination and scoring of the Application, and challenge the substantive merits of the CPE Panel’s Report. Specifically, the Requesters contend that the CPE Panel improperly applied the first, second and fourth CPE criteria set forth in the [Guidebook].
Substantive disagreement with the CPE Panel’s Report, however, is not a basis for reconsideration. Since the Requesters have failed to demonstrate that the CPE Panel acted in contravention of any established policy or procedure in rendering the Report, the BGC concludes that [the Reconsideration Request] be denied.”

120. The BGC denial then goes on to examine whether the EIU properly applied the Guidebook scoring guidelines and CPE Guidelines in respect of each of the items raised by the Claimants and concludes, in respect of each one, that “the CPE Panel accurately described and applied the Guidebook scoring guidelines and CPE Guidelines”.

121. In considering the original CPE report of 6 October 2014, the Reconsideration Request dated 22 October 2014 and the BGC denial of the Reconsideration Request dated 18 November 2014, the Panel has looked closely at whether the BGC simply undertook an administrative “box ticking” exercise to see whether mention was made of the relevant policy or procedure in denying the Reconsideration Request, or whether, as the Panel considers the BGC is required to do, it looked into how the relevant policy or procedure was actually applied by the EIU, and whether, in doing so, the BGC could have a reasonable degree of assurance that the EIU had correctly the applied the policy or procedure.

122. Unlike the Reconsideration Request in respect of the .hotel CPE determination, this Reconsideration Request does not raise questions as to whether the EIU followed ICANN policy and procedure. It is, indeed, correctly categorised by the BGC in its denial as a statement of substantive disagreement with the EIU’s determination. Nevertheless, it is clear from the BGC determination document of 18 November 2014 as a whole that the BGC did, properly, consider how the relevant policy or procedure was actually applied by the EIU, and whether, in doing so, the BGC could have a reasonable degree of assurance that the EIU had correctly the applied the policy or procedure.

123. In doing so, the Panel is satisfied that the BGC acted consistently with the provisions of ICANN’s Articles of Incorporation and Bylaws and that the Claimants complaints in this regard are not made out.


124. Crowell & Moring’s letter of 5 June 2015 is addressed for the attention of the Members of the ICANN Board and to Mr Akram Atallah, the President of ICANN’s GDD. It makes a number of serious allegations arising from a portal
configuration issue, which ICANN has admitted occurred, and which can be summarised as follows:

- The user credentials of someone called D. Krischenowski were used to conduct over 60 searches resulting in over 200 unauthorized access incidents across an unknown number of gTLDs;
- these searches resulted in the obtaining of sensitive and confidential business information concerning several of the .hotel applicants;
- D. Krischenowski is associated with HTLD; and
- the user of those credentials was deliberately looking for sensitive and confidential business information concerning competing applicants.

125. The letter then goes on to ask for certain information in relation to the portal configuration issue.

126. The letter is clearly addressed to the Members of the Board of ICANN and its President of GDD and asks, largely, for information and not documentation. It appears that the letter was also submitted through ICANN's DIDP and, in consequence, ICANN appears solely to have treated the letter as a DIDP request. Accordingly, on 5 July 2015, the ICANN staff responded in a document entitled “Response to Documentary Information Disclosure Policy Request” and stated:

“ICANN's DIDP is limited to requests for documentary information already in existence within ICANN that is not publicly available. Simple requests for non-documentary information are not appropriate DIDP requests”.

127. As is clear from the face of the letter itself, it is not simply a DIDP request. The attempt by ICANN to treat it solely as such represents, at best, a basic error on its part and, at worst, an attempt by the Board to avoid dealing with what is clearly a serious and sensitive issue, which goes to the integrity of the application process for the .hotel gTLD.

128. To be fair, the DIDP Response goes on to provide much detail as to what ICANN has done in the way of forensic investigation and what that has revealed. It does not, however, state whether any consideration has been given as to the impact on the integrity of the application process for the .hotel gTLD.

129. In the Reply in the .hotel IRP, the Claimants have argued that, in the circumstances, HTLD’s application for .hotel must be denied and have asked the Panel to declare that ICANN must reject HTLD’s application.
130. In its Sur-Reply, ICANN argues that the Claimants have failed to identify any Board action or inaction in this regard that violates any of ICANN’s Articles of Incorporation or Bylaws. ICANN states in the Sur-Reply that:

“The only Board action (or inaction) that the Claimants vaguely allude to in their Reply is that the Board did not directly respond to a letter addressed to both ICANN Board and staff requesting disclosure of information regarding the Portal Configuration issue. But, it was not the Board’s responsibility to do so, and ICANN’s Articles and Bylaws do not mandate that the Board reply to every letter it receives”.

131. In the context of the clear problems caused by ICANN’s portal configuration problem, and the serious allegations contained in the letter of 5 June 2015, this is, in the view of the Panel, a specious argument.

132. In its Sur-Reply, ICANN goes on to say:

“Although Claimants Argue that [HTLD] “is closely linked with individuals who have misused, or have permitted the misuse of, their user credentials...this argument is unsupported and asserts no conduct by the ICANN Board. Claimants have failed to demonstrate that the Board has a duty to act with respect to Claimants’ belief as to what the Board should do.”

133. Article III.1 of ICANN’s Bylaws provides that “ICANN and its constituent bodies shall operate to the maximum extent feasible in an open and transparent manner and consistent with procedures designed to ensure fairness.”

134. The approach taken by the ICANN Board so far in relation to this issue does not, in the view of the Panel, comply with this Bylaw. It is not clear if ICANN has properly investigated the allegation of association between HTLD and D. Krischenowski and, if it has, what conclusions it has reached. Openness and transparency, in the light of such serious allegations, require that it should, and that it should make public the fact of the investigation and the result thereof.

135. The fact that no such investigation has taken place, or if it has the results have not been published, could, in the view of the Panel, amount to Board inaction and fall within the remit of the Panel. However, at the hearing, the Panel was assured by ICANN’s representative, that the matter was still under consideration by the Board and that the Panel should not view a failure to act, as at the date of the hearing, as inaction on the part of the Board.

136. In view of the fact that this issue was raised on 5 June 2015 by the Claimants, the Panel is of the view that it cannot remain under consideration by the Board
of ICANN for much longer and that, if no further, appropriate action has been taken by the date of this Declaration, the failure of the Board to act could well amount to inaction on its part.

137. This issue was raised after this IRP process had commenced and has only been the subject of relatively brief argument by the Claimants in their Reply and by ICANN in its Sur-Reply. At the hearing, not only did ICANN’s representative inform the Panel that the issue was still under consideration by the Board of ICANN, but he also gave an undertaking on behalf of ICANN that if a subsequent IRP was brought in relation to this issue, ICANN would not seek to argue that it had already been adjudicated upon by this Panel.

138. In all the circumstances, the Panel has concluded it should not make a declaration on this issue in this IRP, but that it should remain open to be considered at a future IRP should one be commenced in respect of this issue.

5. The attempt by Minds + Machines Group Limited to join in the .hotel IRP.

139. As has already been stated, in the Claimants’ Reply in the .hotel IRP, Minds + Machines Group Limited stated it wished to join in the proceedings and, in its Sur-Reply, ICANN objected, relying on Article 7 of the ICDR International Dispute Resolution Procedures.

140. Article 7 provides that “[n]o additional party may be joined after the appointment of any arbitrator, unless all parties, including the additional party, otherwise agree”. There is nothing in the ICANN Supplementary Procedures that is inconsistent with this provision and, accordingly, it governs the procedure of this IRP.

141. Minds + Machines Group Limited applied for the .hotel gTLD and there does not appear to be any reason why, should it have so wished, it could not have joined with the Claimants in bringing the .hotel IRP. It did not do so and no reason has been given for its failure to do so. Accordingly, pursuant to Article IV.3.3 of ICANN’s Bylaws, it is now time-barred from doing so.

142. In all the circumstances, the Panel rejects the request of Minds + Machines Group Limited to join this IRP.

J. Conclusion

143. Many general complaints were made by the Claimants as to ICANN’s selection process in appointing EIU as the CPE Panel, the process actually followed by
EIU in considering community based applications, and the provisions of the Guidebook. However, the Claimants, sensibly, agreed at the hearing on 7 December 2015 that relief was not being sought in respect of these issues.

144. Nevertheless, a number of the more general issues raised by the Claimants and, indeed, some of the statements made by ICANN at the hearing, give the Panel cause for concern, which it wishes to record here and to which it trusts the ICANN Board will give due consideration.

145. At the hearing, ICANN submitted that it was not subject to a due process obligation neither pursuant to its Articles of Incorporation and Bylaws, nor pursuant to general international legal principles, notwithstanding Article 4 of it Articles of Incorporation. If this was intended as a general statement, the Panel finds this most surprising in the context of the role ICANN fulfils and the language of Article 4 itself. ICANN is a California non-profit corporation but Article 4 of the Articles of Incorporation refers to the principles of international law and local law and to the use of open and transparent processes to enable competition and open entry in Internet markets. The Panel understands the importance of administrative procedures, such as the CPE discussed below. The Panel also understands that the EIU and the BGC themselves are not adjudicatory but administrative bodies. Nevertheless, the Panel invites the Board to affirm that, to the extent possible, and compatible with the circumstances and the objects to be achieved by ICANN, transparency and administrative due process should be applicable.

146. Also, at the hearing, ICANN confirmed that, notwithstanding that different individual evaluators can be used to consider different CPE applications, the EIU has no process for comparing the outcome of one CPE evaluation with another in order to ensure consistency. It further confirmed that ICANN itself has no quality review or control process, which compares the determinations of the EIU on CPE applications. Much was made in this IRP of the inconsistencies, or at least apparent inconsistencies, between the outcomes of different CPE evaluations by the EIU, some of which, on the basis solely of the arguments provided by the Claimants, have some merit.

147. The CPE process for this round of gTLDs is almost at an end, so there is little or nothing that ICANN can do now, but the Panel feels strongly that there needs to be a consistency of approach in making CPE evaluations and if different applications are being evaluated by different individual evaluators, some form of outcome comparison, quality review or quality control procedure needs to be in place to ensure consistency, both of approach and marking, by evaluators. As was seen in the .eco evaluation, where a single mark is the difference between prevailing at CPE and not, there needs to be a system in
place that ensures that marks are allocated on a consistent and predictable basis by different individual evaluators.

148. Further, as has already been stated:

— In its letter of 4 December 2015, ICANN confirmed that the EIU’s determinations are presumptively final, and the Board’s review on reconsideration is not substantive, but rather is limited to whether the EIU followed established policy or procedure.
— At the hearing on 7 December 2015, ICANN confirmed that the core values, which apply to ICANN by virtue of its Bylaws, have not been imposed contractually on the EIU, and the EIU are not, in consequence, subject to them.

149. The combination of these statements gives cause for concern to the Panel. As has already been noted, Article 1.2 of the Bylaws states:

“Any ICANN body making a recommendation or decision shall exercise its judgment to determine which core values are most relevant and how they apply to the specific circumstances of the case at hand, and to determine, if necessary, an appropriate and defensible balance among competing values.”

150. The Panel fails to see why the EIU is not mandated to apply ICANN’s core values in making its determinations whilst, obviously, taking into account the limits on direct application of all the core values as reflected in that paragraph of the Bylaws. Accordingly, the Panel suggests that the ICANN Board should ensure that there is a flow through of the application of ICANN’s core values to entities such as the EIU.

151. Having expressed the Panel’s concern at these general issues, the Panel now turns to the specific issues which, ultimately, it was asked to consider in this IRP. The Panel has found, in relation to each of the specific issues raised in the .hotel and .eco IRPs that it is satisfied that the BGC acted consistently with the provisions of ICANN’s Articles of Incorporation and Bylaws, and that the Claimants’ complaints have not been made out.

152. In consequence, the Panel will not be making any of the declarations sought by the Claimants.
K. The Prevailing Party and Costs

153. Article IV.3.18 of the Bylaws states:

“The IRP Panel shall make its declaration based solely on the documentation, supporting materials, and arguments submitted by the parties, and in its declaration shall specifically designate the prevailing party. The party not prevailing shall ordinarily be responsible for bearing all the costs of the IRP Provider, but in an extraordinary case the IRP Panel may in its declaration allocate up to half of the costs of the IRP Provider to the prevailing party based upon the circumstances including a consideration of the reasonableness of the parties positions and their contribution to the public interest. Each party to the IRP shall bear its own expenses.”

154. The Panel confirms that it makes its declaration based solely on the documentation, supporting materials and arguments submitted by the parties and that on the basis of that documentation, supporting material and arguments, has concluded that ICANN is the prevailing party, both in respect of the .hotel IRP and the .eco IRP.

155. Although the Claimants have raised some general issues of concern as to the CPE process, the IRP in relation to the .hotel CPE evaluation was always going to fail given the clear and thorough reasoning adopted by the BGC in its denial of the Reconsideration Request and, although the ICANN staff could have responded in a way that made it explicitly clear that they had followed the DIDP Process in rejecting the Claimants’ DIDP request in the .hotel IRP, again the IRP in relation to that rejection was always going to fail given the clarification by the BGC, in its denial of the Reconsideration Request, of the process that was followed.

156. As for the .eco IRP, it is clear that the Reconsideration Request was misconceived and was little more than an attempt to appeal the CPE decision. Again, therefore, the .eco IRP was always going to fail.

157. Finally, although the letter from Crowell & Moring of 5 June 2015 raises some very serious issues, which the Panel considers the ICANN Board needs to address, in the end, the Panel has not had to adjudicate on this issue.

158. In conclusion, therefore, whilst the Panel has declared ICANN to be the prevailing party, the Claimants in this IRP have raised a number of serious issues which give cause for concern and which the Panel considers the Board need to address. In the circumstances, the Panel considers that the Claimants’
contribution to the public interest merits ICANN bearing half of the costs of the IRP Provider, which is the ICDR.

159. Article IV.3.18 provides that “[e]ach party to the IRP shall bear its own expenses”. Rule 11 of ICANN’s Supplementary Procedures provides:

“In the event the Requestor has not availed itself, in good faith, of the cooperative engagement or conciliation process, and the Requestor is not successful in the Independent Review, the IRP Panel must award ICANN all reasonable fees and costs incurred by ICANN in the IRP, including legal fees”

160. ICANN has not sought to argue that any of the Claimants failed to enter into the Cooperative Engagement Process in good faith, and there is no evidence of this in the materials before the Panel. In consequence, the panel considers that, in accordance with Article IV.3.18 of the Bylaws, each side shall bear their own expenses including legal fees.

FOR THE FORGOING REASONS, the Panel hereby:

(1) Declares that the IRP Request made in relation to the .hotel gTLD by Despegar Online SRL, Donuts Inc., Famous Four Media Limited, Fegistry LLC and Radix FZC is denied;

(2) Designates ICANN as the prevailing party in the .hotel IRP;

(3) Declares that the IRP Request made in relation to .eco gTLD by Little Birch, LLC and Minds + Machines Group Limited is denied;

(4) Designates ICANN as the prevailing party in the .eco IRP;

(5) Declares that the fees and expenses of the IRP Panel members, totalling US$113,351.52, and the fees and expenses of the ICDR, totalling US$11,500.00, shall be born as to half by ICANN, and as to the other half collectively by Despegar Online SRL, Donuts Inc., Famous Four Media Limited, Fegistry LLC, Radix FZC, Little Birch, LLC and Minds + Machines Group Limited (“Applicants”). Therefore, ICANN shall reimburse the Applicants collectively the sum of $5,750.00 representing that portion of said fees and expenses in excess of the apportioned costs previously incurred by the Applicants; and

(6) This Final Declaration may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute the Final Declaration of this IRP Panel.
Dirk P. Tirez  
Date: 11 February 2016

Thomas H. Webster  
Date: 11 February 2016

Peter J. Rees QC  
Chair of the IRP Panel  
Date: 11 February 2016
Exhibit A29V
Eric Schmidt, executive chairman at Google, features in a remake of a 1996 Economist advert with Henry Kissinger. In the new version, Mr Schmidt gets into a lift with a nervous member of staff and leaves him lost for words.
Exhibit A30-1V
KUO-WEI WU: Thank you for your question. I think that we give the next person have a chance.

Next one. Sorry I speak in Chinese.

CONSTANTINE ROUSSOS: No problem. This is Constantine Roussos with .MUSIC. Page 22 of the final CPE guidelines state, "The evaluation process will respect the principles of fairness, transparency, avoiding potential conflicts of interest and non-discrimination."

We have some serious concerns. The chairman of Google, Eric Schmidt, is on the Board of "The Economist." Google is an applicant for .MUSIC. "The Economist" grades our CPE. This is a serious conflict of interest.
Secondly, as you may be aware, one of our competitors strategically rallied one of their supporters, which, again, is 100% conflict of interest, to file a spurious opposition letter to obstruct our application to benefit themselves. The basis of their claim was rooted on discrimination not compatible with competition objectives claiming that .MUSIC should be reserved to only select members of select organizations, an eligibility policy which is anti-competitive.

Both the EIU and ICANN agreed with this fact in recent CPE and reconsideration determinations that such a policy overreaches and that the majority of the community does not belong to these select organizations. This conflicted organization's opposition letter purposely singled us out. If this opposition was authentic, why did this organization not oppose Google or other open applicants who applied for .MUSIC, especially since these open applicants lack the restricted music tailored enhanced safeguards that our community application possesses to show the global music community and protect intellectual property?

Such scare tactics are prevalent at ICANN, especially for community applicants filed to game the CPE process and obstruct community applications to benefit their competing applications. Another clear conflict of interest.
Naturally, we expect ICANN and "The Economist" to receive letters from some portfolio competitors attacking our application aimed at similar obstruction as soon as we are invited to CPE.

How will ICANN ensure "The Economist" follows the CPE guidelines which state that the evaluation process will respect principles of fairness, transparency, avoiding potential conflicts of interest and non-discrimination? We will proceed with CPE but with disclosed prejudice. Thank you.

Kuo-Wei Wu: Any comment or thanks?

[ Applause ]

Fadi Chehade: Thank you, Constantine, for your eloquent kind of layout of the issues. I appreciate it.

May I suggest, given the sensitivity of what you shared, that you send us a formal letter with -- explaining these conflicts and any concerns you have? And I can assure you that you can trust our process to deal with these things without prejudice as we always have.

Constantine Roussos: Thank you, sir.
Exhibit A30-2
Annual report 2015
ANNUAL REPORT

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<td>346</td>
<td>362</td>
<td>347</td>
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<td>Operating profit</td>
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<td>68</td>
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<td>Net interest</td>
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<td>Profit before taxation</td>
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<td>Net borrowings</td>
<td>(14)</td>
<td>(13)</td>
<td>(25)</td>
<td>(11)</td>
<td>(15)</td>
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<td>Net current liabilities</td>
<td>(71)</td>
<td>(73)</td>
<td>(69)</td>
<td>(65)</td>
<td>(56)</td>
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<td>Long-term creditors and provisions</td>
<td>(87)</td>
<td>(60)</td>
<td>(87)</td>
<td>(71)</td>
<td>(57)</td>
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<td>Net (liabilities)/assets</td>
<td>(26)</td>
<td>(5)</td>
<td>(11)</td>
<td>(5)</td>
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<td>Net cash from operating activities</td>
<td>64</td>
<td>69</td>
<td>60</td>
<td>70</td>
<td>78</td>
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<td><strong>Ratios</strong></td>
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<td>Operating profit to turnover</td>
<td>18.3%</td>
<td>17.8%</td>
<td>19.5%</td>
<td>18.6%</td>
<td>18.2%</td>
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<td>Basic earnings per share</td>
<td>183.5p</td>
<td>175.8p</td>
<td>194.4p</td>
<td>188.7p</td>
<td>176.5p</td>
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<td>Normalised earnings per share</td>
<td>183.5p</td>
<td>174.6p</td>
<td>194.4p</td>
<td>188.7p</td>
<td>176.5p</td>
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<td><strong>Dividends and shares</strong></td>
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<tr>
<td>Final and interim dividend per share</td>
<td>139.7p</td>
<td>131.7p</td>
<td>123.2p</td>
<td>116.0p</td>
<td>104.1p</td>
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<td>Special dividend per share</td>
<td>23.8p</td>
<td>31.7p</td>
<td>40.0p</td>
<td>40.0p</td>
<td>39.7p</td>
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<tr>
<td>Total dividend per share</td>
<td>163.5p</td>
<td>163.4p</td>
<td>163.2p</td>
<td>156.0p</td>
<td>143.8p</td>
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<td>Times covered (excluding non-operating exceptional items)</td>
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<td>1.1</td>
<td>1.2</td>
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<td>Indicative share value</td>
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<td>£27.00</td>
<td>£26.00</td>
<td>£25.00</td>
<td>£24.50</td>
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<tr>
<td>Dividend yield</td>
<td>5.6%</td>
<td>6.1%</td>
<td>6.3%</td>
<td>6.2%</td>
<td>5.9%</td>
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Group overview

A description of the Group’s principal risks, uncertainties and guiding principles can be found under the headings of Internal control and The Economist Group’s guiding principles in the Directors’ report on pages 20 and 21 respectively.
LAST YEAR’S financial results were broadly flat: revenues down 1%, operating profits up 2%, and the US dollar-sterling exchange rate averaging almost exactly what it was in the previous year. Under the surface, though, a lot was happening, and most of it encouraging.

Starting with the newspaper itself, print advertising continued its steep fall, and revenue from circulation continued to rise. This combination is transforming the paper’s business model. At the start of the century The Economist had total annual revenues of £142m, of which £93m (65%) came from selling print advertising; by last year, print ads had fallen by half, to £47m (just 28% of the total), yet total revenues had risen to £169m. Perhaps the most remarkable figure from last year was the 13% rise in the gross profit from circulation, as we weeded out discounted copies and attracted more subscribers who paid a premium for a “bundle” of print and digital editions.

The paper has also had a change of editor. After nine years in the chair, John Micklethwait stepped down at the end of January. He steered the paper through many difficult phases, including a financial crash and a digital storm, and we have much to thank him for. With the approval of the Trustees, the Board appointed Zanny Minton Beddoes as the 17th editor, and you will find her early thoughts on the job later in this report.

Moving on to other parts of the Group, there has been rapid growth in the rest of The Economist Businesses. Our clients may want to buy less print advertising than before, but they spend more on other forms of marketing. The two largest categories saw sales grow by 37% (thought-leadership products) and 39% (TVC, our digital media agency). Growth was much slower in sponsorship for conferences and events, but still positive.

The second of the Group’s three legs, the Economist Intelligence Unit (EIU), increased revenue by 2%. Although its long-standing country reports saw a 4% fall in revenue, research commissioned by clients had a rise of 27%.

The Group’s third leg is the CQ Roll Call business in Washington, DC. It has continued to face tough trading conditions, at a time when political gridlock reduced the amount of federal legislation and all the activity that swirls around it. Revenue was down by 3%, but cost control ensured that profits did not decline.

Beneath the surface of all these figures you will find innovation and risk-taking. Espresso, a new app that provides a daily shot of The Economist’s journalism, has been downloaded more than 800,000 times since it started in November. The Group has recently launched a new bilingual app aimed at the Chinese market, and you will soon hear about Economist Films. These and other new products cost money to develop and promote, and most of the costs are written off as they arise. Without them, profit would have been higher last year—but it would then be held back, we believe, in years to come.

As a private company, we can more easily invest for the long term, and that perspective gives the Board the confidence to increase the final dividend to 99.2p per share, up by 5.5% compared with last year.

The biggest reason for the Board’s confidence, though, is our staff. The digital world is full of opportunities, but it does demand big changes in how people work. Through their flexibility and imagination, our staff are taking the Group into an exciting future, and I thank them for all they do.

RUPERT PENNANT-REA
The year just finished was a challenging one; nonetheless, we managed to deliver higher profits than in the preceding year. More importantly, we are making progress in many areas critical to our future and I look forward to this year with great excitement as we accelerate our plans to transform and grow the business.

In the media business, print advertising at The Economist declined by 18% in the year, with the greatest decline happening in the US. Given the high margins associated with print advertising, this had a disproportionate impact on our profits which we did well to cover. Digital advertising also suffered from economic weakness in the US early in the year but gained momentum as it progressed, aided by various initiatives such as our programmatic offering. As Rupert mentions in his review, one of the highlights of the year was the growth in our marketing services revenue. We have known for a while that marketers are shifting their budgets away from advertising and towards other marketing services, and it was particularly pleasing to see such significant growth in our content-solutions business and TVC. We intend to build on that success this year.

The paid circulation of The Economist is growing; this, combined with improved revenue per copy, has driven a significant increase in its profitability. The success of our circulation-marketing activity will continue to grow both the paid volume and profitability for many years to come.

The EIU had a tough year in its core country-analysis subscription business but there are encouraging signs of improvement and we have seen considerable growth in its industry-sector-specific divisions, most notably at Clearstate (healthcare market intelligence) and the newly created public policy unit. We have plans to build on this growth and create a capability in at least one new industry sector.

In the key strategic areas I mention above—marketing services, circulation and healthcare—we made particularly strong progress in Asia. In many ways I believe our business there is coming of age.

CQ Roll Call has operated in a difficult environment for a number of years, with government spending cuts and legislative gridlock in DC, so it did well to maintain its profit last year. We are confident that the economic recovery in the US and the changing political landscape are creating a more positive outlook for the business, and we are determined to take advantage of that this year.

Product innovation came to the fore last year. We launched The Economist Espresso, our daily short, sharp fix of The Economist delivered to readers first thing in the morning. We created Economist Films, initially focusing on a series of short-form, high-end factual programmes with product values that reflect our heritage. The first two pilots, “Drugs: War or Store” and “Drone Rangers”, have been completed (or, as they say, are “in the can”). There are more to come. In April we launched our first ever bilingual app, Global Business Review, with the ability to switch between English and Chinese with just a tap of the screen. We have many more exciting plans for the year ahead.

In a world and industry where the pace of change gets ever quicker, we have learnt to be true to our heritage but also to respond and innovate just as quickly. The energy, enthusiasm and great skill of our staff give me confidence that, while we face many challenges, we will be successful in continuing to transform and grow the business.

CHRIS STIBBS
Grim political news dominated much of The Economist’s coverage last year. Vladimir Putin made several appearances on our cover—as a menacing puppeteer, bare-chested in the turret of a tank and lurking on a giant chessboard—as we deplored Russia’s expansionist meddling in Ukraine. We deplored the rise of Islamic State and lamented America’s fecklessness in the Middle East. In the year’s biggest elections, The Economist backed the winner in Japan, Indonesia and Nigeria. In India and Brazil we did not. We continued to take a dim view of Europe’s economy and argued early that the economies of both Russia and Brazil were in greater trouble than many realised. In between making sense of current events, our covers tackled mind-stretching themes, from the future of the university and the rise of the “app economy” to the emergence of a new “American aristocracy”.

Inside the newspaper, it was a year of milestones. In November we launched the Espresso app, for the first time offering readers a daily shot of news analysis. In December we created a data department to raise our game in statistical analysis and presentation. In February we changed editor. John Micklethwait moved to New York to run Bloomberg News. His valedictory essay, a paean to liberalism, and his final cover—the Venus de Milo pointing a revolver, with the words “Go ahead, Angela, make my day”—were both models of their genres. Unable to match John’s productivity, my first decision was to appoint two excellent deputies: Tom Standage and Edward Carr. My second was to cut the salutation “Sir” on the letters page. Some readers lamented the change, but “Madam” just seemed too old-fashioned.

Digital progress has been dramatic. From Economist Films to a bilingual app, the pace of innovation is so rapid that Tom Standage has provided a separate report (see page 8). In March Economist.com had almost 47m page views and over 12m unique visitors, both a rise of 30% from a year ago. Traffic from Twitter and Facebook has tripled.

Intelligent Life’s cover stars included Eddie Redmayne, four months before he won an Oscar. The magazine stepped up its web presence, made video a regular feature of the iPad edition and staged its first public events. It drew large audiences to hear two writers, Hilary Mantel and Eleanor Catton.

The EIU had a strong year editorially, with a particular focus on expanding its analysis of cities to India and South-East Asia as well as the existing Access China service. The editorial team at the EIU’s healthcare division continued to raise the company’s profile in a fast-growing industry.

With American politics dominated by the midterm election, CQ Roll Call had a strong year of campaign coverage. A livestream broadcast from the newsroom on election night attracted sponsorship and drove traffic. CQ and Roll Call worked together to publish a new member guide within 48 hours of the election. Overall site visits grew by more than 20%.

These efforts won outside recognition. Kal, The Economist’s cartoonist, won the 2014 Overseas Press Club Award and the 2015 Herblock Prize for editorial cartooning. Tom Standage was named Pioneer of the year at the British Media Awards. Rosemarie Ward won a Front Page award for reporting about the riots in Ferguson, Missouri. Andrew Miller won Travel Story of the year at the FPA Media Awards. The EIU was ranked first in the “for profit” category in the University of Pennsylvania’s 2014 Global Go To think-tank index. And CQ Roll Call won five awards from the Maryland-Delaware-DC Press Association, including one for its survey of the wealth of Congress.

Zanny Minton Beddoes
Editor-in-Chief
The Digital transformation of our industry presents us with new opportunities to do two things: to enhance what we offer subscribers on the one hand, and to carry our values, expertise and perspective to new audiences on the other. The digital initiatives we embarked upon last year exploited the potential of both of these approaches.

In November 2014 we launched Espresso, a stimulating shot of information and analysis designed for reading on the go each weekday morning via smartphone app or e-mail. Espresso complements the weekly newspaper by doing the same job for the reader—providing a trusted, succinct summary of world events, spotting trends and providing analysis—but on a daily cycle. Espresso is free to existing digital subscribers and is available on its own for £2.49 a month. It has been well received by both existing and new readers—some of whom, we hope, will use it as a “stepping stone” to a weekly subscription. The app has been downloaded more than 800,000 times and has a weekly readership of 200,000; 175,000 existing subscribers have activated access to it. Espresso was shortlisted for “App of the year” in the British Media Awards.

In addition to our first daily, we also created our first bilingual product, The Economist Global Business Review, an English-Chinese smartphone app launched in April 2015. It offers a curated selection of 30 articles a month, focusing on global trends in business, finance and technology. Our market research shows that these topics have the greatest appeal to the mostly business audience we are targeting, and the app has been designed to present the same articles in other languages in future. The high quality of the translations, and the ability to flip entire articles or individual paragraphs between languages, means the app can also be used as an educational tool. After a free trial period, access will cost less than £65 a year. Though aimed at countries with large Chinese-speaking populations, the Global Business Review is available worldwide.

Both Espresso and the Global Business Review are examples of products that would have been impractical for us in the print-only era, but can now be delivered globally via smartphones. A third new venture, Economist Films, which kicked off in February, capitalises on the rise of new digital platforms for video delivery. This new business unit, for which I am the editorial head and Nicholas Minter-Green is the commercial head, is making a series of short, factual documentaries for distribution through both our own digital channels and via social platforms. The growing popularity of video gives us an opportunity to introduce millions of new viewers to The Economist’s distinctive perspective on global affairs.

This year we also embarked on an overhaul of our audio output, consumption of which is also growing on mobile devices, and which (like video) lets us reach a wider audience in novel ways and on new platforms, such as cars and wearable devices. In addition, we updated the main Economist app to allow control of the audio edition using the Apple Watch. This new device promises to catalyse an entire product category, but as with the introduction of the iPad five years ago, its impact is hard to predict. It highlights the uncertainty and rapid change that characterise today’s media environment—and the need for us to remain alert to new opportunities, open to experimentation and agile in our response.

**TOM STANDAGE**
**DEPUTY EDITOR, THE ECONOMIST**
The Economist Group media businesses

Our strategy of diversifying revenues away from advertising is working. Our non-advertising marketing and events revenues grew year on year by 18%. We have positioned ourselves not just as a provider of advertising, but as experts in helping brands engage intelligently with customers around the world. As we make this shift from selling advertising products to providing marketing solutions, we have had to invest in “agency” like functions and resources which has affected our margin.

Although we planned for a decline in print advertising the shortfall was bigger than expected, driven largely by the US market. Our digital advertising (online and in-app) growth slowed this year as we continue to manage the migration of online advertising from direct sales to selling through networks, including Ideas People Media, our own network, and programmatic trading. Indeed, our programmatic business finished its first year ahead of budget and is expected to double revenues in the coming year.

Within our non-advertising businesses, our investment in content marketing and marketing services is paying off. Both businesses’ revenues grew year on year by 37% and 39% respectively.

The US and Asia were the strongest growth markets for our content-marketing business. Growth came from renewing big programmes for companies like GE, launching client-branded services in Europe and Asia and winning business in new categories such as luxury. The awards have followed. We won Best Publisher Native Advertising Program at the Digiday Content Marketing Awards and Native Advertising Solution, Best Campaign of the Year at the Online Media Awards.

TVC is now an established part of our offering to clients and it creates the majority of the video we deliver. Its core business continues to grow. We are seeing benefits from its expansion into sports and its first overseas office in New York.

The Economist branded events business performed well in the US and Asia but was affected by events in Africa, causing us to cancel meetings. A highlight, though, was our Oceans event being named winner of the annual Peter Benchley Ocean Awards for “Excellence in Media”. EuroFinance had another successful annual event and we launched a partnership with Commercial Payments International to extend the business into the commercial card-payment market.

Last year we consolidated our products related to our readers’ career development (Which MBA?, online fairs, GMAT Tutor and classified advertising) into one business: Economist Careers Network. This has allowed us to develop products which focus on our readers’ career journey—finding a business school, getting into the school, finding a job and finding courses. We plan to launch more products around postgraduate and executive education courses.

Our media-brand businesses—Intelligent Life and The World In—are now run under one team with a clear strategy to diversify revenues. The first steps have seen Intelligent Life expand its distribution in North America and Asia Pacific and The World In double its digital circulation. We have exciting plans for both publications for the year ahead.

We expect this to be the year when our non-advertising revenues overtake our print advertising revenues. We will continue to invest in this strategy through optimising revenues from our advertising products while maximising growth from our content-marketing, events and marketing-services businesses.

Paul Rossi
President, The Economist Group Media Businesses
LAST YEAR represented the second year of a long-term plan to double the profitability of our circulation business. Our plan is based on four simple pillars: a steady migration to digital reading (reducing our print and distribution costs); asking subscribers to pay a reasonable premium if they want both print and digital formats; reducing our reliance on discounts to acquire and retain subscribers; and, finally, investing more in marketing.

The performance of this plan surpassed our profit targets. I am confident our plan will remain effective for three reasons. First, demand for subscriptions to The Economist remains undiminished; this is supported by the continually strong results of our marketing activity. Second, our market penetration is still low; we estimate that only 1% of the people in the world who share the characteristics of an Economist reader currently subscribe. And third, even though we have reduced the average cost to acquire subscribers by 20%, we believe we can still make our marketing more effective.

To increase the efficiency of our marketing, last year we paid greater attention to engaging, converting and retaining our readers. As a result, unique visitors to Economist.com increased 32% year on year to an average of 11m per month, driven by a five fold increase in the volume of content shared on our social media channels.

Through continuously testing and optimising key stages in the online customer journey, we channelled more readers into subscribing, delivering a 30% increase in the volume recruited via Economist.com. We focused more resources on subscriber retention, kicking off an extensive two-year programme to globalise and overhaul our retention strategy, reporting, operations and services. The first nine months of the programme delivered a 2% improvement in our global renewal rate, driving a material reduction in churn.

Selling print copies of The Economist at newsstands around the world remains a profitable element of our circulation. While newsstand sales for us, and most publications globally, are declining year on year, we were able to maintain profits by significantly improving our margins. This was achieved by tight supply management, active point-of-sale promotions, closely managing distribution and production costs, and following a premium-pricing strategy.

This year we also succeeded in halving the cost of acquiring new subscribers through our digital marketing channels. We invested in digital marketing throughout the “customer journey”: at one end, using emerging-marketing technologies to introduce new audiences to our content (to warm them up); while at the other end, applying sophisticated and forensic conversion attribution techniques (to encourage them to become subscribers). We now behave in much the same manner as an online retailer. We deliver ever-on marketing—we determinedly pursue leads, precisely measure our return on investment and relentlessly optimise our activities.

To support all our direct marketing activities, throughout the past 12 months we have been building a solid media-communications plan. Media coverage increased to new peaks, particularly driven by a stream of corporate announcements, from the launch of Espresso, through to the appointment of our new editor-in-chief. The Group’s media profile was further augmented through an executive-visibility programme that positions our leadership team as experts in their fields of business.

For the second year running, we begin the fiscal year with even more loyal subscribers, a more digital and more profitable circulation—as well as a proven strategy to continue circulation growth.

MICHAEL BRUNT
CHIEF MARKETING OFFICER, THE ECONOMIST

“Demand for subscriptions to The Economist remains undiminished”
The Economist Intelligence Unit

The Economist Intelligence Unit (EIU) is gradually changing from a business which focuses narrowly on subscription services for macroeconomic and political forecasting, to one which also has strong capabilities in key industries and bespoke research. This transition accelerated in 2014-15. Our healthcare business grew impressively and our public policy practice reached new heights, while custom-research grew strongly. Our subscriptions services, conversely, had good renewal rates but soft new business as clients switch to more customised services.

Our editorial team spent the year assessing the implications of a collapsing oil price, the renewed fears of a euro-zone break-up, and the steady removal of monetary stimulus in the US. But the biggest trend affecting our clients was the deterioration in growth prospects for the emerging world. This has not reduced their interest in emerging-world opportunities. Instead, it has prompted a desire for yet more granular information to inform their decision-making and an increased focus on smaller and less well understood markets, as well as a demand for city-level analysis. Our universal country coverage and increasing city-level capabilities stood us in good stead to meet this demand.

Client budgets for our macroeconomic and political subscription services remained under pressure, especially in Europe, which limited new business development. The situation was better in the Americas and Asia, where our clients are more optimistic about medium-term prospects. As a result, we continued to invest, adding staff across both regions and registering locally incorporated businesses in both China and Brazil. Local entities allow us to contract more easily with domestic firms, an important source of future growth. We also launched a new Corporate Network in Seoul to provide research and analysis face to face to clients.

Our custom-research business had a good year, with revenues rising by about a quarter. And our public policy practice was particularly strong, growing by 145%. Key projects included work for the IMF, World Bank, governments in all regions of the world and many of the world’s largest foundations, including the Bill and Melinda Gates Foundation and the Clinton Foundation. The EIU’s brand plays well in this area and we expect further strong growth next year— as witnessed by the high level of custom-research bookings we already have for 2015-16.

Our healthcare division also performed very well. The biggest growth driver was market intelligence and strategic advisory, where revenues grew by 50%. Growth came from Asia and we are investing heavily in operations in Singapore, China and Japan to support further growth. But we are also building a bridgehead in other markets, especially in Europe, with additional investments also planned for the US. Our UK-based evidence review and value demonstration business, Bazian, has been expanding beyond its NHS roots to work with other governments, as well as winning contracts from the private sector, and we are optimistic about the prospects for 2015-16.

The global economy is likely to be mixed next year, with strength in the US and a modest recovery in Europe being offset by a further emerging-world slowdown. But with much of the EIU’s business still focused on helping Western companies optimise their operations in the emerging world, this outlook will be supportive. We have a highly skilled team able to provide great insight to clients, a new sales infrastructure in subscriptions, healthy booked revenue in custom-research and strong demand for healthcare analysis. This gives me confidence that the year ahead will be good for the EIU.

ROBIN BEW
MANAGING DIRECTOR, THE ECONOMIST INTELLIGENCE UNIT
CQ Roll Call

CQ ROLL CALL continues to hold its market-leading position on Capitol Hill, despite the challenging environment. The quality of our content and the trust our clients have in our output gives us a strong foundation for the future.

At the start of last year we introduced a refreshed and mobile-responsive version of CQ.com that led to a significant advance in our ability to engage our clients—unique page views grew by more than 20%. It was particularly satisfying to see the site reach record levels of use during periods of critical legislative activity, confirming our reputation as a trusted source for those who need to know about Congress. Continuing our digital expansion, mobile use accounted for just under half of all access. We expect mobile use to be higher this year with the introduction of a CQ app for iPad and Android. CQ still faces a strong competitive environment in Washington, and its new management team is responding by introducing new talent, adding daily analysis of legislative trends to the daily news report and offering exclusive new tools to track voting trends in Congress.

We will soon offer CQ Plus, a tool that allows clients to constantly monitor our news, analysis and legislative data on the subjects that matter most to their business. The ability to create and share personalised reports from CQ will strengthen our relationship with the current client base and offer a useful feature to potential new customers, who are as yet unfamiliar with the depth of our news and data.

In December, we acquired Federal News Service (FNS) and it has proved to be highly accretive. The successful integration of content, technology and account-management operations has generated 96% renewal rates since the purchase. We expect further growth in 2015-16.

Roll Call continued to build upon its success as a digital-first brand. In 2014 the website was visited more than 17m times by over 9m unique users. That is a 20% increase in sessions compared with the previous year. The newspaper will introduce a new multimedia page on its website to increase its delivery of photo and video content as news happens. Roll Call writers and editors will be able to add related video and photos to their stories upon publication, which will generate additional revenue through increased traffic.

On the commercial side, we ended the year with a strong advertising performance, leaving us well positioned for continued digital and events growth in the coming year. The combination of Roll Call’s multimedia political coverage and the addition of programmatic advertising solutions will place us in a strong position as we enter the presidential election cycle beginning this autumn.

In 2015, CQ marks its 70th year in business and Roll Call celebrates its 60th anniversary; we will use those milestones for an expanded set of special events and news products to position both brands for the future.

PAUL MCHALE
INTERIM MANAGING DIRECTOR AND EVP, CQ ROLL CALL

Strategic report (on pages 2-12) by order of the Board

Oscar Grut
Secretary
June 16th 2015
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GOVERNANCE

Directors

Rupert Pennant-Rea

Sir David Bell

Sir Simon Robertson

Chris Stibbs

John Elkann

Zanny Minton Beddoes
Appointed as editor-in-chief and a director in February 2015, having previously been the business affairs editor. She joined the company in 1994 after spending two years as an economist at the IMF.

John Ridding
Appointed as a non-executive director in February 2014. Chief executive of the FT Group and president of Pearson Professional, having served for more than 20 years in editorial and executive positions at both Pearson and the Financial Times. A director of Bonnier Business Media and Room to Read.

Philip Hoffman

Lady Lynn Forester de Rothschild
**Trustees**

**Baroness Bottomley of Nettlestone PC, DL**

**Tim Clark**
Trustee since December 2009. Chair of WaterAid UK. Group senior adviser to G3 and a non-executive director of Big Yellow Group. Board member of the National Theatre, senior adviser to Chatham House, vice-chair of Business for New Europe, and a member of the International Chamber of Commerce UK Governing Body, the Development Committee of the National Gallery, the International Advisory Board of Uria Menendez and the Advisory Board of the Centre for European Reform. Former senior partner of Slaughter and May.

**Lord O’Donnell CB, KCB, GCB, FBA**

**Bryan Sanderson**
Trustee since May 2006. Director of Argus Media, chairman of the Florence Nightingale Foundation and of Home Renaissance Foundation, an emeritus governor of the London School of Economics, a director of Durham CCC, and a member of the FA UEFA Club Licensing Committee.

**Eric Schmidt**

**Luke Swanson**

**John Micklethwait**
Retired from the Board in January 2015 having served as the editor-in-chief since April 2006 and a director since May 2006.

**Rona Fairhead**
Retired from the Board in July 2014, having served since July 2005.

**Audit committee**
Sir Simon Robertson, chairman
Philip Hoffman (since March 2015)
Rupert Pennant-Rea
Lady Lynn Forester de Rothschild

**Remuneration committee**
Rupert Pennant-Rea, chairman
Sir David Bell
John Elkann

**Board committees**
Group management committee (GMC)

Chris Stibbs
Zanny Minton Beddoes (since February 2015)

Robin Bew
Managing director, the Economist Intelligence Unit. Joined in 1995 as an editor before becoming chief economist in 1997 and editorial director in 2006. Previously an economist at HM Treasury, the UK’s finance ministry.

Oscar Grut
EVP, corporate development, Group general counsel and company secretary. Previously founded The Economist’s digital editions business and served as managing director for its digital operations. Joined the Group in 1998 from Linklaters.

Paul Rossi
President, The Economist Group media businesses. Since joining the Group in 1987, he has held various roles, including: managing director and EVP, Americas; global publisher of Economist.com; and publisher of The Economist in North America.

Michael Brunt
Chief marketing officer, The Economist. Joined the Group in 2006. He has held various roles, including: Group marketing director for Asia; managing director for The Economist Businesses in Europe; and head of circulation for the Americas and global marketing for Economist Digital.

Jora Gill
Chief digital officer. Joined the Group in June 2014. Formerly a chief technology officer (CTO) at Elsevier and previously CTO at Standard & Poor’s.

Paul McHale
Group HR director and, since January 2015, interim managing director and EVP CQ Roll Call. Joined the Group in 1999 from United Biscuits, where he was an HR manager at McVitie’s. Began his career at J Sainsbury.

Tom Standage
Deputy editor, The Economist, and Group digital strategy lead. Previously technology editor, business editor and business affairs editor, having joined the Group in 1998 as science correspondent.

Suprio Guha Thakurta
Chief strategy officer. Joined the Group in 2007 as associate publisher, India, before becoming managing director, India, in 2008 and then managing director, circulation, Asia Pacific.

Susan Clark
Left the Group in June 2014, having served in a number of roles including most recently chief marketing officer.

Tim Pinnegar
Publisher and managing director, Asia Pacific. Joined the Group in May 2001 as regional sales manager, having worked for Leo Burnett Asia. He subsequently became publisher, Asia Pacific.

Keith White
Left the Group in January 2015. Formerly EVP and managing director, CQ Roll Call.
Directors’ report

The directors present their report to shareholders, together with the audited consolidated financial statements, for the year ended March 31st 2015.

Developments and principal activities
The principal activities of the Group consist of publishing, the supply of business information, conferences, marketing services and the letting of property. Further information about the activities, developments and likely future developments of the Group are described on pages 5-12.

Results and dividends
The profit after tax for the financial year to March 31st 2015 was £45.9m (2014: £44.0m). A final dividend of 99.2p per share (2014: 94.0p) is proposed for the year to March 31st 2015. Together with the interim dividend and the special dividend already paid, this makes a total proposed dividend for the year of 168.7p (2014: 168.7p). The final dividend will be paid on July 21st 2015 to shareholders on the register at the close of business on June 16th 2015.

Property values
The directors have been advised that the open-market value of the Economist Complex at March 31st 2015 was £100.4m; the balance-sheet value is £13.0m after deducting borrowings from finance leases. Based on this information, the directors consider that the aggregate market value of all the Group’s properties exceeds their book value.

Transactions with related parties
Details of transactions with related parties, which are to be reported under FRS 8, are set out in the notes to the financial statements on page 55.

Directors
Profiles of the directors appear on pages 16-17. All executive directors have contracts of employment.

Directors’ indemnities
The company provides, to the extent permitted by law, an indemnity to all directors and officers of the company and its subsidiaries in respect of claims against them arising in respect of the conduct of the business of the Group. The company has also purchased directors’ and officers’ insurance cover against certain legal liabilities and costs for claims in connection with any act or omission by such directors and officers in the execution of their duties.

Corporate information
The share capital of the company is divided into ordinary shares, “A” special shares, “B” special shares and trust shares. The trust shares are held by trustees (who are described on page 17), whose consent is needed for certain corporate activities. The rights attaching to the trust shares provide for the continued independence of the ownership of the company and the editorial independence of The Economist. Apart from these rights, they do not include the right to vote, receive dividends or have any other economic interest in the company. The appointments of the editor of The Economist and of the chairman of the company are subject to the approval of the trustees, as are transfers of “A” special and “B” special shares.

The general management of the business of the company is under the control of the Board of directors. There are 13 seats allowable on the Board, seven of which may be appointed by holders of the “A” special shares and six by the holders of the “B” special shares. There are 105 “A” special shareholders. The “B” special shares are all held by The Financial Times Limited. John Elkann, Zanny Minton Beddoes, Rupert Pennant-Rea, Sir Simon Robertson, Lady Lynn Forester de Rothschild and Eric Schmidt were appointed by the “A” special shareholders. The “B” special shareholders appointed Sir David Bell, Philip Hoffman, John Ridding, Chris Stibbs and Luke Swanson.

The ordinary shareholders are not entitled to participate in the appointment of directors, but in most other respects rank pari passu with the other shareholders. The transfer of ordinary shares must be approved by the Board of directors.

Corporate governance
As a private company, the company is not bound by the Listing Rules of the Financial Conduct Authority to report on compliance with the UK Corporate Governance Code, but has always sought to run its corporate affairs in line with best practice. It therefore follows the main principles of the UK Corporate Governance Code as closely as is felt to be reasonably practicable and useful to shareholders. The directors’ report, including the directors’ report on remuneration, which has been considered and approved by the Board, describes how the company has applied and complied with these principles, with the following main exceptions:

• Given the calibre and experience of the non-executive directors, the Board does not believe it is necessary to identify a senior independent director or to offer professional training to non-executive directors (although this would be available on request).
• The directors’ contracts of employment do not explicitly provide for compensation commitments in the event of early termination.

• Some shareholder meeting procedures do not comply.

• In view of the company’s unique capital structure which gives the “A” special and “B” special shareholders the right to appoint directors, the directors do not stand for re-election under the company’s articles of association. However, in June 2007 the Board decided that henceforth “A” special shareholders would be given the opportunity to vote on the renewal of the appointments of directors elected by them on each three-year anniversary of such appointments (or the six-year anniversary, in the case of the chairman).

• The Board does not undertake a formal evaluation of its performance or that of its committees and individual directors.

Board
The Board currently comprises nine non-executive directors and two executive directors. The non-executive directors have a breadth of successful commercial and professional experience and they exercise independent judgment. John Ridding is chief executive of the FT Group and president of Pearson Professional. Luke Swanson is former director of transformation at Pearson plc. Philip Hoffman is chief corporate finance and strategic development officer at Pearson plc. Lady Lynn Forester de Rothschild and her spouse, Sir Evelyn de Rothschild, as well as John Elkann, are each interested in a significant number of shares (see page 23). Details of directors’ interests and, in relation to the executive directors only, their interests in the employee share ownership trust are given in the directors’ report on remuneration on pages 23-25.

The Board is chaired by Rupert Pennant-Rea and has met for regular business six times in the 12 months to March 31st 2015. The Board also convenes at other times on an ad hoc basis or in committee when events warrant. It is responsible for the overall direction and strategy of the Group and for securing the optimum performance from the Group’s assets. It also exercises control by determining matters specifically reserved for it in a formal schedule which only the Board may change: these matters include significant acquisitions and major capital expenditure. The Board carries out regular reviews of matters undertaken by management under delegated authority. The company’s articles of association require the approval of the trustees for some actions.

Board committees
The audit committee is made up of four non-executive directors. It is chaired by Sir Simon Robertson. The other members are Philip Hoffman (since March 2015), Rupert Pennant-Rea and Lady Lynn Forester de Rothschild. The committee assists the Board to ensure that the published financial statements give a true and fair view of the business and also to ensure reliable internal financial information is produced. The committee is also responsible for reviewing the suitability and effectiveness of the Group’s internal financial controls, the work and findings of both internal and external auditors, and key accounting policies and judgments.

The remuneration committee is made up of three non-executive directors. It is chaired by Rupert Pennant-Rea, and the other members are Sir David Bell and John Elkann.

Internal control
The Board is responsible for the company’s systems of internal control and considers that the company has put in place processes which follow closely the main recommendations of the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, which focus on managing the Group’s key business risks.

The Group’s annual review of risk highlighted the following principal areas: changes to its markets (including the migration of advertising spend to digital formats and non-advertising approaches, the pace of change in digital markets for reading and advertising, and the commoditisation of information products); the global shift of economic power from West to East; volatility of the surplus/deficit on the UK defined-benefit pension scheme; building and staff safety; business continuity (including the breakdown of operational systems from external attack, the failure of key suppliers or a global disaster); the impact on the business of cybercrime attacks; brand and reputational risk (from libel action or infringement of the Group’s intellectual property rights); regulatory risk, such as changes to privacy laws; and the financial operations of the company, specifically foreign exchange and tax. The Group has carried out a thorough risk assessment and confirmed that it has adequate anti-bribery procedures in place covering staff, suppliers and agents.

The internal financial control system has been designed and developed over a number of years to provide the Board with reasonable assurance that it can rely upon the accuracy and reliability of the financial records, and its effectiveness has been reviewed by the Board. The control system includes the following key features:

• The Board reviews the Group’s strategy and long-term plan annually. The strategies of specific businesses are
reviewed from time to time. Long-term goals are approved by the Board.

• A budgeting system which includes an annual budget and forward projections is approved by the Board. Monthly actual results are reported against the annual budget and monthly forecasts. The charts on page 3 include some of the key performance indicators which are used to measure business performance. The company reports to shareholders at least twice a year.

• Financial policies and procedures exist and senior managers and finance staff are responsible for ensuring that all relevant staff are familiar with their application.

• Written treasury procedures cover banking arrangements, hedging instruments, investments of cash balances and borrowing procedures. These procedures include staff responsibilities, segregation of duties and levels of delegated authority for treasury matters.

• The company has an audit and risk management function which has a dual role: it advises on and reviews the regular updating of business and bribery risk registers at both Group and business levels, and carries out an independent risk-based programme of internal audit work in all parts of the Group. The audit manager reports to the Group chief financial officer but also has direct access to the chairperson of the audit committee. The manager attends all audit committee meetings and makes formal reports to the committee. The register of key business risks and mitigation actions are reviewed by the Board.

• The company has clearly defined guidelines for the review and approval of capital and development expenditure projects, which include annual budgets, project appraisals and designated levels of authority.

The Economist Group’s guiding principles
The Group operates in a clear and ethical context, and the Board has therefore approved the following guiding principles:

• We aim to offer insight, analysis and services that are valued by our customers.

• Underpinning our ability to fulfil this objective is our commitment to independence, integrity and delivering high quality in everything we do. These values govern our relationships with readers, customers and clients, shareholders, staff, suppliers and the community at large.

• We believe in conducting business with common decency. We are opposed to bribery and do not engage in corrupt practices. We abide by strict guidelines governing the acceptance of gifts and the disclosure of potential conflicts of interest.

• As an international company, we conduct business in many different markets around the world. In the countries in which we operate, we abide by local laws and regulations. We make an active contribution to local charities by charitable giving. We encourage our people to participate in charitable and community activities and we permit them to take time off for this purpose. We match employee donations of time and money to charities.

• We respect environmental standards and comply with relevant local laws. We take environmental issues seriously. We review the environmental impact of our operations, specifically carbon emissions, annually.

• The Economist and its sister publications, Intelligent Life and The World In series, account for the majority of our annual spend on paper and printing. All suppliers of paper and print services used in producing these publications adhere to one or more of the following internationally recognised environmental standards: ISO 14001, FSC and PEFC.

• We value our colleagues and treat each other fairly. The Group is committed to equality of opportunity in all employment practices and policies. We do not discriminate against employees or job applicants based on the grounds of age, sex, sexual orientation, marital status, race, colour, religion, national origin or disability. We support staff who through disability or illness are unable to perform their duties, by adapting the work environment and hours of work to suit the employee where it is reasonable for the business.

• The Group is committed to increasing staff diversity. We particularly focus on ensuring that we recruit from the widest possible pool of talent. We are also keen that people feel comfortable and valued at work, regardless of their background. We recognise that it is essential to keep employees informed of the progress of the Group. We regularly provide employees with information on the Group’s activities and its financial performance through staff meetings and communication through our intranet. We have a strong consultative culture and we follow legal and regulatory requirements to consult with staff on major issues affecting the company.

Annual general meeting
The notice convening the annual general meeting, to be held at 12.15pm on Thursday July 16th 2015 at the British Academy of Film and Television Arts, can be found on page 63.
Independent auditors
A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company, and a further resolution to authorise the directors to fix their remuneration, will be proposed at the annual general meeting.

Auditor independence
In line with best practice, the audit committee operates a policy that defines those non-audit services that the independent auditors may or may not provide to the Group. The policy requires the provision of these services to be approved in advance by the audit committee. A statement of the fees for audit and non-audit services is provided in note 3 on page 39.

Disclosure of information to auditors
As far as each of the directors is aware, there is no relevant information that has not been disclosed to the company’s auditors, and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company’s auditors have been made aware of that information.

Statement of directors’ responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;

• make judgments and accounting estimates that are reasonable and prudent;

• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board
Oscar Grut
Secretary
June 16th 2015
Directors’ report on remuneration

The committee
The remuneration committee of the Board is made up of three non-executive directors: Rupert Pennant-Rea (chairman), Sir David Bell and John Elkann. The quorum necessary for the transaction of business is two members. The committee is responsible for the remuneration policy for senior executives of the Group and the policy and structure of Group bonus schemes. In determining remuneration, the committee follows a policy designed to attract, retain and motivate high-calibre executives, aligned with the interests of shareholders.

Directors’ interests as at March 31st

<table>
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<tr>
<th>Beneficial holdings</th>
<th>2015</th>
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<td>Ordinary</td>
<td>“A” Special</td>
<td>Ordinary</td>
</tr>
<tr>
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<td>75,000</td>
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<td>75,000</td>
<td>8,450</td>
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<tr>
<td>Sir David Bell</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>John Elkann¹</td>
<td>-</td>
<td>1,190,000</td>
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<td>1,190,000</td>
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<tr>
<td>Rona Fairhead (retired July 2014)</td>
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<td>Philip Hoffman (appointed July 2014)</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>John Micklethwait (resigned January 2015)</td>
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<tr>
<td>John Ridding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Sir Simon Robertson</td>
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<td>4,800</td>
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<td>3,841,548</td>
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<td>3,841,548</td>
</tr>
<tr>
<td>Eric Schmidt</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Chris Stibbs</td>
<td>250</td>
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<td>250</td>
<td>15,989</td>
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<tr>
<td>Luke Swanson</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Holding as a trustee</td>
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<tr>
<td>Lady Lynn Forester de Rothschild²</td>
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<td>1,305,002</td>
<td>-</td>
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<td>-</td>
<td>97,500</td>
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<td>97,500</td>
</tr>
<tr>
<td>Rupert Pennant-Rea³</td>
<td>-</td>
<td>97,500</td>
<td>-</td>
<td>97,500</td>
</tr>
</tbody>
</table>

1 Indirectly held by a company of which he is a director and chief executive officer.
2 Includes the interests of her spouse, Sir Evelyn de Rothschild.
3 Held as a joint trustee of the Marjorie Deane Financial Journalism Foundation.

Chris Stibbs has the right to acquire 32,500 ordinary shares under the restricted share scheme described on the next page.
In April 2015, Zanny Minton Beddoes was awarded the right to acquire 15,000 ordinary shares under the same scheme. John Micklethwait’s right to acquire 7,500 ordinary shares under the scheme lapsed on his resignation in January 2015.

The executive directors of the company, together with all employees of the Group, are beneficiaries of the company’s employee share ownership trust. As such, the directors are treated as interested in the 201,563 ordinary shares (2014: 193,407) held by the trustee of the trust.
The Group operated a number of annual bonus and long-term bonus plans during the year, providing performance-based bonuses for executive directors and employees.

(a) **Annual bonus plans**
Executive directors and employees participated in annual bonus plans in which rewards were linked to Group performance and to the performance of key areas of the business which they could influence.

(b) **Executive long-term plans**
Executive directors and some other senior employees were awarded performance units under the executive long-term plans. For schemes commencing on April 1st 2012 and April 1st 2013, the units are equivalent in value to the company’s ordinary shares. After a three-year performance period, participants may receive payments depending on the Group’s performance against EPS hurdles and its total shareholder return compared with a selected group of companies.

For schemes commencing April 1st 2014 and thereafter, executives participate in a three year cash bonus scheme. The bonus pool is a percentage of Group cumulative operating profit at the end of three years. The amount paid to each participant is determined by the number of units awarded to the participant at the start of the three-year period. Payout is also contingent on the Group achieving an earnings hurdle.

(d) **The Group long-term plan**
Some senior staff who do not participate in the executive long-term plan participate in this three-year cash bonus scheme designed to help retain key staff. The size of the bonus pool is a percentage of Group cumulative operating profit at the end of three years. The amount paid to each participant is determined by the number of units awarded to the participant at the start of the three-year period. Payout is also contingent on the Group achieving an earnings hurdle.

(e) **Restricted share scheme**
The Group also has in place a restricted share scheme under which a small number of key employees have been awarded a right to acquire ordinary shares at a nominal price, usually between one and four years after the date of the award. The Group has the discretion to pay out shares or cash on exercise.

(c) **The Economist editorial long-term plan**
Some senior journalists who do not participate in the executive long-term plan participate in this three-year cash bonus scheme designed to help retain key editorial staff. The size of the bonus pool is a percentage of Group cumulative operating profit at the end of three years. The amount paid to each participant is determined by the number of units awarded to the participant at the start of the three-year period. Payout is also contingent on the Group achieving an earnings hurdle.

(e) **Restricted share scheme**
The Group also has in place a restricted share scheme under which a small number of key employees have been awarded a right to acquire ordinary shares at a nominal price, usually between one and four years after the date of the award. The Group has the discretion to pay out shares or cash on exercise.
Directors’ remuneration

Directors’ remuneration and benefits are shown in the following table. Non-executive directors do not participate in any bonus scheme, any long-term incentive scheme or any of the company’s pension plans. This table shows salaries/fees, annual bonuses and benefits earned in and charged to the profit and loss account in the year unless otherwise noted. The table includes future and uncashed entitlements under annual incentive schemes.

Table 2
Remuneration for the years ended March 31st

<table>
<thead>
<tr>
<th>Name</th>
<th>2014</th>
<th>Salary/fees</th>
<th>Annual bonus</th>
<th>Long-term plan</th>
<th>Benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rupert Pennant-Rea</td>
<td>£000</td>
<td>126</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>126</td>
</tr>
<tr>
<td>Sir David Bell</td>
<td></td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>John Elkann</td>
<td></td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Rona Fairhead (retired July 2014)</td>
<td></td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>38</td>
</tr>
<tr>
<td>Philip Hoffman (appointed July 2014)</td>
<td></td>
<td>26</td>
<td>-</td>
<td>-</td>
<td>26</td>
<td>-</td>
</tr>
<tr>
<td>Philip Mengel (retired January 2014)</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38</td>
</tr>
<tr>
<td>John Micklethwait (retired January 2015)</td>
<td></td>
<td>256</td>
<td>-</td>
<td>-</td>
<td>13</td>
<td>269</td>
</tr>
<tr>
<td>Zanny Minton Beddoes (appointed February 2015)</td>
<td>53</td>
<td>11</td>
<td>-</td>
<td>3</td>
<td>67</td>
<td>-</td>
</tr>
<tr>
<td>Andrew Rashbass (retired July 2013)</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>142</td>
</tr>
<tr>
<td>John Ridding (appointed February 2015)</td>
<td></td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>6</td>
</tr>
<tr>
<td>Sir Simon Robertson</td>
<td></td>
<td>44</td>
<td>-</td>
<td>-</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Lady Lynn Forester de Rothschild</td>
<td></td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Eric Schmidt</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chris Stibbs</td>
<td></td>
<td>420</td>
<td>338</td>
<td>-</td>
<td>16</td>
<td>774</td>
</tr>
<tr>
<td>Luke Swanson (retired January 2015)</td>
<td></td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>38</td>
</tr>
</tbody>
</table>

Total                                      |      | 1,124       | 349          | -              | 32       | 1,505 |

1 Paid to The Financial Times Limited/Pearson.
2 Fees waived.
3 Paid to Pearson until January 2015.

Directors’ accrued pensions

The pensions which would be paid annually on retirement at age 65 based on service with the company to March 31st 2015 are shown below. The table does not include any additional voluntary contributions or any resulting benefits.

Table 3

<table>
<thead>
<tr>
<th>Name</th>
<th>Age at March 31st 2015</th>
<th>Accrued pension at March 31st 2015</th>
<th>Accrued pension at March 31st 2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zanny Minton Beddoes</td>
<td>47</td>
<td>£112,737</td>
<td>£40,093</td>
<td>£72,644</td>
</tr>
<tr>
<td>Chris Stibbs</td>
<td></td>
<td>The company contributed £45,879 to the defined-contribution scheme (2014: £40,759).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financial review

Operating result
Operating profit for the Group grew by 2% compared with last year to £60.1m on revenues of £328.3m. Operating margin for the year was 18.3% (2014: 17.8%).

Although revenues for the Group were 1% lower than last year, this masked the strong progress made in areas crucial to the Group’s strategy. Advertising revenues fell by £11.7m (12%), mainly because of the continuing decline in print advertising, but this was almost entirely offset by strong growth in revenues in content marketing services (23%) and EIU industry and custom-research businesses (27%).

At operating profit level, the decline in high-margin print advertising continued to have a major effect. This was countered not only by the growth in the businesses noted above but also through another successful year in the Group’s strategy to grow the profitability of the circulation of The Economist. The strong demand from subscribers for the premium-priced print and digital bundle was a key driver in a 13% year-on-year growth in circulation gross profits. In addition, there was a significant improvement in marketing efficiency during the year with an upskilled team employing more cutting-edge digital techniques. Overall marketing expenditure was lower this year than last, but the circulation team still delivered strong growth in new subscriber starts. The Group also increased investment in new products—including Espresso and our first bilingual app—and digital infrastructure, but kept a tight rein on other costs. Overall, as shown in the profit and loss account (page 31), the costs for marketing, development and administration taken together fell by 5% year on year despite the extra investments.

Profit before tax
Profit before tax grew by 3% to £58.5m. Finance charges decreased by £0.7m, mainly because of higher finance income from the defined-benefit pension scheme valued under FRS 17 principles.

Taxation
The effective rate of taxation for the year was 21.6% (2014: 22.7%). Although the rate of corporation tax in the UK has reduced by 2%, this has been partly offset by the impact of higher US profits taxed at higher rates.

Profit after tax and earnings per share
Profit after tax and basic earnings per share grew by 4% to £45.9m and 183.5p respectively.

Balance sheet
The shareholders’ deficit on the Group’s balance sheet increased by £21.6m in the year to £26.1m. This mainly stemmed from an increase in the deficit on the defined-benefit pension scheme (see below) as a result of historically low interest rates at this year end. This is a point in time valuation and, as for all companies, can change significantly from one balance-sheet date to the next. The underlying fundamentals and strengths of the Group’s balance sheet, however, remain unchanged. The Group has a low level of gearing, holds £47.1m of cash on its balance sheet and its current liabilities include £109.6m of income received in advance from customers, a significant strength. In addition, the Group holds the Economist Complex on its books at a book value of £15.6m, compared with an independently assessed market value of £100.4m.

Net debt increased by £1.7m in the year. The comparison is, however, affected by the significant strengthening of the US dollar to sterling exchange rate from $1.66 at the start to $1.48 by the end. This alone increased net debt by £3.3m compared with the previous year.

Pensions
The Group operates a number of pension schemes. These include the UK defined-benefit plan, which is the only scheme of its type in the Group. At March 31st 2015 the deficit on this plan, valued for accounting purposes under FRS 17 principles, had increased by £21.8m to £31.1m (net of deferred tax). The gross deficit, before taking tax into account, increased by £27.1m to £38.8m. Although assets grew by 13% (£32.3m), this was outweighed by an even greater increase in the scheme’s liabilities (22%: £59.3m) mainly caused by the unprecedentedly low discount rates used to value liabilities at the year end. These have fallen from 4.5% last year to 3.4%.

The next triennial actuarial valuation of the fund will take place on January 1st 2016. The last valuation in 2013 showed a gross deficit of £22.8m.

Dividend
The directors continued to maintain a progressive dividend policy during the financial year and carried out their regular assessment of the feasibility of paying special dividends in the light of cashflows, trading conditions, business risks and investment needs. In November 2014 they confirmed that a special dividend of £6.0m should be paid to shareholders. The special dividend (23.8p per share), when added to the interim dividend (45.7p per share), both paid in December 2014, and last year’s final dividend (94.0p per share), paid in July 2014, brought the total paid in the year to 163.5p, 0.1p higher than the previous year. This represented a yield of 5.6% based on the year-end share price of £29.00. Dividend cover levels were consistent with last year with total dividends covered 1.1 times by basic earnings per share and the ongoing dividends, excluding the special dividend, by 1.3 times.

Treasury and foreign exchange
The Group’s policy and approach is to identify and to constantly monitor and manage financial risks, including foreign-exchange and interest-rate exposures,
as well as maintaining tight control over loan and cash balances. This includes policies to manage insolvency risk associated with counterparties that hold our deposits. Treasury policies are agreed by the Board and implemented on a day-to-day basis by the central UK treasury department. A treasury committee, which includes the Group chief executive and chief financial officer, provides guidance and acts as a monitor of treasury activities. The treasury department acts as a cost centre and not as a profit centre.

The Group had net debt of £17.0m at the year end (2014: £15.3m), including a finance lease liability for the Economist Complex. The Group produced positive net cashflows during the year with the increase in net debt largely caused by the revaluation of US-dollar net loan balances.

During the year the Group extended its committed borrowing facilities with Barclays (£40.0m) and RBS (£9.0m) for a further three years to 2020 on favourable terms. It also established significant coterminous uncommitted “accordion” facilities with Barclays (£40.0m) and RBS (£25.0m) and a new uncommitted shelf facility with Pricoa ($120.0m), renewable after three years, to streamline access to funds if needed for investment or other corporate purposes. The committed facility with Barclays incurs non-utilisation fees of 0.4% and, if drawn, will incur interest at LIBOR plus 1.00% as well as some utilisation fees depending on levels drawn. The RBS committed facility incurs non-utilisation fees of 0.5% and, if drawn, will incur interest at LIBOR plus 1.25%. There are no fees associated with the uncommitted accordion facilities from Barclays and RBS. The uncommitted Pricoa shelf facility works such that at any time the amount available to borrow is the difference between the $120m facility value and the existing loan notes issued (currently $85.3m). Rates on the uncommitted shelf are determined by the lender based on market conditions at the time funds are drawn.

At the year end the Group had borrowings of £61.5m (2014: £55.6m). These related to loan notes totalling $85.3m (£57.6m) taken out under the Private Shelf Agreements with Pricoa with the remainder a term loan from Barclays (£4.2m) net of unamortised financing costs. The Pricoa notes were originally taken out to fund the CQ acquisition in 2009 and were repayable between years six and ten after inception. The first tranche of notes became repayable in July 2014 and the Board decided, given favourable long-term rates available in the market and the greater cash flexibility it would create, to refinance them under the new shelf facility described above. At the year end there were $70.8m of notes repayable between July 2015 and 2019 under the original shelf facility at interest rates of 7.72% and 7.93%, and $14.5m of notes drawn under the new shelf facility repayable in July 2022 at an interest rate of 4.29%. The Board will make a decision annually as to whether to refinance each tranche as it expires depending on cash needs and prevailing market conditions. The Barclays term loan bears interest at a rate of LIBOR plus 1.25% and is repayable in instalments by January 2017.

Cash and deposits at March 31st 2015 totalled £74.1m (2014: £42.9m). The Group’s policy is to deposit cash not required as working capital, as soon as practicable, in AAA-rated and AA-rated money-market funds. These funds were earning 0.4% for sterling deposits and 0.1% for US deposits at the year end. Counterparty limits approved by the treasury committee and notified to the Board are used to manage the risk of loss on deposits. The Group has not experienced any losses to date on its deposited cash.

The main currency exposure of business transactions relates to US-dollar receipts from sales in the United States. The foreign-exchange risk on this and other smaller currency exposures is managed by the treasury department, mainly through the use of forward foreign-exchange contracts and currency options and through funding US acquisitions with US dollar-denominated loans. Foreign-exchange risk is only actively managed on currencies where the net exposure exceeds £3.0m, currency equivalent, per year. The split of net cash balances between dollars, euros, sterling and other currencies is kept under constant review. The Group does not establish or maintain instruments that hedge the translation of overseas profits or assets and liabilities into sterling. For the year the US dollar averaged $1.61 (2014: $1.59), which had a limited effect on trading results. It finished the year at $1.48 (2014: $1.66).

Other financial assets which potentially subject the Group to credit risk consist principally of trade debtors. The concentration of credit risk associated with debtors is minimised as a result of distribution over many customers in different countries and in different industries.

Cashflow
During the financial year there was a £1.1m cash inflow before debt financing. This was £4.0m lower than 2014. While the 2013–14 cashflow included a special pension contribution, the 2014–15 cashflow includes significant delayed payments on the Canary Wharf property. The cashflow includes £2.6m of additional acquisition payments, including final earnout payments on the Clearstate and TVC acquisitions. The Group’s operating cashflow of £63.5m was 106% of operating profit, which demonstrates the strong cash generation of the operating business.

International Financial Reporting Standards
The Group has prepared this year’s financial statements in accordance...
with UK generally accepted accounting principles (GAAP). As reported last year, from April 1st 2015, the Group will be adopting International Financial Reporting Standards (IFRS) in the preparation of its consolidated financial statements. This will lead to changes in the Group’s accounting policies, results and the presentation of its financial statements.

The Group started its IFRS transition project in 2013. The project is governed by a steering committee and regular updates are provided to the audit committee. The project has entailed a detailed assessment of the impact of IFRS on Group accounting policies and reported results, system changes to capture additional data, training of staff critical to the Group’s reporting process as well as defining our IFRS communications strategy.

IFRS do not significantly affect the underlying business performance of the Group, have no impact on cash generated from operations and have little impact on Group operating profit before amortisation of goodwill. The most significant impact on profits under IFRS reporting will be a reduction in the amortisation charge and in the interest expense on the defined-benefit scheme, both of which are non-cash in nature.

Last year, we took steps to ensure that we increased distributable reserves through the capital reduction exercise approved by shareholders. This increase was implemented because different accounting treatments under IFRS, especially for pension funds and foreign-exchange adjustments on international loans, could over time have resulted in a significant reduction of distributable reserves. There are now sufficient distributable reserves to support likely dividend requirements in the medium to long term.

The Group has now completed all the steps needed for full implementation of IFRS including a due diligence process approved by the auditors and the adoption of the required accounting policies with approval from the Board. Our interim results for the six months to September 30th 2015 will be prepared in accordance with IFRS and full audited results and disclosures, as well as a reconciliation between IFRS and UK GAAP, will be made in the report and accounts for the year ended March 31st 2016.

Below is a summary of the main areas of impact on the Group’s profit before tax together with indicative estimates of the related amounts:

- **Goodwill and other intangibles**
  Under IFRS 3 “Business Combinations” goodwill is no longer amortised and instead is assessed annually for impairment. Goodwill arising on acquisition before April 1st 2014 will not be restated; other intangible assets arising from acquisitions after April 1st 2014 will be separately identified and amortised over their estimated useful lives, often over a shorter period than goodwill has previously been amortised.

  As a result of the change, the Group’s operating profit will be increased by the amount of goodwill amortisation recorded under UK GAAP (£6.8m in 2015).

- **IAS 38 “Intangible assets”** provides more detailed guidance on intangible assets than UK GAAP. This will result in the reclassification of certain costs as intangible assets, including software development costs, which are currently included within tangible fixed assets in the Group’s balance sheet.

- **Employee benefits**
  Under IAS 19 “Employee benefits” pensions are charged to the income statement using a different basis of accounting from FRS 17. Net interest is calculated by applying the discount rate to the net defined-benefit obligation and is presented as a finance cost. Under FRS 17, net finance cost is calculated as the difference between the expected return on the defined-benefit plan assets at the start of the year and the interest charge on the opening liabilities of the plan.

  The adoption of IAS 19 will result in an interest cost when the UK defined-benefit pension scheme is in deficit (cost of £0.4m compared with finance income of £3.7m in 2015).

- **Financial instruments and hedge accounting**
  The Group uses forward sales of US dollars and options to hedge its foreign-currency cashflow exposures. Under UK GAAP, these financial instruments are not recognised on the balance sheet. However, under IAS 39 “Financial Instruments”, the Group will be required to recognise its derivative financial instruments on the balance sheet at fair value, with changes in fair value being recognised in the income statement. Where hedge accounting is achieved under IAS 39, the income statement impact of the changes in fair value may be postponed and matched to the income statement impact of the underlying hedged exposure. The Group is tracking its key derivatives and is putting in place the required documentation to qualify for hedge accounting. Where hedge accounting cannot be applied under IAS 39’s prescriptive rules, changes in market value will be reported in the income statement.

  In addition to the above principal areas of impact, a number of other changes will take place upon transition to IFRS, for example in relation to holiday-pay provisions, deferred tax and certain additional balance-sheet disclosures relating to items such as impairment testing. This list should not be taken as a comprehensive or complete indication of the impact that the adoption of IFRS will have on the Group’s financial statements, but it is indicative of the major adjustments to its financial reporting. The Group will, during the course of 2016, provide the explanations and presentations that shareholders need to understand the changes in full and will include a full reconciliation of the impact of changes in the 2016 annual report.

Shane Naughton
Independent auditors’ report to the members of The Economist Newspaper Limited

Report on the financial statements

Our opinion
In our opinion, The Economist Newspaper Limited’s Group financial statements and company financial statements (the “financial statements”):

- give a true and fair view of the state of the Group’s and of the company’s affairs as at March 31st 2015 and of the Group’s profit and cashflows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited
The Economist Newspaper Limited’s financial statements comprise:

- Consolidated balance sheet and company balance sheet as at March 31st 2015;
- Consolidated profit and loss account for the year then ended;
- Consolidated cashflow statement for the year then ended;
- Consolidated statement of total recognised gains and losses for the year then ended;
- Company statement of total recognised gains and losses for the year then ended;
- Reconciliation of movements in total shareholders’ deficit for the year then ended;
- the accounting policies; and
- the Notes to the financial statements, which include other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, the information given in the Strategic report and the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception
Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.
Independent auditors’ report to the members of The Economist Newspaper Limited (continued)

**Directors’ remuneration**
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors’ remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**
**Our responsibilities and those of the directors**
As explained more fully in the Statement of directors’ responsibilities set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) (“ISAs (UK & Ireland)”). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**What an audit of financial statements involves**
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group’s and the company’s circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors’ judgments against available evidence, forming our own judgments and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

**Philip Stokes (Senior Statutory Auditor)**
*For and on behalf of PricewaterhouseCoopers LLP*
Chartered Accountants and Statutory Auditors
London

June 16th 2015
## Consolidated profit and loss account

**Years ended March 31st**

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover</td>
<td>328,269</td>
<td>331,545</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(98,457)</td>
<td>(95,072)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td><strong>229,812</strong></td>
<td><strong>236,473</strong></td>
</tr>
<tr>
<td>Distribution costs</td>
<td>(33,886)</td>
<td>(34,466)</td>
</tr>
<tr>
<td>Marketing, development and other administrative costs</td>
<td>(128,999)</td>
<td>(136,057)</td>
</tr>
<tr>
<td>Goodwill amortisation</td>
<td>(6,789)</td>
<td>(6,945)</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>60,138</strong></td>
<td><strong>59,005</strong></td>
</tr>
<tr>
<td>Profit on sale of business</td>
<td>-</td>
<td>297</td>
</tr>
<tr>
<td><strong>Profit on ordinary activities before finance charges</strong></td>
<td><strong>60,138</strong></td>
<td><strong>59,302</strong></td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(1,636)</td>
<td>(2,378)</td>
</tr>
<tr>
<td>1,3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit on ordinary activities before taxation</strong></td>
<td><strong>58,502</strong></td>
<td><strong>56,924</strong></td>
</tr>
<tr>
<td>Taxation on profit on ordinary activities</td>
<td>(12,612)</td>
<td>(12,945)</td>
</tr>
<tr>
<td><strong>Profit for the financial year</strong></td>
<td><strong>45,890</strong></td>
<td><strong>43,979</strong></td>
</tr>
<tr>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Retained profit for the financial year</strong></td>
<td><strong>4,999</strong></td>
<td><strong>3,073</strong></td>
</tr>
</tbody>
</table>

All amounts relate to continuing operations.

Dividends proposed and unpaid at the year end were £24,798,000 (2014: £23,506,000). Dividends paid in the year were £40,891,000 (2014: £40,906,000).

<table>
<thead>
<tr>
<th>9</th>
<th>Basic earnings per share (pence)</th>
<th>183.5</th>
<th>175.8</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Diluted earnings per share (pence)</td>
<td>183.0</td>
<td>175.3</td>
</tr>
<tr>
<td>7</td>
<td>Dividends paid per share (pence)</td>
<td>163.5</td>
<td>163.4</td>
</tr>
<tr>
<td></td>
<td>Dividend cover (times)</td>
<td>1.1</td>
<td>1.1</td>
</tr>
</tbody>
</table>
## Consolidated balance sheet at March 31st

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Intangible assets</td>
<td>103,816</td>
<td>101,587</td>
</tr>
<tr>
<td>11 Tangible assets</td>
<td>27,777</td>
<td>27,223</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>131,593</td>
<td>128,810</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Stocks</td>
<td>2,000</td>
<td>2,695</td>
</tr>
<tr>
<td>13 Debtors</td>
<td>61,665</td>
<td>61,337</td>
</tr>
<tr>
<td>14 Deferred taxation</td>
<td>1,953</td>
<td>1,648</td>
</tr>
<tr>
<td>19 Cash at bank and in hand</td>
<td>47,088</td>
<td>42,854</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>112,706</td>
<td>108,534</td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td>(70,929)</td>
<td>(73,207)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>60,664</td>
<td>55,603</td>
</tr>
<tr>
<td><strong>Net assets excluding pension and other similar obligations</strong></td>
<td>6,858</td>
<td>6,664</td>
</tr>
<tr>
<td><strong>Pension and other similar obligations (net of deferred tax)</strong></td>
<td>(32,999)</td>
<td>(11,183)</td>
</tr>
<tr>
<td><strong>Net liabilities</strong></td>
<td>(26,141)</td>
<td>(4,519)</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 Called-up share capital</td>
<td>1,260</td>
<td>1,260</td>
</tr>
<tr>
<td>18 Profit and loss account</td>
<td>(27,401)</td>
<td>(5,779)</td>
</tr>
<tr>
<td><strong>Total shareholders’ deficit</strong></td>
<td>(26,141)</td>
<td>(4,519)</td>
</tr>
</tbody>
</table>

The company balance sheet is shown on page 57.

The consolidated financial statements on pages 31-56 were approved by the Board of directors and authorised for issue on June 16th 2015. They were signed on its behalf by:

**Rupert Pennant-Rea**  
**Chris Stibbs**  
Directors

The notes on pages 38-62 form an integral part of these consolidated financial statements.

The Economist Newspaper Limited registered number 236383
## Consolidated cashflow statement

### Years ended March 31st

<table>
<thead>
<tr>
<th>NOTE 19</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Returns on investments and servicing of finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>£63,526</td>
<td>£68,960</td>
</tr>
<tr>
<td>Interest paid</td>
<td>45</td>
<td>32</td>
</tr>
<tr>
<td>Finance lease interest paid</td>
<td>(4,648)</td>
<td>(4,909)</td>
</tr>
<tr>
<td></td>
<td>(208)</td>
<td>(208)</td>
</tr>
<tr>
<td></td>
<td>(4,811)</td>
<td>(5,085)</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK corporation tax paid</td>
<td>(8,983)</td>
<td>(6,876)</td>
</tr>
<tr>
<td>Overseas tax paid</td>
<td>(591)</td>
<td>(2,566)</td>
</tr>
<tr>
<td></td>
<td>(9,574)</td>
<td>(9,442)</td>
</tr>
<tr>
<td><strong>Capital expenditure and financial investment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of tangible fixed assets</td>
<td>(3,078)</td>
<td>(3,115)</td>
</tr>
<tr>
<td><strong>Acquisitions and disposals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of subsidiary undertakings</td>
<td>(3,308)</td>
<td>(735)</td>
</tr>
<tr>
<td>Cash received from sale of business</td>
<td>-</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>(3,308)</td>
<td>(697)</td>
</tr>
<tr>
<td><strong>Equity dividends paid to shareholders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts paid</td>
<td>(40,891)</td>
<td>(40,906)</td>
</tr>
<tr>
<td><strong>Net cash inflow before use of liquid resources and financing</strong></td>
<td>1,864</td>
<td>9,715</td>
</tr>
<tr>
<td><strong>Management of liquid resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash drawn from/(placed on) short-term deposits</td>
<td>4,479</td>
<td>(12,595)</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital element of finance lease payments</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>Purchase of own shares</td>
<td>(217)</td>
<td>(999)</td>
</tr>
<tr>
<td>Drawdown of unsecured loan facility</td>
<td>36,459</td>
<td>19,000</td>
</tr>
<tr>
<td>Repayment of unsecured loan facility</td>
<td>(37,000)</td>
<td>(22,566)</td>
</tr>
<tr>
<td><strong>Increase / (decrease) in cash</strong></td>
<td>5,583</td>
<td>(7,447)</td>
</tr>
<tr>
<td><strong>Reconciliation of net cashflow to movement in net debt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase / (decrease) in cash in the year</td>
<td>5,583</td>
<td>(7,447)</td>
</tr>
<tr>
<td>Cash (inflow)/outflow from (decrease)/increase in liquid resources</td>
<td>(4,479)</td>
<td>12,595</td>
</tr>
<tr>
<td>Cash outflow from decrease in lease financing</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Cash outflow from debt financing</td>
<td>541</td>
<td>3,566</td>
</tr>
<tr>
<td>Change in net debt resulting from cashflows</td>
<td>1,647</td>
<td>8,716</td>
</tr>
<tr>
<td>Other non-cash changes</td>
<td>(23)</td>
<td>(81)</td>
</tr>
<tr>
<td>Exchange translation differences</td>
<td>(3,319)</td>
<td>3,975</td>
</tr>
<tr>
<td>Movement in net debt in the year</td>
<td>(1,695)</td>
<td>12,610</td>
</tr>
<tr>
<td>Net debt brought forward at April 1st</td>
<td>(15,262)</td>
<td>(27,872)</td>
</tr>
<tr>
<td><strong>Net debt carried forward at March 31st</strong></td>
<td>16,957</td>
<td>15,262</td>
</tr>
</tbody>
</table>

Cash and deposits at March 31st 2015 amounted to £47,088,000 (2014: £42,854,000).

The notes on pages 38-62 form an integral part of these consolidated financial statements.
Other statements

Statement of total recognised gains and losses
Years ended March 31st

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the financial year</td>
<td>£45,890</td>
<td>£43,979</td>
</tr>
<tr>
<td>Exchange translation differences arising on consolidation</td>
<td>187</td>
<td>(1,136)</td>
</tr>
<tr>
<td>Actual return less expected return on pension scheme assets</td>
<td>18,307</td>
<td>(824)</td>
</tr>
<tr>
<td>Experience loss arising on the pension scheme liabilities</td>
<td>(2,087)</td>
<td>-</td>
</tr>
<tr>
<td>Changes in assumptions underlying the present value of pension scheme liabilities</td>
<td>(48,871)</td>
<td>8,025</td>
</tr>
<tr>
<td>Actuarial (loss)/gain on other post-retirement benefits</td>
<td>(588)</td>
<td>275</td>
</tr>
<tr>
<td>UK tax attributable to the actuarial loss/(gain)</td>
<td>6,648</td>
<td>(1,570)</td>
</tr>
<tr>
<td><strong>Total recognised gains for the year</strong></td>
<td><strong>19,486</strong></td>
<td><strong>48,749</strong></td>
</tr>
</tbody>
</table>

Reconciliation of movements in total shareholders’ deficit
Years ended March 31st

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>£45,890</td>
<td>£43,979</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(40,891)</td>
<td>(40,906)</td>
</tr>
<tr>
<td>Retained profit</td>
<td>4,999</td>
<td>3,073</td>
</tr>
<tr>
<td>Other recognised (losses)/gains</td>
<td>(26,591)</td>
<td>5,906</td>
</tr>
<tr>
<td>Net purchase of own shares</td>
<td>(217)</td>
<td>(999)</td>
</tr>
<tr>
<td>Exchange translation differences arising on consolidation</td>
<td>187</td>
<td>(1,136)</td>
</tr>
<tr>
<td><strong>Net (increase)/decrease in shareholders’ deficit</strong></td>
<td><strong>(21,622)</strong></td>
<td><strong>6,844</strong></td>
</tr>
<tr>
<td>Opening shareholders’ deficit</td>
<td>(4,519)</td>
<td>(11,363)</td>
</tr>
<tr>
<td><strong>Closing shareholders’ deficit</strong></td>
<td><strong>(26,141)</strong></td>
<td><strong>(4,519)</strong></td>
</tr>
</tbody>
</table>

Note of historical cost profits and losses

As the financial statements are based on the historical cost convention, no separate statement of historical cost profits and losses is necessary. There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.
Principal accounting policies

A summary of the more important Group accounting policies is set out below.

**Basis of accounting**
The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The financial strength of the Group and the company, as explained on pages 26-28, supports the preparation of the financial statements on the going-concern basis.

**Turnover**
Turnover represents sales to third parties from circulation, subscriptions, advertising, sponsorship, research, marketing services, delegate fees and rental income net of advertising agency commissions and trade discounts, and excluding intra-Group sales, value-added tax and other sales-related taxes.

**Foreign currencies**
Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance-sheet date. Transactions in foreign currencies are retranslated into sterling at the rate of exchange ruling at the date of the transaction. Balance sheets of subsidiary undertakings have been translated into sterling at the rates of exchange ruling at the balance-sheet date.

The Group enters into forward currency and option contracts to hedge currency exposures. Losses or realised gains arising from the closing of contracts are included within the trading results for the year. Other gains or losses on open
contracts are deferred.

Share-based payments
The Group awards certain employees entitlements to cash-settled share-based payments in accordance with its long-term incentive scheme arrangements. The fair value of these awards is measured and updated using an appropriate option pricing model. Key assumptions used in calculating the fair value of the awards include the discount rate, the Group’s share price volatility, dividend yield, risk-free rate of return and expected option life. These assumptions are set out in note 8. Management regularly performs a true-up of the estimate of the number of awards that are expected to vest. This is dependent on the anticipated number of leavers. In addition to the key assumptions above, the value of certain awards is dependent upon the future profits of the Group and the Group’s relative market performance, which management is required to estimate. A liability equal to the portion of the services received is recognised at the current fair value determined at each balance-sheet date.

Goodwill
Goodwill arising on the acquisition of subsidiary undertakings, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised as an intangible asset and written off over its useful economic life. Goodwill arising on the acquisition of a foreign entity which has been funded by external borrowings is treated as an asset of the foreign entity and translated at the closing rate. Prior to April 1st 1998, purchased goodwill arising on consolidation was written off to reserves in the year in which it arose, in accordance with the accounting standards then in force.

From April 1st 1998, the provisions of FRS 10 “Goodwill and intangible assets” have been adopted, and such goodwill for new acquisitions is now required to be shown as an asset on the balance sheet and amortised over its useful economic life. Goodwill arising on acquisitions before April 1st 1998 has been deducted from reserves and is charged to the profit and loss account on disposal or closure of the business to which it relates.

Goodwill is provided and written off on a straight-line basis over the acquisition’s useful economic life, which is generally estimated to be 20 years.

Where there has been an indication of impairment of goodwill, it is the Group’s policy to review its carrying value. In the case of goodwill previously written off directly against reserves, the impaired amounts are written back from reserves and then written off against the profit and loss for the year.

Stocks and work-in-progress
Stocks and work-in-progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure. Deferred conference and research costs represent costs incurred for conferences planned to be held or research projects delivered after the balance-sheet date.

Leased assets
Where the Group has entered into finance leases, the obligations to the lessor are shown as part of the borrowings and the corresponding assets are treated as fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to retain legal title. Depreciation is calculated in order to write off the amounts capitalised over the estimated useful lives of the assets by equal annual instalments. Rentals payable under finance leases are apportioned between capital and interest, the interest portion being charged to the profit and loss account and the capital portions reducing the obligations to the lessor.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Operating lease incentives received are initially deferred and subsequently recognised over the minimum contract period as a reduction of the rental expense. Rental income is recognised on a straight-line basis over the lease term.

Provision is made for onerous lease rentals payable on empty properties and where letting receipts are anticipated to be less than cost. Provision is made for the period that the directors consider that the property will remain unlet or unutilised, or to the extent that there is a shortfall in net rental income. The time value of money in respect of onerous lease provisions has been recognised by discounting the future payments to net present values.

Investments
Investments held as fixed assets are included at cost, less provisions for diminution in value.

Share schemes
Shares held by the employee share ownership plan (ESOP) are shown at cost and recorded as a deduction in arriving at shareholders’ funds. The fair market value of shares granted to employees is charged to the profit and loss account over the period to which the employee’s performance relates.
Trade debtors
Trade debtors are stated at their carrying value less provision for bad and doubtful debts and anticipated future sales returns.

Taxation
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered), using the tax rates and laws that have been enacted or substantively enacted by the balance-sheet date.

Deferred taxation
Deferred taxation is provided, using the liability method, at the expected applicable rates, on all timing differences between accounting and taxation treatments which are expected to reverse in the foreseeable future. No provision is made for any additional taxation which would arise on the remittance of profits retained, where there is no intention to remit such profits. A deferred tax asset is only recognised to the extent that it is more likely than not that there will be taxable profits from which the future reversal of the timing differences can be deducted.

Unexpired subscriptions and deferred revenue
Unexpired subscriptions represent the amount of subscription monies received in advance of supplying the publication or service, and which therefore remain a liability to the subscriber. Deferred revenue represents all other payments received in advance of services being provided, primarily conference fees, research projects and rental income.

Pension and other post-retirement benefits
Contributions to pensions under defined-contribution schemes are recognised as an employee benefit expense in the profit and loss as and when they are due.

For the defined-benefit and post-retirement medical schemes, pension-scheme assets are measured using fair values and the liabilities are measured using a projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term to the liability. The pension scheme deficit is recognised in full, net of deferred tax, and presented on the face of the balance sheet.

The movement in the scheme deficit is split between operating and financial items in the profit and loss account and the statement of total recognised gains and losses. The full service cost of the pension provision is charged to operating profit. The net impact of the unwinding of the discount rate on scheme liabilities and the expected return of the scheme assets is charged to other finance costs. Any difference between the expected return on assets and that actually achieved is charged through the statement of total recognised gains and losses. Similarly, any differences that arise from experience or assumption changes are charged through the statement of total recognised gains and losses.

Finance costs
Finance costs which are directly attributable to the cost of construction of a tangible fixed asset are capitalised as part of the costs of that tangible fixed asset.

Website development costs
Design and content costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation. The cost of leasehold assets includes directly attributable finance costs. Depreciation is provided to write off cost over the asset’s useful economic life as follows:

<table>
<thead>
<tr>
<th>Asset type</th>
<th>Depreciation method</th>
<th>Depreciation rate per year</th>
<th>Duration of lease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long and short leasehold property</td>
<td>Straight-line basis</td>
<td>7-14%</td>
<td></td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>Straight-line basis</td>
<td>7-14%</td>
<td></td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>Straight-line basis</td>
<td>10-33%</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>Straight-line basis</td>
<td>14-50%</td>
<td></td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>Straight-line basis</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Major software systems</td>
<td>Straight-line basis</td>
<td>20-33%</td>
<td></td>
</tr>
<tr>
<td>Assets under construction</td>
<td>No depreciation</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>
Notes to the financial statements

**NOTE 1  Segment information**

<table>
<thead>
<tr>
<th>Analysis by business</th>
<th>Turnover</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>The Economist Businesses</td>
<td>229,837</td>
<td>35,688</td>
</tr>
<tr>
<td>The Economist Intelligence Unit</td>
<td>48,306</td>
<td>12,886</td>
</tr>
<tr>
<td>CQ Roll Call</td>
<td>46,308</td>
<td>7,261</td>
</tr>
<tr>
<td>Other businesses</td>
<td>3,818</td>
<td>4,303</td>
</tr>
<tr>
<td></td>
<td></td>
<td>60,138</td>
</tr>
<tr>
<td></td>
<td>328,269</td>
<td>59,005</td>
</tr>
</tbody>
</table>

Revenue reported above represents revenue generated from external customers, and inter-segment revenue has been eliminated. Other businesses include Ryder Street Properties which owns and manages the Economist Complex in London.

<table>
<thead>
<tr>
<th>Analysis by origin of legal entity</th>
<th>Turnover</th>
<th>Profit before tax</th>
<th>Net (liabilities)/assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>197,197</td>
<td>39,817</td>
<td>11,237</td>
</tr>
<tr>
<td>Europe</td>
<td>4,851</td>
<td>1,261</td>
<td>(601)</td>
</tr>
<tr>
<td>North America</td>
<td>112,052</td>
<td>13,612</td>
<td>57,061</td>
</tr>
<tr>
<td>South America</td>
<td>36</td>
<td>24</td>
<td>101</td>
</tr>
<tr>
<td>Asia</td>
<td>14,133</td>
<td>3,788</td>
<td>12,372</td>
</tr>
<tr>
<td></td>
<td></td>
<td>58,502</td>
<td>(26,141)</td>
</tr>
<tr>
<td></td>
<td>328,269</td>
<td>331,545</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover by customer location</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>60,678</td>
<td>59,609</td>
</tr>
<tr>
<td>North America</td>
<td>150,773</td>
<td>152,833</td>
</tr>
<tr>
<td>Europe</td>
<td>55,244</td>
<td>59,692</td>
</tr>
<tr>
<td>Asia</td>
<td>46,554</td>
<td>43,850</td>
</tr>
<tr>
<td>Other</td>
<td>15,020</td>
<td>15,561</td>
</tr>
<tr>
<td></td>
<td>328,269</td>
<td>331,545</td>
</tr>
</tbody>
</table>
**NOTE 2  Net finance costs**

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receivable and similar income</td>
<td>45</td>
<td>32</td>
</tr>
<tr>
<td>Interest payable and similar charges</td>
<td>(5,146)</td>
<td>(5,137)</td>
</tr>
<tr>
<td>Other finance income</td>
<td>3,465</td>
<td>2,727</td>
</tr>
<tr>
<td></td>
<td>(1,636)</td>
<td>(2,378)</td>
</tr>
</tbody>
</table>

- Interest payable on bank overdrafts and loans: 909 (2015), 662 (2014)
- Interest payable on other loans: 3,942 (2015), 4,186 (2014)
- Interest payable on finance lease: 208 (2015), 208 (2014)
- Interest payable and similar charges: 5,146 (2015), 5,137 (2014)


**NOTE 3  Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging the following:

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auditor’s remuneration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit of the company’s financial statements</td>
<td>135</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fees payable to the company’s auditor and its associates for other services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit of the company’s subsidiaries</td>
<td>326</td>
<td>299</td>
</tr>
<tr>
<td>Further assurance services</td>
<td>48</td>
<td>173</td>
</tr>
<tr>
<td>Tax advice and compliance</td>
<td>130</td>
<td>126</td>
</tr>
<tr>
<td>Other services</td>
<td>131</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating lease rentals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>129</td>
<td>163</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>6,668</td>
<td>7,049</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation and amortisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On owned assets</td>
<td>3,185</td>
<td>3,330</td>
</tr>
<tr>
<td>On assets held by finance lease</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Amortisation of goodwill</td>
<td>6,789</td>
<td>6,945</td>
</tr>
</tbody>
</table>

**NOTE 4  Directors’ emoluments**

The details of directors’ emoluments are in table 2, page 25, within the directors’ report on remuneration.
NOTE 5  Employees

The year-end and average monthly number of employees, including executive directors, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015 Average</th>
<th>Year-end</th>
<th>2015 Average</th>
<th>Year-end</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Economist Businesses</td>
<td>751</td>
<td>755</td>
<td>729</td>
<td>750</td>
</tr>
<tr>
<td>The Economist Intelligence Unit</td>
<td>299</td>
<td>300</td>
<td>308</td>
<td>305</td>
</tr>
<tr>
<td>CQ Roll Call</td>
<td>266</td>
<td>255</td>
<td>275</td>
<td>275</td>
</tr>
<tr>
<td></td>
<td>1,316</td>
<td>1,310</td>
<td>1,312</td>
<td>1,330</td>
</tr>
</tbody>
</table>

Employment costs including executive directors’ emoluments

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>£91,703</td>
<td>£91,084</td>
</tr>
<tr>
<td>Social security costs</td>
<td>£7,959</td>
<td>£7,532</td>
</tr>
<tr>
<td>Defined-benefit pension costs</td>
<td>£2,353</td>
<td>£2,659</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>£3,544</td>
<td>£3,615</td>
</tr>
<tr>
<td></td>
<td>£105,559</td>
<td>£104,890</td>
</tr>
</tbody>
</table>

Wages and salaries include £1,421,000 (2014: £2,176,000) of restructuring-related costs.

NOTE 6  Taxation on profit on ordinary activities

The taxation charge based on the result for the year is made up as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK corporation tax at 21% (2014: 23%)</td>
<td>£9,221</td>
<td>£12,553</td>
</tr>
<tr>
<td>Overseas taxation</td>
<td>£2,729</td>
<td>£820</td>
</tr>
<tr>
<td>UK deferred taxation</td>
<td>£252</td>
<td>£933</td>
</tr>
<tr>
<td>Overseas deferred taxation</td>
<td>£1,559</td>
<td>£391</td>
</tr>
<tr>
<td></td>
<td>£13,761</td>
<td>£14,697</td>
</tr>
</tbody>
</table>

Adjustments in respect of previous years

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK corporation tax</td>
<td>(389)</td>
<td>(743)</td>
</tr>
<tr>
<td>Overseas taxation</td>
<td>(148)</td>
<td>(825)</td>
</tr>
<tr>
<td>UK deferred taxation</td>
<td>198</td>
<td>(105)</td>
</tr>
<tr>
<td>Overseas deferred taxation</td>
<td>(810)</td>
<td>(79)</td>
</tr>
<tr>
<td></td>
<td>£12,612</td>
<td>£12,945</td>
</tr>
</tbody>
</table>

Included within the deferred tax charge for the year is an FRS 17 charge of £91,000 (2014: £446,000). The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 21% (2014: 23%, lower).
NOTE 6  Taxation on profit on ordinary activities (continued)

<table>
<thead>
<tr>
<th>Current tax rate reconciliation</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK tax rate</td>
<td>21.0</td>
<td>23.0</td>
</tr>
<tr>
<td>Expenses not deductible for tax purposes</td>
<td>1.6</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Capital allowances in excess of depreciation</td>
<td>(0.1)</td>
<td>0.1</td>
</tr>
<tr>
<td>Movement in provisions</td>
<td>(0.5)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Overseas tax rates</td>
<td>1.6</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Timing of goodwill amortisation</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td>Overseas tax losses</td>
<td>(0.9)</td>
<td>-</td>
</tr>
<tr>
<td>FRS 17 pension movement</td>
<td>(0.1)</td>
<td>0.1</td>
</tr>
<tr>
<td>Impact of Group financing</td>
<td>(2.8)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Adjustments to tax charge in respect of previous years</td>
<td>(0.9)</td>
<td>(2.8)</td>
</tr>
<tr>
<td>Current tax rate reflected in earnings</td>
<td>19.5</td>
<td>20.7</td>
</tr>
</tbody>
</table>

Future tax charges will be affected by tax-rate and other legislative changes in the jurisdictions in which the Group operates. Changes to the geographical distribution of taxable profits and exchange rates will also affect future tax charges due to the differences in tax rates applicable in different countries.

NOTE 7  Dividends

<table>
<thead>
<tr>
<th>Cash dividends paid</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final dividend for previous year of 94.0p per share (2014: 88.7p per share)</td>
<td>23,506</td>
<td>22,216</td>
</tr>
<tr>
<td>First interim paid of 45.7p per share (2014: 43.0p per share)</td>
<td>11,432</td>
<td>10,758</td>
</tr>
<tr>
<td>Special dividend paid of 23.8p per share (2014: 31.7p per share)</td>
<td>5,953</td>
<td>7,932</td>
</tr>
<tr>
<td>All shareholders other than holders of the trust shares (see note 17) receive the above dividend per share. Dividends amounting to £311,000 (2014: £270,000) in respect of the company’s shares held by the ESOP (note 18) have been deducted in arriving at the aggregate of dividends paid.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim dividend paid of 45.7p per share (2014: 43.0p per share)</td>
<td>11,432</td>
<td>10,758</td>
</tr>
<tr>
<td>Special dividend paid of 23.8p per share (2014: 31.7p per share)</td>
<td>5,953</td>
<td>7,932</td>
</tr>
<tr>
<td>Final dividend proposed of 99.2p per share (2014: 94.0p per share)</td>
<td>24,798</td>
<td>23,506</td>
</tr>
<tr>
<td>Dividends proposed in respect of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The directors are proposing a final dividend in respect of the financial year ending March 31st 2015 of 99.2p. Dividends amounting to £329,000 in respect of the company’s shares held by the ESOP have been deducted in arriving at the total dividend proposed of £42,183,000. The proposed final dividend is subject to approval by shareholders and has not been recognised as a liability in these financial statements.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NOTE 8  Share-based payments

The Group has recorded total liabilities at March 31st 2015 of £2,068,000 (2014: £2,555,000), of which £528,000 (2014: £1,241,000) relates to awards which had vested at the year end. The total charge recognised with respect to cash-settled, share-based payment transactions was £749,000 (2014: £299,000 credit).

The Economist Group operates the following share-based incentive schemes:

Executive long-term plans commencing April 1st 2012 and 2013

Units are granted to executive directors and senior employees. These awards are taken in cash form only after three years. The value of the award is based on share price, the earnings per share compound annual growth rate and the Group’s total shareholder return (TSR) compared with a group of selected comparator companies over the period of the scheme.

The fair values of the long-term schemes were calculated using a Black Scholes option-pricing model, except for the schemes including a TSR ranking performance condition where a Monte Carlo model was used. The inputs to the models were as follows:

<table>
<thead>
<tr>
<th></th>
<th>At March 31st 2015</th>
<th>At March 31st 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average share price (£)</td>
<td>29.28</td>
<td>27.26</td>
</tr>
<tr>
<td>Weighted average exercise price (£)</td>
<td>26.00</td>
<td>25.51</td>
</tr>
<tr>
<td>Expected volatility (%)</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Expected life (months)</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Risk-free rate (%)</td>
<td>0.3</td>
<td>0.6</td>
</tr>
<tr>
<td>Expected dividend yield (%)</td>
<td>4.6</td>
<td>4.5</td>
</tr>
<tr>
<td>Forfeiture rate (%)</td>
<td>10.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

The expected volatility is determined by calculating the historical volatility of the Group’s share price over the previous ten years and by calculating the historical TSR volatility of the comparator group over the relevant life of the schemes. Dividends are included in the fair value calculation or are invested as additional units.

During the year, no long-term plan units (2014: 344,000) were granted with a weighted average fair value at March 31st of £nil (2014: £4.84). No long-term plan units (2014: nil) vested at March 31st with a weighted average fair value at March 31st of £nil (2014: £nil).
NOTE 8  Share-based payments (continued)

Restricted share scheme
This scheme is for key employees who have been awarded a right to acquire ordinary shares at a nominal price between one and six years after the date of the award. The Group has the discretion to pay out shares or cash on exercise. The value of the award is based on the share price and dividends paid during the vesting period.

<table>
<thead>
<tr>
<th></th>
<th>At March 31st 2015</th>
<th></th>
<th>At March 31st 2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restricted share scheme</strong></td>
<td>No. of options</td>
<td>Weighted average share price (£)</td>
<td>No. of options</td>
<td>Weighted average share price (£)</td>
</tr>
<tr>
<td>Outstanding at the beginning of the year</td>
<td>69,000</td>
<td>29.89</td>
<td>99,000</td>
<td>28.12</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>51,000</td>
<td>30.31</td>
<td>10,000</td>
<td>27.60</td>
</tr>
<tr>
<td>Lapsed during the year</td>
<td>(7,500)</td>
<td>(29.61)</td>
<td>(37,500)</td>
<td>(28.08)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(35,750)</td>
<td>(30.62)</td>
<td>(2,500)</td>
<td>(28.55)</td>
</tr>
<tr>
<td>Outstanding at the end of the year</td>
<td>76,750</td>
<td>31.05</td>
<td>69,000</td>
<td>29.89</td>
</tr>
<tr>
<td>Exercisable at the year end</td>
<td>15,000</td>
<td>30.95</td>
<td>35,570</td>
<td>30.62</td>
</tr>
</tbody>
</table>

The weighted average remaining contractual life for outstanding options at March 31st 2015 was 16 months (2014: 12 months).

NOTE 9  Earnings per share

Basic earnings per share are calculated on earnings of £45,890,000 (2014: £43,979,000) and the 25,200,000 ordinary and special shares in issue (2014: 25,200,000) less those held by the ESOP, being on average 194,000 shares (2014: 177,000), resulting in a weighted average number of shares of 25,006,000 (2014: 25,023,000). Normalised earnings per share, before non-operating exceptional items, is based on earnings of £45,890,000 (2014: £43,682,000).

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic earnings per share</strong></td>
<td>45,890</td>
<td>43,979</td>
</tr>
<tr>
<td>Weighted average number of shares 000s</td>
<td>25,006</td>
<td>25,023</td>
</tr>
<tr>
<td>Earnings per share pence</td>
<td>183.5</td>
<td>175.8</td>
</tr>
<tr>
<td>Adjustment in respect of non-operating exceptional items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Profit on sale of business</td>
<td>-</td>
<td>(297)</td>
</tr>
<tr>
<td>- Attributable taxation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Normalised earnings per share</strong></td>
<td>45,890</td>
<td>43,682</td>
</tr>
<tr>
<td>Weighted average number of shares 000s</td>
<td>25,006</td>
<td>25,023</td>
</tr>
<tr>
<td>Earnings per share pence</td>
<td>183.5</td>
<td>174.6</td>
</tr>
</tbody>
</table>

Diluted earnings per share are calculated by adjusting the weighted average number of shares to take account of shares held by the ESOP which are under option to employees.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of shares (000s)</td>
<td>25,006</td>
<td>25,023</td>
</tr>
<tr>
<td>Effect of dilutive share options (000s)</td>
<td>77</td>
<td>69</td>
</tr>
<tr>
<td><strong>Weighted average number of shares (000s) for diluted earnings</strong></td>
<td>25,083</td>
<td>25,092</td>
</tr>
</tbody>
</table>
### NOTE 10 Intangible fixed assets

<table>
<thead>
<tr>
<th>Goodwill</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At April 1st 2014</td>
<td>133,781</td>
</tr>
<tr>
<td>Additions (note 24)</td>
<td>1,202</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(777)</td>
</tr>
<tr>
<td>Exchange translation differences</td>
<td>11,760</td>
</tr>
<tr>
<td><strong>At March 31st 2015</strong></td>
<td>145,966</td>
</tr>
<tr>
<td><strong>Accumulated amortisation</strong></td>
<td></td>
</tr>
<tr>
<td>At April 1st 2014</td>
<td>32,194</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>6,789</td>
</tr>
<tr>
<td>Exchange translation differences</td>
<td>3,167</td>
</tr>
<tr>
<td><strong>At March 31st 2015</strong></td>
<td>42,150</td>
</tr>
<tr>
<td><strong>Net book value at March 31st 2015</strong></td>
<td>103,816</td>
</tr>
<tr>
<td><strong>Net book value at March 31st 2014</strong></td>
<td>101,587</td>
</tr>
</tbody>
</table>

The cost of goodwill has reduced following an adjustment to the deferred consideration payable on the acquisition of Bazian Limited.
NOTE 11  Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Leasehold buildings</th>
<th>Plant and machinery</th>
<th>Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long £000</td>
<td>Short £000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At April 1st 2014</td>
<td>35,049</td>
<td>5,438</td>
<td>2,779</td>
<td>32,397</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>492</td>
<td>-</td>
<td>2,776</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(84)</td>
</tr>
<tr>
<td>Exchange translation differences</td>
<td>581</td>
<td>257</td>
<td>-</td>
<td>989</td>
</tr>
<tr>
<td><strong>At March 31st 2015</strong></td>
<td>35,630</td>
<td>6,187</td>
<td>2,779</td>
<td>36,078</td>
</tr>
</tbody>
</table>

|                     |                     |                     |           |        |
| **Accumulated depreciation** |                 |                     |           |        |
| At April 1st 2014   | 15,758              | 2,018               | 2,779     | 27,885 |
| Provided during year| 180                 | 406                 | -         | 2,654  |
| Disposals           | -                   | -                   | -         | (84)   |
| Exchange translation differences | 178               | 221                 | -         | 902    |
| **At March 31st 2015** | 16,116             | 2,645               | 2,779     | 31,357 |

|                     |                     |                     |           |        |
| **Net book value at March 31st 2015** |                 |                     |           |        |
|                     | 19,514              | 3,542               | -         | 4,721  |
| **Net book value at March 31st 2014** | 19,291             | 3,420               | -         | 4,512  |

The directors have been advised that the market value of the Economist Complex at March 31st 2015 was £100,400,000 (2014: £88,500,000); the book value is £15,556,000 (2014: £15,759,000) and the balance-sheet value is £13,044,000 (2014: £13,246,000) after deducting the finance lease payable. Included within the cost of leasehold buildings is capitalised interest of £2,312,500 (2014: £2,312,500).

Assets held under finance lease and capitalised in long leasehold buildings were:

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost or valuation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,798</td>
<td>6,798</td>
</tr>
<tr>
<td>Aggregate depreciation</td>
<td>(1,574)</td>
<td>(1,519)</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td>5,224</td>
<td>5,279</td>
</tr>
</tbody>
</table>
NOTE 12  Stocks

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Raw materials</td>
<td>463</td>
<td>1,142</td>
</tr>
<tr>
<td>Work-in-progress</td>
<td>1,483</td>
<td>1,513</td>
</tr>
<tr>
<td>Finished goods</td>
<td>54</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>2,000</td>
<td>2,695</td>
</tr>
</tbody>
</table>

NOTE 13  Debtors

<table>
<thead>
<tr>
<th>Due within one year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>40,766</td>
<td>41,895</td>
</tr>
<tr>
<td>Other debtors</td>
<td>5,074</td>
<td>4,306</td>
</tr>
<tr>
<td>Tax recoverable</td>
<td>-</td>
<td>1,490</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>15,825</td>
<td>13,646</td>
</tr>
<tr>
<td></td>
<td>61,665</td>
<td>61,337</td>
</tr>
</tbody>
</table>

Other debtors includes loan notes amounting to £2,637,000 (2014: £2,361,000) received in part consideration for the sale of the Group’s majority interest in the trade and assets of CFO Publishing Corporation (USA). There are two loan notes for $1,200,000 and $2,700,000 bearing interest at 15% and 5% respectively. The loan notes are redeemable on January 11th 2017 and July 11th 2017.

NOTE 14  Deferred taxation

Summary of movements in net deferred tax asset

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>At April 1st 2014</td>
<td>1,648</td>
<td></td>
</tr>
<tr>
<td>Charge to the profit and loss account</td>
<td>(1,108)</td>
<td></td>
</tr>
<tr>
<td>Credited to other recognised gains for the year</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Exchange difference</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>At March 31st 2015</td>
<td>607</td>
<td></td>
</tr>
</tbody>
</table>

The effect of the change in tax rates is to reduce the deferred tax asset by £64,000 (2014: £151,000).

Analysed as:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax asset</td>
<td>1,953</td>
<td>1,648</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>(1,346)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>607</td>
<td>1,648</td>
</tr>
</tbody>
</table>

The net assets recognised for deferred taxation under the liability method are:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of depreciation over capital allowances</td>
<td>639</td>
<td>576</td>
</tr>
<tr>
<td>Loss relief</td>
<td>609</td>
<td>385</td>
</tr>
<tr>
<td>Other timing differences</td>
<td>(641)</td>
<td>687</td>
</tr>
<tr>
<td></td>
<td>607</td>
<td>1,648</td>
</tr>
</tbody>
</table>

The Group has total accumulated trading losses of £2,746,000 (2014: £4,489,000) in Asia, which have been recognised (2014: £3,474,000 not recognised).
NOTE 14  Deferred taxation (continued)

A deferred tax asset of £609,000 (2014: £385,000) has been recognised for carried-forward losses in the United States and Asia on the basis that forecast profits in those regions against which the tax asset can be recovered will arise.

Changes to the UK main corporation tax rate from 23% (effective on April 1st 2013), to 21% (effective from April 1st 2014) and to 20% (effective from April 1st 2015) were substantively enacted July 2nd 2013. The relevant UK deferred tax balances have been remeasured to the rate which is expected to apply to the period when the assets are realised and the liabilities are settled, based on the tax rates substantively enacted by the balance-sheet date.

NOTE 15  Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans and overdrafts (note 16)</td>
<td>10,238</td>
<td>9,176</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>14,580</td>
<td>14,323</td>
</tr>
<tr>
<td>Other creditors including taxation and social security</td>
<td>25,088</td>
<td>29,190</td>
</tr>
<tr>
<td>Accruals</td>
<td>24,134</td>
<td>28,722</td>
</tr>
<tr>
<td></td>
<td>74,040</td>
<td>81,411</td>
</tr>
</tbody>
</table>

Other creditors including taxation and social security comprise:
- Corporation tax                      | 10,023    | 10,983    |
- Deferred tax liability                | 1,346     | -         |
- Other taxation and social security    | 1,867     | 2,438     |
- Other creditors                      | 11,852    | 15,769    |
                                      | 25,088    | 29,190    |

NOTE 16  Creditors: amounts falling due after more than one year

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance leases</td>
<td>2,511</td>
<td>2,512</td>
</tr>
<tr>
<td>7.93% unsecured loan note 2019-20</td>
<td>11,206</td>
<td>12,429</td>
</tr>
<tr>
<td>7.72% unsecured loan note 2019-20</td>
<td>26,893</td>
<td>29,833</td>
</tr>
<tr>
<td>4.29% unsecured loan note 2022-23</td>
<td>9,766</td>
<td>-</td>
</tr>
<tr>
<td>Term loan</td>
<td>3,430</td>
<td>4,165</td>
</tr>
<tr>
<td></td>
<td>53,806</td>
<td>48,939</td>
</tr>
</tbody>
</table>

Maturity of debt

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>In one year or less, or on demand</td>
<td>10,238</td>
<td>9,176</td>
</tr>
<tr>
<td>In more than one year, but not more than two years</td>
<td>12,933</td>
<td>9,176</td>
</tr>
<tr>
<td>In more than two years, but not more than five years</td>
<td>28,596</td>
<td>28,754</td>
</tr>
<tr>
<td>In more than five years</td>
<td>9,766</td>
<td>8,497</td>
</tr>
<tr>
<td></td>
<td>61,533</td>
<td>55,603</td>
</tr>
</tbody>
</table>

The Group has bank loans and loan notes of £61,533,000 as at March 31st 2015 (2014: £55,603,000). In December 2014, the Group extended its revolving credit facility of £49,000,000. This facility is unsecured and expires after five years and was undrawn at March 31st 2015. The Group agreed coterminous uncommitted accordion facilities of £65,000,000. The Group also has a £4,165,000 term loan which is repayable between July 2015 and January 2017, as well as UK overdraft facilities which are subject to review in January 2017.
NOTE 16  Creditors: amounts falling due after more than one year (continued)

The Group entered into a ten-year committed loan note arrangement in August 2009 to fund the acquisition of Congressional Quarterly. The loan notes are repayable annually in equal instalments from the fifth to the tenth year after inception with the first instalment of $14,167,000 repaid in July 2014. The unsecured loan notes were drawn down in two tranches and are stated net of unamortised issue costs of £352,000 (2014: £433,000). These costs, together with the interest expense, are all allocated to the profit and loss account over the ten-year term of the facility at a constant carrying amount. In July 2014, the Group entered into an uncommitted shelf facility for $120,000,000 renewable in 2017, and drew down $14,500,000 on the facility which is repayable in 2022-23. The facility, with Pricoa, works such that at any time the amount available to borrow is the difference between $120,000,000 and existing loan notes issued (currently $85,300,000). The US-dollar denominated loan notes were valued at the closing exchange rate and resulted in a loss of £6,449,000 (2014: gain of £4,913,000).

<table>
<thead>
<tr>
<th>Maturity of finance leases</th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>In more than one year, but not more than two years</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>In more than two years, but not more than five years</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>After five years</td>
<td>2,506</td>
<td>2,507</td>
</tr>
<tr>
<td></td>
<td>2,512</td>
<td>2,513</td>
</tr>
</tbody>
</table>

The finance lease on the Economist Complex is repayable in quarterly instalments until 2111, at an interest rate of 4.3%.

NOTE 17  Called up share capital

<table>
<thead>
<tr>
<th>Authorised</th>
<th>Issued and fully paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>£000</td>
</tr>
<tr>
<td>&quot;A&quot; special shares of 5p each</td>
<td>1,575,000</td>
</tr>
<tr>
<td>“B” special shares of 5p each</td>
<td>1,575,000</td>
</tr>
<tr>
<td>Ordinary shares of 5p each</td>
<td>36,850,000</td>
</tr>
<tr>
<td>Trust shares of 5p each</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>2,000</td>
</tr>
</tbody>
</table>

FRS 4, “Capital Instruments”, requires the Group to provide a summary of the rights of each class of shares. This summary can be found in the directors’ report on page 19. The trust shares participate in a distribution of capital only to a limited extent and accordingly are not treated as equity share capital.

On July 17th 2014, the capital of the company was increased by one deferred share with a nominal value of £1 which was issued at a premium of £107,385,934 being the amount standing to the credit of the other reserve of the company at March 31st 2014, representing an unrealised profit of the company. On the same date, the capital of the company was reduced by the cancellation of the deferred share of £1 and the related share premium account following a solvency statement made by the directors in accordance with section 643 of the Companies Act 2006.
### NOTE 18  Reserves

#### Consolidated profit and loss account

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>At April 1st</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Retained profit for the year</td>
<td>(5,779)</td>
<td>(12,623)</td>
</tr>
<tr>
<td>Other recognised (losses)/gains relating to the year</td>
<td>4,999</td>
<td>3,073</td>
</tr>
<tr>
<td>Net purchase of own shares</td>
<td>(26,591)</td>
<td>5,906</td>
</tr>
<tr>
<td>Exchange translation differences arising on consolidation</td>
<td>187</td>
<td>(1,136)</td>
</tr>
<tr>
<td>At March 31st</td>
<td>(27,401)</td>
<td>(5,779)</td>
</tr>
</tbody>
</table>

The cumulative goodwill written off to profit and loss reserves by the Group is £17,943,000 (2014: £17,943,000) and arises mainly from the purchase of Business International in 1986, CFO in 1988 and Roll Call, Inc in 1992 and 1993. A portion of the goodwill relating to the acquisition of CFO Publishing Corporation (USA) in 1988, and previously written off to reserves, was credited following the sale of the business in 2010.

At March 31st 2015, there were 201,563 shares (2014: 193,407) of 5p each with a nominal value of £10,078 (2014: £9,670) in The Economist Newspaper Limited (own shares) held by the ESOP. The ESOP provides a limited market for ordinary shares of The Economist Newspaper Limited to be bought and sold. Employees of the Group (and their spouses and children) can apply to buy shares from the ESOP twice a year at the latest indicative share valuation, and all shareholders can offer to sell their shares to the ESOP. A subsidiary company, The Economist Group Trustee Company Limited, acts as trustee of the ESOP and handles all share transactions. The ESOP has not waived its entitlement to dividends on these shares. At March 31st 2015, 76,750 (2014: 69,000) of the shares are under option to employees and have been conditionally granted to them. The interest in own shares, included within reserves, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At April 1st 2014</td>
<td>2,302</td>
</tr>
<tr>
<td>Net purchase of own shares</td>
<td>217</td>
</tr>
<tr>
<td>At March 31st 2015</td>
<td>2,519</td>
</tr>
</tbody>
</table>
NOTE 19  Notes to the consolidated cashflow statement

Reconciliation of operating profit to net cash inflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>60,138</td>
<td>59,005</td>
</tr>
<tr>
<td>Depreciation of tangible fixed assets</td>
<td>3,240</td>
<td>3,385</td>
</tr>
<tr>
<td>Goodwill amortisation</td>
<td>6,789</td>
<td>6,945</td>
</tr>
<tr>
<td>Loss on disposal of tangible fixed assets</td>
<td>-</td>
<td>67</td>
</tr>
<tr>
<td>Decrease/(increase) in stocks</td>
<td>803</td>
<td>(606)</td>
</tr>
<tr>
<td>Decrease in debtors</td>
<td>2,901</td>
<td>3,657</td>
</tr>
<tr>
<td>(Decrease)/increase in creditors</td>
<td>(9,319)</td>
<td>4,631</td>
</tr>
<tr>
<td>Increase/(decrease) in unexpired subscriptions and deferred revenue</td>
<td>948</td>
<td>(980)</td>
</tr>
<tr>
<td>Decrease in provisions</td>
<td>(1,974)</td>
<td>(7,144)</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>63,526</td>
<td>68,960</td>
</tr>
</tbody>
</table>

Analysis of net debt

<table>
<thead>
<tr>
<th></th>
<th>At April 1st</th>
<th>Cashflow</th>
<th>Debt</th>
<th>Other non-cash changes</th>
<th>Exchange movement</th>
<th>At March 31st</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>2015</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>10,083</td>
<td>5,583</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cash on short-term deposits</td>
<td></td>
<td>32,771</td>
<td>(4,479)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total cash balances</td>
<td></td>
<td>42,854</td>
<td>1,104</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Debt due within one year</td>
<td></td>
<td>(9,176)</td>
<td>9,000</td>
<td>(9,046)</td>
<td>(1,016)</td>
<td></td>
</tr>
<tr>
<td>Debt due after one year</td>
<td></td>
<td>(46,427)</td>
<td>(8,459)</td>
<td>9,024</td>
<td>(5,433)</td>
<td></td>
</tr>
<tr>
<td>Finance leases due within one year</td>
<td></td>
<td>(1)</td>
<td>2</td>
<td>-</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Finance leases due after one year</td>
<td></td>
<td>(2,512)</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Net debt</td>
<td></td>
<td>(15,262)</td>
<td>1,106</td>
<td>541</td>
<td>(23)</td>
<td></td>
</tr>
</tbody>
</table>

At March 31st 2015 cash balances included £3,226,900 (2014: £3,544,000) of deposits collected from tenants of the Group’s property business. This cash is only accessible in the event of the tenant defaulting.
NOTE 20  Pension and other post-retirement obligations

<table>
<thead>
<tr>
<th>Analysis of pension and other post-retirement obligations (net of deferred tax)</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Group scheme</td>
<td>(31,063)</td>
<td>(9,270)</td>
</tr>
<tr>
<td>Post-retirement benefits</td>
<td>(1,936)</td>
<td>(1,913)</td>
</tr>
<tr>
<td></td>
<td>(32,999)</td>
<td>(11,183)</td>
</tr>
</tbody>
</table>

The Group operates pension schemes for most of its employees throughout the world, which are funded by the Group. The main scheme for UK staff who joined before 2003 (the UK Group scheme) provides funded defined benefits. The scheme has a defined-contribution underpin and provides for those employees who joined before 2003, for the better of defined-benefit and defined-contribution benefits. Defined-contribution schemes are operated for UK and non-UK staff. In addition, the Group provides unfunded, unapproved pension arrangements in respect of certain former employees. The assets of each scheme are held in separate trustee-administered funds with independent qualified actuaries or other professionals acting as advisers. Actuarial valuations are undertaken at regular intervals.

The UK Group scheme has been closed to new members since January 1st 2003; a defined-contribution scheme is available to new joiners. As a result, under the projected unit credit method, the current service cost is expected to increase as members approach retirement. The company contributed 18.3% of pensionable salaries to fund ongoing service costs during the year and £350,000 to fund scheme expenses. The company also contributed £1,920,000 (2014: £6,920,000) in the year to repay the actuarial deficit. The 2014 amount included a £5,000,000 lump-sum payment. The best estimate of contributions expected to be paid to the scheme in 2015-16 is £4,250,000.

The most recent full actuarial valuation of the UK defined-benefit scheme was at January 1st 2013. This showed the market value of assets of the main UK scheme to be £221,570,000. The actuarial valuation of pension liabilities was £244,356,000, leaving a deficit of £22,786,000. The actuarial method used for the valuation was the projected unit credit method. The foregoing liabilities represent the Scheme Specific Funding Technical Provisions as agreed by the Group and the trustees. The SSF level of funding was 91%. The January 2013 valuation was used as a basis for determining the ongoing company funding rate, effective August 7th 2013.

The FRS 17 valuation reflects HM Revenue and Customs (HMRC) rules relating to commutation of tax-free cash effective April 6th 2006. Past scheme experience indicates that the majority of retirees take the maximum level of cash available. Cash commutation factors, which are regularly reviewed by the trustees, remained based around a factor of 16:1 at age 60.

The main overseas schemes and one UK scheme are based on defined contributions; amounts totalling £370,000 (2014: £238,000) were accrued in respect of these schemes at year end.
NOTE 20 Pension and other post-retirement obligations (continued)

UK Group scheme

The valuation of the UK Group scheme has been updated by independent actuaries to March 31st 2015. The major assumptions used to determine this valuation are as follows:

<table>
<thead>
<tr>
<th>Assumption</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail price inflation</td>
<td>3.0</td>
<td>3.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Increase in pensionable salaries</td>
<td>3.0</td>
<td>3.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Increase in pensions in payment</td>
<td>3.0</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Increase in deferred pensions</td>
<td>2.4</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Discount rate for scheme liabilities</td>
<td>3.4</td>
<td>4.5</td>
<td>4.4</td>
</tr>
</tbody>
</table>

The mortality assumptions used in the valuation of the scheme are summarised in the table below, and have been selected to reflect the characteristics and the experience of the membership of the plan. This has been done by using SAPS1 light tables with longevity projection based on CMI 2011 and the year in which the member was born, with a 1% per-annum underpin to future improvements (2014: SAPS1 light tables, CMI 2011, year of birth, 1% underpin).

<table>
<thead>
<tr>
<th>Longevity at age 65</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>88.8</td>
<td>88.8</td>
</tr>
<tr>
<td>Women</td>
<td>90.1</td>
<td>90.1</td>
</tr>
</tbody>
</table>

Longevity at age 65 for future retirees, current age 45

<table>
<thead>
<tr>
<th>Longevity at age 65</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>90.2</td>
<td>90.1</td>
</tr>
<tr>
<td>Women</td>
<td>91.7</td>
<td>91.6</td>
</tr>
</tbody>
</table>

The assets of the UK Group scheme and the expected rate of return on these assets, shown as a weighted average, are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Long-term rate of return expected at March 31st</th>
<th>Value at March 31st</th>
<th>Long-term rate of return expected at March 31st</th>
<th>Value at March 31st</th>
<th>Long-term rate of return expected at March 31st</th>
<th>Value at March 31st</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>£000</td>
<td>%</td>
<td>£000</td>
<td>%</td>
<td>£000</td>
</tr>
<tr>
<td>Equities</td>
<td>6.50</td>
<td>159,961</td>
<td>7.45</td>
<td>145,149</td>
<td>7.35</td>
<td>139,667</td>
</tr>
<tr>
<td>Government and corporate bonds</td>
<td>2.50</td>
<td>87,892</td>
<td>3.72</td>
<td>79,217</td>
<td>3.33</td>
<td>70,712</td>
</tr>
<tr>
<td>Property</td>
<td>5.50</td>
<td>37,920</td>
<td>6.45</td>
<td>29,127</td>
<td>6.85</td>
<td>26,222</td>
</tr>
<tr>
<td>Other</td>
<td>2.10</td>
<td>2,827</td>
<td>3.15</td>
<td>2,857</td>
<td>2.47</td>
<td>2,467</td>
</tr>
<tr>
<td>Total market value</td>
<td></td>
<td>288,600</td>
<td></td>
<td>256,350</td>
<td></td>
<td>239,068</td>
</tr>
<tr>
<td>Present value of</td>
<td></td>
<td>(327,429)</td>
<td></td>
<td>(268,084)</td>
<td></td>
<td>(267,684)</td>
</tr>
<tr>
<td>scheme liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficit in the</td>
<td></td>
<td>(38,829)</td>
<td></td>
<td>(11,734)</td>
<td></td>
<td>(28,616)</td>
</tr>
<tr>
<td>scheme</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Related deferred tax asset</td>
<td>7,766</td>
<td></td>
<td>2,464</td>
<td></td>
<td>6,582</td>
<td></td>
</tr>
<tr>
<td>Net pension deficit</td>
<td></td>
<td>(31,063)</td>
<td></td>
<td>(9,270)</td>
<td></td>
<td>(22,034)</td>
</tr>
</tbody>
</table>
NOTE 20  Pension and other post-retirement obligations (continued)

Reconciliation of fair value of scheme assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1st</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Expected return on scheme assets</td>
<td>15,703</td>
<td>14,677</td>
</tr>
<tr>
<td>Actuarial gain/(loss)</td>
<td>18,307</td>
<td>(824)</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>539</td>
<td>581</td>
</tr>
<tr>
<td>Disbursements</td>
<td>(6,545)</td>
<td>(6,581)</td>
</tr>
<tr>
<td>Contributions paid by employer</td>
<td>4,246</td>
<td>9,429</td>
</tr>
</tbody>
</table>

There are no scheme assets invested in the company.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed-interest investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was £34,010,000 (2014: £13,853,000).

Reconciliation of present value of scheme liabilities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1st</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Current service cost</td>
<td>(2,353)</td>
<td>(2,659)</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>(539)</td>
<td>(581)</td>
</tr>
<tr>
<td>Interest cost</td>
<td>(12,040)</td>
<td>(11,766)</td>
</tr>
<tr>
<td>Disbursements</td>
<td>6,545</td>
<td>6,581</td>
</tr>
<tr>
<td>Actuarial (loss)/gain</td>
<td>(50,958)</td>
<td>8,025</td>
</tr>
</tbody>
</table>

March 31st

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>(2,353)</td>
<td>(2,659)</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>(539)</td>
<td>(581)</td>
</tr>
<tr>
<td>Interest cost</td>
<td>(12,040)</td>
<td>(11,766)</td>
</tr>
<tr>
<td>Disbursements</td>
<td>6,545</td>
<td>6,581</td>
</tr>
<tr>
<td>Actuarial (loss)/gain</td>
<td>(50,958)</td>
<td>8,025</td>
</tr>
</tbody>
</table>

Sensitivity analysis of scheme liabilities

The sensitivity of the present value of the scheme’s liabilities to changes in the principal assumptions used is set out below:

<table>
<thead>
<tr>
<th>Change in assumption by</th>
<th>Impact on scheme liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation 0.5%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Pensionable salaries 0.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Pensions in payment 0.5%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Revaluation rate of deferred pensions 0.5%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Discount rate 0.5%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

If the average expected age of death of pensioners lengthened by one year, the liabilities of the scheme would increase by 3.2% (2014: 2.8%).

Analysis of the amount charged to operating profit

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

The total amount charged to operating profit is included within administrative expenses.

Analysis of the amount credited to other finance income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected return on pension scheme assets</td>
<td>15,703</td>
<td>14,677</td>
</tr>
<tr>
<td>Interest on pension scheme liabilities</td>
<td>(12,040)</td>
<td>(11,766)</td>
</tr>
</tbody>
</table>

Net income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>
NOTE 20  Pension and other post-retirement obligations (continued)

History of experience gains and losses

<table>
<thead>
<tr>
<th>Difference between the actual and expected return on scheme assets</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount (£000)</td>
<td>18,307</td>
<td>(824)</td>
<td>12,986</td>
<td>(2,789)</td>
<td>2,621</td>
</tr>
<tr>
<td>Percentage of scheme assets</td>
<td>6%</td>
<td>0%</td>
<td>5%</td>
<td>(1%)</td>
<td>1%</td>
</tr>
</tbody>
</table>

Experience (losses)/gains on scheme liabilities

<table>
<thead>
<tr>
<th>Amount (£000)</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2,087)</td>
<td>-</td>
<td>(538)</td>
<td>999</td>
<td>58</td>
</tr>
<tr>
<td>Percentage of the present value of the scheme liabilities</td>
<td>(1%)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Total actuarial (loss)/gain recognised in the statement of total recognised gains and losses

<table>
<thead>
<tr>
<th>Amount (£000)</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(32,651)</td>
<td>7,201</td>
<td>(20,183)</td>
<td>(32,474)</td>
<td>6,164</td>
</tr>
<tr>
<td>Percentage of the present value of the scheme liabilities</td>
<td>(10%)</td>
<td>3%</td>
<td>(8%)</td>
<td>(14%)</td>
<td>3%</td>
</tr>
</tbody>
</table>

Since the adoption of FRS 17 in 2006 a cumulative net loss before taxation of £76,904,000 has been charged through the statement of total recognised gains and losses in respect of actuarial revaluations of the pension scheme.

Other post-retirement benefits

The Group provides post-retirement medical benefits to certain former employees. At March 31st 2015, 48 retired and former employees (2014: 51) were eligible to receive benefits. As at March 31st 2015 the Group estimated the present value of its accumulated post-retirement medical benefits obligation to be £1,936,000 (2014: £1,913,000), net of deferred taxation. These liabilities were confirmed by a qualified independent actuary. The principal assumptions used in estimating this obligation are healthcare premium cost escalation of 5.0% per year (2014: 5.35%) and a discount rate to represent the time value of money of 3.35% (2014: 4.50%). Actual premiums paid are being set against this provision, which is periodically assessed for adequacy.
NOTE 21  Financial commitments

Operational leases

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings, leases expiring</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Within one year</td>
<td>472</td>
<td>767</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>743</td>
<td>1,513</td>
</tr>
<tr>
<td>After five years</td>
<td>6,245</td>
<td>5,139</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,460</td>
<td>7,419</td>
</tr>
</tbody>
</table>

Plant and equipment, leases expiring

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>28</td>
<td>16</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>90</td>
<td>76</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>118</td>
<td>92</td>
</tr>
</tbody>
</table>

NOTE 22  Capital commitments and contingent liabilities

At March 31st 2015, there was £597,000 capital expenditure contracted for but not provided in the financial statements (2014: £119,000). There are contingent Group liabilities in respect of legal claims, indemnities, warranties and guarantees in relation to former businesses. None of these claims is expected to result in a material loss to the Group.

NOTE 23  Related party transactions

The Financial Times Limited holds 50% of the issued share capital in the company and is entitled to appoint six out of a total of 13 places for directors on the company’s Board. The Financial Times Limited is a wholly owned subsidiary of Pearson plc. The Group sold goods and services to Pearson plc and subsidiary companies to a total value of £244,000 (2014: £230,000) in the normal course of trade during the year, and acquired goods and services to a total value of £350,000 (2014: £365,000), excluding director’s fees described on page 25. The aggregate balances outstanding with these companies as at March 31st 2015 were £26,000 (2014: £nil) due to the Group and £41,000 (2014: £30,000) due from the Group.
NOTE 24  Acquisitions

Acquisition of Federal News Service (FNS)
On December 1st 2014 the Group acquired the trade and assets of FNS for consideration of $1,489,000 (£986,000). The following table sets out the book values for the identifiable assets and liabilities acquired and their fair value to the Group:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td></td>
<td>68</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>68</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(64)</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td></td>
<td>(143)</td>
</tr>
<tr>
<td><strong>Net liabilities acquired</strong></td>
<td>(139)</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td></td>
<td>1,202</td>
</tr>
<tr>
<td><strong>Consideration</strong></td>
<td></td>
<td>1,063</td>
</tr>
</tbody>
</table>

**Consideration satisfied by:**
- Cash consideration: 986
- Related costs of acquisition: 77

Net cash outflow in respect of the acquisition comprised:
- Cash consideration and acquisition costs: 1,063

All the provisional fair values included above are based on management’s best estimate at the date of preparation of the financial statements. For the period since the date of the acquisition, FNS has generated £437,000 revenue, £184,000 costs and an operating gain of £253,000, after £21,000 goodwill amortisation. Goodwill is reviewed where there is an indication of impairment. Given the performance of FNS since its acquisition, no impairment is required.

NOTE 25  Derivative financial instruments

The Group enters into forward exchange contracts and foreign-currency option contracts to mitigate US dollar currency exposures. The Group does not recognise the fair value of these derivative instruments on the balance sheet. During the year, the Group entered into 13 (2014: 13) forward exchange contracts and 13 (2014: 13) option contracts. The value of forward contracts outstanding at the year end is a liability of £1,248,000 (2014: £687,000 asset). The value of the option contracts at the year end is a liability of £1,100,000 (2014: £440,000 asset).
Company balance sheet at March 31st

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>6,555</td>
<td>5,966</td>
</tr>
<tr>
<td>Investments</td>
<td>283,277</td>
<td>284,054</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>484</td>
<td>604</td>
</tr>
<tr>
<td>Debtors: due after one year</td>
<td>187,036</td>
<td>163,664</td>
</tr>
<tr>
<td>Debtors: due within one year</td>
<td>39,274</td>
<td>39,517</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>1,262</td>
<td>1,512</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>17,319</td>
<td>16,897</td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(225,445)</td>
<td>(204,236)</td>
</tr>
<tr>
<td>Unexpired subscriptions and deferred revenue</td>
<td>(27,200)</td>
<td>(25,667)</td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td>(7,270)</td>
<td>(7,709)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>282,562</td>
<td>282,311</td>
</tr>
<tr>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>(1,354)</td>
<td>(1,263)</td>
</tr>
<tr>
<td>Creditors: amounts falling due after more than one year</td>
<td>(145,253)</td>
<td>(126,839)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>135,955</td>
<td>154,209</td>
</tr>
</tbody>
</table>

Capital and reserves

<table>
<thead>
<tr>
<th>17</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Called-up share capital</td>
<td>1,260</td>
<td>1,260</td>
</tr>
<tr>
<td><strong>Profit and loss account</strong></td>
<td>134,695</td>
<td>152,949</td>
</tr>
<tr>
<td><strong>Equity shareholders’ funds</strong></td>
<td>135,955</td>
<td>154,209</td>
</tr>
</tbody>
</table>

The financial statements were approved by the Board of directors and authorised for issue on June 16th 2015. They were signed on its behalf by:

Rupert Pennant-Rea
Chris Stibbs
Directors

Company statement of total recognised gains and losses

<table>
<thead>
<tr>
<th>Years ended March 31st</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the financial year</strong></td>
<td>23,318</td>
<td>120,672</td>
</tr>
<tr>
<td>Exchange translation differences arising on foreign currency net investment hedge</td>
<td>(35)</td>
<td>66</td>
</tr>
<tr>
<td>Actuarial (loss)/gain on other post-retirement benefits</td>
<td>(536)</td>
<td>165</td>
</tr>
<tr>
<td>UK deferred tax attributable to the actuarial loss/(gain)</td>
<td>107</td>
<td>(35)</td>
</tr>
<tr>
<td><strong>Total recognised gains for the year</strong></td>
<td>22,854</td>
<td>120,868</td>
</tr>
</tbody>
</table>
## NOTE 26  Notes to company balance sheet

### Tangible fixed assets

<table>
<thead>
<tr>
<th>Cost</th>
<th>Leasehold buildings: short £000</th>
<th>Plant and machinery £000</th>
<th>Equipment £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At April 1st 2014</strong></td>
<td>2,936</td>
<td>974</td>
<td>21,370</td>
<td>25,280</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>1,937</td>
<td>1,937</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>At March 31st 2015</strong></td>
<td>2,936</td>
<td>974</td>
<td>23,306</td>
<td>27,216</td>
</tr>
</tbody>
</table>

### Accumulated depreciation

<table>
<thead>
<tr>
<th>Cost</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At April 1st 2014</strong></td>
<td>223</td>
<td>974</td>
<td>18,117</td>
<td>19,314</td>
</tr>
<tr>
<td>Provided during year</td>
<td>198</td>
<td>-</td>
<td>1,150</td>
<td>1,348</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>At March 31st 2015</strong></td>
<td>421</td>
<td>974</td>
<td>19,266</td>
<td>20,661</td>
</tr>
</tbody>
</table>

### Net book value at March 31st 2015

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net book value at March 31st 2015</strong></td>
<td>2,515</td>
<td>-</td>
<td>4,040</td>
<td>6,555</td>
</tr>
<tr>
<td><strong>Net book value at March 31st 2014</strong></td>
<td>2,713</td>
<td>-</td>
<td>3,253</td>
<td>5,966</td>
</tr>
</tbody>
</table>
NOTE 26  Notes to company balance sheet (continued)

Investments

<table>
<thead>
<tr>
<th>Cost and net book value</th>
<th>Shares in Group companies £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At April 1st 2014</td>
<td>284,054</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(777)</td>
</tr>
<tr>
<td>At March 31st 2015</td>
<td>283,277</td>
</tr>
</tbody>
</table>

The cost of investments has decreased following an adjustment to the deferred consideration payable on the acquisition of Bazian Limited.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The principal wholly owned subsidiary undertakings of the company which are consolidated are:

- The Economist Intelligence Unit, NA, Inc (USA)
- The Economist Intelligence Unit Limited*
- The Economist Group (Investments) Limited
- The Economist Newspaper, NA, Inc (USA)
- TEG New Jersey LLC (USA)
- Ryder Street Properties Limited
- TEG India Private Limited (India)
- The Economist Group Trustee Company Limited*
- The Economist Investments (Holdings) Limited (Guernsey)*
- CQ-Roll Call Group, Inc (USA)
- Capitol Advantage LLC (USA)
- Bazian Limited*
- Economist Digital Services Limited*
- The Economist Group (Asia/Pacific) Limited (Hong Kong)
- The Economist Group (US Holdings) Limited
- The Economist Newspaper Group, Inc (USA)
- The Economist Group Singapore Pte Limited (Singapore)*
- The Economist Group France S.a.r.l (France)*
- The Economist Group (Switzerland) SA (Switzerland)*
- Clearstate (Pte.) Limited (Singapore)
- EuroFinance Conferences Limited*
- TEG Massachusetts Corporation (USA)
- TVC Group Limited*
- The Television Consultancy Limited
- The Economist (Shanghai) Management Consulting Company Limited (China)†
- The Economist Group do Brasil de Informacao sobre Negocios Limitada (Brazil)†

These companies are engaged in publishing, marketing and related services and in the provision of business information except for Ryder Street Properties Limited, which rents and lets property. The Economist Group (US Holdings) Limited, The Economist Investments (Holdings) Limited and The Economist Group (Investments) Limited act as investment companies for the Group. The Economist Group Trustee Company Limited is the trustee of the ESOP. All the companies above are incorporated and registered in England and Wales with the exception of those indicated. The companies marked * are directly owned by The Economist Newspaper Limited; all other companies are owned through wholly owned subsidiaries. The companies marked † have a financial year ending December 31st. All other subsidiaries have a financial year ending March 31st.
NOTE 26  Notes to company balance sheet (continued)

<table>
<thead>
<tr>
<th>Stocks</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>£460</td>
<td>£580</td>
</tr>
<tr>
<td>Finished goods</td>
<td>£24</td>
<td>£24</td>
</tr>
<tr>
<td></td>
<td>£484</td>
<td>£604</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Debtor</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due after one year</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Amounts owed by Group undertakings</td>
<td>£187,036</td>
<td>£163,664</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors owed by Group undertakings includes an amount of £167,752,000 (2014: £149,051,000) which bears interest at 5.8% (2014: 5.9%) per annum.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Due within one year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>£13,146</td>
<td>£14,505</td>
</tr>
<tr>
<td>Amounts owed by Group undertakings</td>
<td>£20,291</td>
<td>£20,025</td>
</tr>
<tr>
<td>Other debtors</td>
<td>£1,204</td>
<td>£527</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>£4,633</td>
<td>£4,460</td>
</tr>
<tr>
<td></td>
<td>£39,274</td>
<td>£39,517</td>
</tr>
</tbody>
</table>

Summary of movements in deferred tax asset

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At April 1st 2014</td>
<td>1,512</td>
</tr>
<tr>
<td>Adjustments to tax charge in respect of previous year</td>
<td>(197)</td>
</tr>
<tr>
<td>Charge to the profit and loss account</td>
<td>(76)</td>
</tr>
<tr>
<td>Credited to other recognised gains for the year</td>
<td>82</td>
</tr>
<tr>
<td>Effect of changes in tax rates</td>
<td>(59)</td>
</tr>
<tr>
<td>At March 31st 2015</td>
<td>1,262</td>
</tr>
</tbody>
</table>

Assets recognised for deferred taxation under the liability method are:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of depreciation over capital allowances</td>
<td>£232</td>
<td>£287</td>
</tr>
<tr>
<td>Post-retirement benefits</td>
<td>£449</td>
<td>£375</td>
</tr>
<tr>
<td>Other timing differences</td>
<td>£581</td>
<td>£850</td>
</tr>
<tr>
<td></td>
<td>£1,262</td>
<td>£1,512</td>
</tr>
</tbody>
</table>
### NOTE 26  Notes to company balance sheet (continued)

#### Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans and overdrafts</td>
<td>10,238</td>
<td>9,176</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>7,073</td>
<td>5,504</td>
</tr>
<tr>
<td>Amounts owed to Group undertakings</td>
<td>188,427</td>
<td>160,734</td>
</tr>
<tr>
<td>Other creditors including taxation and social security</td>
<td>7,175</td>
<td>11,613</td>
</tr>
<tr>
<td>Accruals</td>
<td>12,532</td>
<td>17,209</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>225,445</td>
<td>204,236</td>
</tr>
</tbody>
</table>

Other creditors including taxation and social security comprise:

- Corporation tax: 1,059 (2014: 3,226)
- Other taxation and social security: 1,481 (2014: 1,464)
- Other creditors: 4,635 (2014: 6,923)

**Total**: 7,175 (2014: 11,613)

#### Creditors: amounts falling due after more than one year

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.93% unsecured loan note 2019-20</td>
<td>11,206</td>
<td>12,429</td>
</tr>
<tr>
<td>7.72% unsecured loan note 2019-20</td>
<td>26,893</td>
<td>29,832</td>
</tr>
<tr>
<td>4.29% unsecured loan note 2022-23</td>
<td>9,766</td>
<td>-</td>
</tr>
<tr>
<td>Term loan</td>
<td>3,430</td>
<td>4,165</td>
</tr>
<tr>
<td>Amounts owed to Group undertakings</td>
<td>93,958</td>
<td>80,413</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>145,253</td>
<td>126,839</td>
</tr>
</tbody>
</table>

The amounts owed to Group undertakings are non-interest bearing.

#### Maturity of unsecured bank loans and overdrafts

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>In one year or less, or on demand</td>
<td>10,238</td>
<td>9,176</td>
</tr>
<tr>
<td>In more than one year, but not more than two years</td>
<td>12,933</td>
<td>9,176</td>
</tr>
<tr>
<td>In more than two years, but not more than five years</td>
<td>28,596</td>
<td>28,754</td>
</tr>
<tr>
<td>In more than five years</td>
<td>9,766</td>
<td>8,497</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61,533</td>
<td>55,603</td>
</tr>
</tbody>
</table>

The company has bank loans and loan notes of £61,533,000 as at March 31st 2015 (2014: £55,603,000). In December 2014, the Group extended its revolving credit facility of £49,000,000. This facility is unsecured and expires after five years and was undrawn at March 31st 2015. The company also established a coterminous uncommitted accordion facility of £65,000,000. The company also has a £4,165,000 term loan which is repayable between July 2015 and January 2017. The Group also has UK overdraft facilities which are subject to review in January 2017.

The company entered into a ten-year committed loan note arrangement in August 2009 to fund the acquisition of Congressional Quarterly. The loan notes are repayable annually in equal instalments from the fifth to the tenth year after inception with the first instalment of $14,167,000 repaid in July 2014. The unsecured loan notes were drawn down in two tranches and are stated net of unamortised issue costs of £352,000 (2014: £433,000). These costs, together with the interest expense, are all allocated to the profit and loss account over the ten-year term of the facility at a constant carrying amount. In July 2014, the company entered into an uncommitted shelf facility for $120,000,000, renewable in 2017, and drew down $14,500,000 on the facility which is repayable in 2022-23. The facility, with Pricoa, works such that at any time the amount available to borrow is the difference between $120,000,000 and existing loan notes issued (currently $85,300,000). The US-dollar denominated loan notes were valued at the closing exchange rate and resulted in a loss of £6,449,000 (2014: gain of £4,913,000).
**NOTE 26  Notes to company balance sheet (continued)**

<table>
<thead>
<tr>
<th>Provisions for liabilities and charges</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>At April 1st 2014</td>
<td>1,263</td>
<td>90</td>
</tr>
<tr>
<td>Charge to the profit and loss account</td>
<td>90</td>
<td>101</td>
</tr>
<tr>
<td>Charge to the statement of recognised gains and losses</td>
<td>(100)</td>
<td></td>
</tr>
<tr>
<td>Utilised in year</td>
<td>1,354</td>
<td></td>
</tr>
</tbody>
</table>

**Pensions**

The company has adopted FRS 17. Although The Economist Group Pension Plan is a combination of defined-benefit and contribution schemes, the company will account for the plan as if it were a defined-contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities of the plan.

<table>
<thead>
<tr>
<th>Reserves: profit and loss account</th>
</tr>
</thead>
<tbody>
<tr>
<td>At April 1st</td>
</tr>
<tr>
<td>Profit for the financial year</td>
</tr>
<tr>
<td>Dividends</td>
</tr>
<tr>
<td>Net purchase of own shares</td>
</tr>
<tr>
<td>Other recognised (losses)/gains relating to the year</td>
</tr>
<tr>
<td>At March 31st</td>
</tr>
</tbody>
</table>

The directors have taken advantage of the exemption under section 408 of the Companies Act 2006 and have not presented a profit and loss account for the company alone. The company’s profit after tax for the financial year amounted to £23,318,000 (2014: £120,672,000).

**Share-based payments**

The company has recorded total liabilities at March 31st of £1,386,000 (2014: £1,701,000). Refer to Note 8 for further details of the share-based incentive schemes.

<table>
<thead>
<tr>
<th>Financial commitments</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating leases</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Land and buildings, leases expiring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>256</td>
<td>387</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>201</td>
<td>127</td>
</tr>
<tr>
<td>After five years</td>
<td>1,202</td>
<td>1,202</td>
</tr>
<tr>
<td></td>
<td>1,659</td>
<td>1,716</td>
</tr>
<tr>
<td>Plant and equipment, leases expiring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>32</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>13</td>
</tr>
</tbody>
</table>

At March 31st 2015, there was £nil capital expenditure contracted for but not provided in the financial statements (2014: £119,000). The company has guaranteed certain bank overdrafts and property leases of its subsidiaries and the bank overdraft of the Group’s employee share ownership plan trustee company. The annual cost of property leases guaranteed by the company is currently £667,000 (2014: £619,000) per year.
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of The Economist Newspaper Limited will be held at the British Academy of Film and Television Arts, 195 Piccadilly, London W1J 9LN on Thursday July 16th 2015 at 12.15pm, for the purposes set out below.

1. To receive the accounts and the reports of the directors and the auditors for the year ended March 31st 2015.
2. To declare a final dividend of 99.2 pence per share in respect of the year ended March 31st 2015 to all “A” Special, “B” Special and ordinary shareholders on the company’s register of members at the close of business on June 16th 2015.
3. To reappoint PricewaterhouseCoopers LLP as the company’s auditors to hold office until the conclusion of the next general meeting at which accounts are laid before the company.
4. To authorise the directors to fix the remuneration of the auditors.

By order of the Board

Oscar Grut
Secretary

Registered Office
25 St James’s Street
London SW1A 1HG

June 16th 2015

A member entitled to attend and vote at this meeting may appoint a proxy, who need not be a shareholder, to attend, speak and vote in his place. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member. The appointment of a proxy will not prevent a member from attending and voting at the meeting in person.

A form of proxy is enclosed. To be valid, it must be completed and signed in accordance with the instructions and delivered to the company’s registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY at least 48 hours before the meeting.
Exhibit A31
Economist appoints Tessa Jowell to board as Google's Eric Schmidt departs

Former Labour culture minister among new appointments along with co-founder of lastminute.com Brent Hoberman

Mark Sweney
Thursday 10 December 2015 09.45 EST

The Economist has shaken up its board with appointments including former Labour culture minister Tessa Jowell and Brent Hoberman, the co-founder of lastminute.com and Made.com, as former Google chief executive Eric Schmidt stands down due to work commitments.

The Economist Group, publisher of the Economist, has made the appointments following Pearson selling its 50% stake for £469m in August.

As part of the deal, existing shareholder Exor, the investment company led by Fiat heir John Elkann, paid £287m to increase its stake from 4.7% to 43.4% and become the single largest shareholder in the Economist Group.

The transactions necessitated a change to the make-up of the board, which has been reduced from 13 to 11 members, with Elkann able to choose up to five members.

Separately Schmidt, who joined as a non-executive director in November 2013 for a three-year term, has stood down early due to work commitments after being made executive chairman of Google’s new parent company Alphabet.

Hoberman - who is due to step down from the board of Guardian Media Group, publisher of the Guardian and Observer, after nine years - and Baroness Jowell have been appointed as what is known at the Economist as “A” directors.

This means they were nominated by the board and voted for by what is known as the “A” shareholders.

The third new board member is Suzanne Heywood, a director at McKinsey who has worked at the Treasury, who has been appointed as a “B” director.

“B” directors are appointed by Elkann and Exor, which is known in the Economist Group structure as the “B” shareholder, replacing Pearson. There remains one more “B” director position to be filled.

Those who have left the board are all members who were appointed by Pearson: John Ridding, the chief executive of the now Nikkei-owned Financial Times; Luke Swanson and Philip Hoffman.
More news

Topics
The Economist Magazines Newspapers & magazines Tessa Jowell Eric Schmidt

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Exhibit A32
Dear ICANN Board of Directors,

Please accept the attached Community Priority Evaluation Analysis for community-based application for .MUSIC with ID 1-1115-14110 (the “Applicant”). This submission is to the ICANN Board and is intended to be included for consideration by the Economic Intelligence Unit (EIU) when evaluating the Applicant during CPE.

Respectfully submitted,

Jason Schaeffer
On behalf of DotMusic Limited

ESQwire.com. P.C.
The Domain Name Law Firm
1908 Route 70 East
Cherry Hill, NJ 08003

www.ESQwire.com

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Letter to ICANN & Economist Intelligence Unit

Why DotMusic’s Community-Based Application for .MUSIC Exceeds CPE Criteria: Analysis, Compelling Evidence & Expert Testimonies

August 12, 2015
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**Criterion #1: Community Establishment**

**1-A Delineation**

The Community Priority Evaluation panel should determine that the community, as defined by the application, meets the criterion for Delineation as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook (AGB), because the community defined in the application demonstrates sufficient delineation, organization, and pre-existence. It is respectfully submitted that the application should receive a score of 2 out of 2 points under criterion 1-A: Delineation.

**Delineation**

Two conditions must be met to fulfill the requirements for delineation: there must be a clear, straightforward membership definition and there must be awareness and recognition of a community (as defined by the application) among its members.

The application defines its community as follows:

The Community is a strictly delineated and organized community of individuals, organizations and business, a “logical alliance of communities of a similar nature (“COMMUNITY”),” that relate to music: the art of combining sounds rhythmically, melodically or harmonically. (Question 20A)

According to the AGB, “[d]elineation relates to the membership of a community, where a clear and straight-forward membership definition scores high, while an unclear, dispersed or unbound definition scores low.” As required by the AGB, the application shows a clear and straight-forward membership definition because the application specifies that the Community definition is a “strictly delineated and organized community of individuals, organizations and business...that relate to music: the art of combining sounds, rhythmically, methodically or harmonically.”

According to the application:

DotMusic will use clear, organized, consistent and interrelated criteria to demonstrate Community Establishment beyond reasonable doubt and incorporate safeguards in membership criteria “aligned with the community-based Purpose” ...

Registrants will be verified using Community-organized, unified “criteria taken from holistic perspective with due regard of Community particularities” that “invoke a formal membership” without discrimination, conflict of interest or “likelihood of material detriment to the rights and legitimate interests” of the Community. (Question 20A)

The Application also provides that the “Community” served consists of:
[M]usic stakeholders being structurally organized using pre-existing, strictly delineated classes and recognized criteria to clearly organize the Community classified by:

- North American Industrial Classification System codes (NAICS\(^1\)) used by the Census Bureau and Federal statistical agencies as the classification standard for the purpose of collecting, analyzing, and publishing statistical data related to the U.S.

- United Nations International Standard Industrial Classification (ISIC) system\(^2\) to “delineate according to what is the customary combination of activities”\(^3\) such as those representing the Community.

The Music Community is strictly delineated using established NAICS codes that align with the (i) characteristics of the globally recognized, organized Community, and (ii) MUSIC global rotating multi-stakeholder Advisory Board model of fair representation, irrespective of locale, size or commercial/non-commercial status, organized with the following delineation (corresponding NAICS code in parenthesis):

- **Musical** groups and artists (711130)
- Independent **music** artists, performers, arrangers & composers (711500)
- **Music** publishers (512230)
- **Music** recording industries (512290)
- **Music** recording & rehearsal studios (512240)
- **Music** distributors, promoters & record labels (512220)
- **Music** production companies & record producers (512210)
- Live **musical** producers (711130)
- **Musical** instrument manufacturers (339992)
- **Musical** instruments & supplies stores (451140)
- **Music** stores (451220)
- **Music** accountants (541211)
- **Music** lawyers (541110)

---

\(^1\) [http://www.census.gov/eos/www/naics](http://www.census.gov/eos/www/naics)


• Music education & schools (611610)
• Music agents & managers (711400)
• Music promoters & performing arts establishments (711300)
• Music promoters of performing arts with facilities (711310)
• Music promoters of performing arts without facilities (711320)
• Music performing arts companies (711100)
• Other music performing arts companies (711190)
• Music record reproducing companies (334612)
• Music, audio and video equipment manufacturers (334310)
• Music radio networks (515111)
• Music radio stations (515112)
• Music archives & libraries (519120)
• Music business & management consultants (541611)
• Music collection agencies & performance rights organizations (561440)
• Music therapists (621340)
• Music business associations (813910)
• Music coalitions, associations, organizations, information centers & export offices (813920)
• Music unions (813930)
• Music public relations agencies (541820)
• Music journalists & bloggers (711510)
• Internet Music radio station (519130)
• Music broadcasters (515120)
• Music video producers (512110)
• Music marketing services (541613)
• Music & audio engineers (541330)
• **Music ticketing** (561599)

• **Music recreation establishments** (722410)

• **Music fans/clubs** (813410)

(Question 20A)

Membership is determined through those individuals or entities with requisite awareness that identify as members of the Music Community through either active verified membership and participation in a Music Community Member Organization (mCMO) (of which members comprise over 95% of music produced and consumed worldwide) or those individuals or organizations, which may not be mCMO members, but which have requisite awareness of the community and affirmative identify and categorize themselves according to NAICS/ISIC classifications\(^4\) and agree to abide by and support the Community focused Use Policies.

In support of those goals the Application provides that:

1) **DotMusic will incorporate Community membership eligibility restricted only to members verifying themselves as Community members based on NAICS/ISIC classifications and agreeing to Community-focused Use policies and dispute resolution/takedown mechanisms to benefit the .MUSIC Mission/Purpose and multi-stakeholder mission and to protect DotMusic from privacy and monopoly laws.** Any violation of the membership criteria, Use and other Policies might lead to the cancellation of membership status, including domain takedown if deemed appropriate.

Community members will be able to use their membership credentials to be included in the uniquely-classified Premium Channels that are sorted according to NAICS/ISIC classifications. For example, music publishers (NAICS code 512230) will be able to organically self-categorize themselves in a highly relevant manner and be included in the Publishers.MUSIC Premium Channel using their membership credentials to participate. (Question 18B ii);

And

2) **For members with requisite awareness that are also part of existing Music Community Member Organizations (mCMOs), the Application provides a Landrush registration:**

**Music Community Member Organization (MCMO) Landrush for registrants with demonstrated MCMO memberships...**

**MUSIC COMMUNITY MEMBER ORGANIZATION (MCMO) LANDRUSH LAUNCH**

\(^4\) Members sorted according to these classifications must be music-related
This is the second phase of .MUSIC domain registration. It is a limited-time period reserved for members of DotMusic-accredited music Community Member Organizations (mCMO). (Application Answer to Question 18(B)(vi) & 20(e))

The mCMO domain allocation method during the Landrush phase was created by DotMusic to allow Community members to register through established Community organizations. During the General Registration phase the TLD is open to all Community members for registration, but also restricted by Eligibility, Use and other Policies, including enhanced safeguards. (Application Answer to Question 20B).

Applicant requires that members of the Community self-identify by selecting the delineation of the music constituent type to which they belong to or associate with. This identification process is aligned with the member’s requisite awareness of the “logical alliance of communities related to music.” After their self-identifying, the Registry will place the registrant/community member into the corresponding premium channel(s) sorted according to music delineation type. Most importantly, all registrants/community members are governed by the applicant’s Community Use Polices and Restrictions that are related to music.

According to the AGB’s second Delineation criterion, “community” implies “more of cohesion than a mere commonality of interest” and there should be “an awareness and recognition of a community among its members.” The community as defined in the application (the “Community”) has awareness and recognition among its members. This is because the community as defined consists of entities that are in the music Community (which may be commonly referred to by many in the general public as the “music industry”), and as participants, whether they be creators (amateur or professional), producers, manufacturers, publishers in this clearly defined industry, they have an awareness and recognition of their inclusion in the music Community. In addition, membership in the Community is sufficiently structured, as the requirements listed in the community definition above show. Members recognize themselves as part of the music community as evidenced, for example, by their inclusion in many music community organizations and participation in their events.

The application’s Public Interest Commitments provide clarification of the application language concerning the requirement of Community awareness and recognition among its members:

- A commitment to not discriminate against any legitimate members of the global music community by adhering to the DotMusic Eligibility policy of non-discrimination that restricts eligibility to Music Community members -- as explicitly stated in DotMusic’s Application -- that have an active, non-tangential relationship with the applied-for string and also have the requisite awareness of the music community they identify with as part of the registration process. This public interest commitment ensures the inclusion of the entire global music community as evidenced, for example, by their inclusion in many music community organizations and participation in their events.

---

6 https://gldresult.icann.org/application-result/applicationstatus/applicationdetails:downloadpicposting/1392?ac=1392
community that the string .MUSIC connotes. (PIC at p.1)

• A commitment that the string will be launched under a multi-stakeholder governance structure of representation that includes all music constituents represented by the string, irrespective of type, size or locale, including commercial, non-commercial and amateur constituents, as explicitly stated in DotMusic’s Application.

As explicitly stated in its Application, DotMusic commits to:

a. uphold its Community definition of a “logical alliance of communities of similar nature that relate to music” to incorporate all Music Community members;

b. accredit eligible non-negligible music organizations of relevance without discrimination if they meet the Music Community Member Organization (MCMO) Accreditation criteria;

c. to give members of MCMOs priority to register a .MUSIC domain during the MCMO Launch Phase to help launch .MUSIC responsibly and drive adoption;

d. to allow all legitimate members of the Community as defined to register a .MUSIC domain;

e. maintain a rotating, global Advisory Committee (“Policy Advisory Board” “PAB”) consisting of and representing all multi-stakeholder constituent types. (PIC at p.2)

• Entities with a casual, tangential relationship with music (i.e. without the requisite awareness of belonging to the Community) or those entities belonging to pirate networks or unlicensed networks are entirely excluded from the Music Community definition. (PIC at p.16)

• The defined Community is delineated and organized because it operates in a regulated sector that uses numerous globally-recognized standards and classification systems, which identify who the individual songwriters, publishers and rights holders are and which songs they are associated with so that Community members are appropriately compensated, regardless whether the constituent is a commercial, non-commercial or amateur entity:

The “MUSIC” string is commonly used in classification systems such as ISMN, ISRC.

7 The International Standard Music Number (ISMN) is a unique number for the identification of all notated music publications from all over the world. The ISMN is an ISO certified global standard number (ISO 10957:2009). See http://www.ismn-international.org/whatis.html and http://www.iso.org/iso/home/store/catalogue_ics/catalogue_detail_ics.htm?csnumber=43173

8 The ISRC (International Standard Recording Code) is the international identification system for sound recordings and music video recordings. The ISRC is an ISO certified global standard number (ISO 3901:2001) and is managed by the
• DotMusic expects that the substantial majority of all of its registrations will originate from the music entity type classified as “Musical groups and artists” (e.g. See North American Industrial Classification System (NAICS) code 711130 or the United Nations Industrial Classification (ISIC) code 9214). (PIC at p.11).

• DotMusic has required all music entity types to be “music”-related. For example, all eligible entities delineated and organized under constituent types (using NAICS as a reference for clearly classifying constituent types) must have an association with the gTLD and “music” with respect to their primary activity. This is because the string naturally identifies all entities involved in music. For example, the NAICS code for “lawyers” is 541110. According to DotMusic’s Application, .music is only restricted to the “music” Community and excludes any peripheral entities. DotMusic’s Application has added the word “music” next to the DotMusic-selected NAICS code to ensure that the eligible Community members are automatically associated with the string. In this example, eligibility is restricted to “Music lawyers (541110)” (See Application Answer to Question 20a below) i.e. general, non-music lawyers are prohibited from registration because they are peripheral entities not automatically associated with the gTLD. (PIC at pp. 11-12).

• music-only eligibility is also in alignment with the Content & Use requirement that any content and usage must be music-only. This coherent set of restrictions serves the public interest because it is consistent with the string’s articulated community-based purpose tailored for music. (PIC at p.12)

Accordingly, it is respectfully submitted that the Panel should determine that the community as defined in the application satisfies both of the conditions to fulfill the requirements for delineation.

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9 The ISWC (International Standard Musical Work Code) is a unique, permanent and internationally recognized reference number for the identification of musical works. The ISWC has been approved by ISO (International Organization for Standardisation) as a global standard (ISO 15707:2001) and is managed by CISAC. See http://www.iswc.org/en/faq.html and http://www.iso.org/iso/catalogue_detail?csnumber=28780

10 The International Standard Name Identifier (ISNI) is the ISO certified global standard number (ISO 27729) for identifying the millions of contributors to creative works and those active in their distribution. ISNI holds public records of over 8 million identities and 490,000 organizations. See http://www.isni.org/ and http://www.iso.org/iso/catalogue_detail?csnumber=44292


Organization

Two conditions must be met to fulfill the requirements for organization: there must be at least one entity mainly dedicated to the community and there must be documented evidence of community activities. According to the AGB, "organized" implies that there is at least one entity mainly dedicated to the community, with documented evidence of community activities."

According to ICANN’s Applicant Guidebook ("AGB") 13: “With respect to “Delineation” and “Extension,” it should be noted that a community can consist of...a logical alliance of communities (for example, an international federation of national communities of a similar nature... viable as such, provided the requisite awareness and recognition of the community is at hand among the members.” (AGB, 4-12).

The community as defined in the DotMusic application has at least one entity mainly 14 dedicated to the community which has supported DotMusic. Applicant’s supports include several “international federation of national communities of a similar nature” relating to music, music coalitions and other relevant and non-negligible music organizations. At least seven (7) such entities support Applicant.

One entity that is mainly dedicated to the community is the International Federation of Phonographic Industry (IFPI). The IFPI is the only organization that represents the interests of the recording industry worldwide. It is the “voice of the recording industry worldwide” 15 whose members 16 – major and independent companies – represent a majority of all commercial music consumed globally. For example, the RIAA, an IFPI national group member, 17 represents “approximately 85% of all legitimate recorded music produced and sold in the United States,” 18 the world’s largest music market with 30% global market share. 19 Formed in 1933, the IFPI’s mission was to “represent the interests of the recording industry worldwide in all fora.” The IFPI has been active since its founding in 1933 and its documented activities and events include market research and global insight, legal policy and litigation, performance rights, anti-piracy, international trade, technology and communications. 20

14 Per the Oxford and Merriam Webster dictionaries, the word “mainly” is defined as “more than anything else” (See http://www.oxforddictionaries.com/definition/english/mainly and http://www.merriam-webster.com/dictionary/mainly respectively). According to DotMusic, the string .MUSIC relates to the Community “by representing all constituents involved in music creation, production and distribution” (Application Answer to Question 20d). Supporting organizations related to that string that are “mainly” dedicated to the Community and its activities, include the International Federation of Arts Councils and Culture Agencies (IFACCA) representing government culture ministries and arts councils, the International Federation of Musicians (FIM) representing musicians globally, the International Federation of Phonographic Industry (IFPI) representing the recording industry worldwide, the International Confederation of Music Publishers (ICPM) representing the voice of global music publishing, the International Association of Music Information Centres (IAMIC, the American Association of Independent Music (A2IM), whose associate members represent a majority of music consumed, the Independent Music Worldwide Independent Network (WIN) representing independent music worldwide, the International Society for Music Education (ISME) the premiere international organization representing music education, and many others (See support at http://music.us/supporters and https://gtldresult.icann.org/application-result/applicationstatus/applicationdetails:downloadattachment/142588?t:ac=1392).
15 http://www.ifpi.org/about.php
16 http://www.ifpi.org/our-members.php
17 http://www.ifpi.org/national-groups.php
18 http://www.riaa.com/faq.php
19 http://www.statista.com/topics/1639/music/
20 http://www.ifpi.org/what-we-do.php
A second entity that is mainly dedicated to the community is the International Federation of Musicians (FIM) representing the “voice of musicians worldwide.” FIM is the only global music body representing musicians and their trade unions globally with members in over 60 countries. FIM is the only international federation that is mainly dedicated to and represents musicians globally which has official relations with the United Nations Economic and Social Council (ECOSOC) (Ros C); the United Nations Educational, Scientific and Cultural Organization (UNESCO) (Consultative Status); the World Intellectual Property Organization (WIPO) (Permanent Observer Status); and the Organisation internationale de la Francophonie (OIF). FIM is a member of International Music Council (IMC) founded in 1949 by UNESCO, which represents over 200 million music constituents from over 150 countries and over 1000 organizations. FIM’s aim is to “protect and elevate the economic, social and artistic status and interests of musicians, both in their role as performers and as producers of the recording of their own performances.”

The FIM, founded in 1948, is globally-recognized and has a permanent relationship with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Labor Organization (ILO) and the World Intellectual Property Organization (WIPO). It is recognized and consulted by the Council of Europe, the European Commission and the European Parliament. It enables it to participate in crucial negotiations on the protection of performers where it can make the voice of musicians heard. The FIM is also member of the International Music Council (IMC). It also collaborates with all national and international organizations representing workers in the media field. Activities include the creation of the International Arts and Entertainment Alliance (IAEA) with the International Federation of Actors (FIA) and UNI-Media and Entertainment International (UNI-MEI). IAEA is a member of the Council of Global Unions (CGU). Furthermore, the FIM works closely with collecting societies administering performers’ rights. Its documented activities and events include the furtherance of musicians in all countries, strengthening of international collaboration, promoting of national and international protective legislative (or other) initiatives in the interests of musicians, obtaining and compilation of statistical and other information referring to the music profession and provision of such information to member unions, as well as holding events such as international congresses and conferences.

21 http://www.fim-musicians.org
22 http://www.imc-cim.org/about-imc-separator/who-we-are.html
23 http://ngo-db.unesco.org/r/or/en/1100025135
24 http://en.unesco.org
25 http://www.ilo.org
26 http://wipo.int
27 http://www.coe.int
28 http://ec.europa.eu/index_en.htm
30 http://www.imc-cim.org
31 http://www.iaea-globalunion.org
32 http://www.fia-actors.com
33 http://www.uniglobalunion.org
34 http://www.global-unions.org
35 http://www.fim-musicians.org/about-fim/history/
Another third entity dedicated to the community is the only international federation of national communities relating to government culture agencies and arts councils, which has an integral association with music globally: the International Federation of Arts Councils and Culture Agencies (IFACCA). IFACCA is the only international federation that represents government culture agencies and arts councils globally. These national communities are governmental institutions that play a pivotal role with respect to music. IFACCA’s members cover the majority of music entities globally, regardless of whether they are commercial, non-commercial or amateurs. Government ministry of culture and council agencies related to music cover a majority of the overall community with respect to headcount and geographic reach. The “Size” covered reaches over a hundred million music entities i.e. “considerable size with millions of constituents” per (Application Answer to Question 20a).

The string “music” falls under the jurisdiction of each country’s Ministry of Culture governmental agency or arts/music council (emphasis added). The degree of power and influence of government ministry of culture and council agencies with respect to music surpasses any organization type since these agencies (i) provide the majority of funding for music-related activities; (ii) regulate copyright law; and (iii) encompass all the music entities that fall under their country, regardless whether these entities are commercial, non-commercial or amateurs. IFACCA is globally recognized by its strategic partners, such as UNESCO, a United Nations agency representing 195 member states and the European Commission. The UNESCO strategic partnership is relevant, especially since UNESCO founded the International Music Council (the “IMC”) in 1949, which represents over 200 million music constituents from over 150 countries and over 1000 organizations globally.

Government activities in the clearly delineated and organized “Music Community” include setting statutory royalty rates. For example, in the United States, mechanical royalties are based on a "statutory rate" set by the U.S. Congress. This rate is increased to follow changes in the economy, usually based on the Consumer Price Index. Currently, the mechanical statutory rate is $0.091 for songs five minutes or less in length or $.0175 per minute for songs that are over five minutes long.

Ministries of culture and arts councils (that comprise IFACCA’s membership) support musicians, musical performances, independent music artists, non-commercial musical expression and education in their respective countries. The 165 ministries of culture, arts councils and affiliates that comprise IFACCA’s membership support the “performing arts” and music specifically. Without the financial and logistical support of arts councils and the ministries of culture, the music community would be adversely affected, and in some countries, may not exist in any appreciable manner. For example, the Ministry of Culture 2011 budget for the small country state of Cyprus for culture funding was €34,876,522 with

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36 http://www.ifacca.org/membership/current_members/
37 http://www.ifacca.org/strategic_partners/
38 http://www.ifacca.org/strategic_partners/
39 http://www.imc-cim.org/about-imc-separator/who-we-are.html
critical support of music activities. Other small government Ministries of Culture, such as Albania, or government Ministries of Culture and Arts Councils from countries with larger populations, such as India, all provide critical support and substantial advocacy for music. Other examples include government institutions collaborating and advocating music through their funded country-based pavilion initiatives at Midem, the world’s largest music conference.

Government ministries and arts councils provide critical support for the Music Community, including commercial music organizations. By way of example, government ministries’ and arts councils’ substantial connection to and support of “music” is noted in the reports of funding and support for music. Some examples to showcase the degree of power of the IFACCA’s membership towards the string and global and national music are music investment and music funding (Annual reports by governments and councils):

- New Zealand Ministry of Culture has funded significant music projects. Some include the REAL New Zealand Music Tour ($415,000), the New Zealand String Quartet ($150,000) and New Zealand Music Commission: ($1,378,000).
- The Australian Government/Council For The Arts invested $51.2 million for the nation’s orchestras; $21.6 million for opera; $10.8 million for other music artists and organizations; $13.1 million for multi-platform artists and organizations; and $4 million in miscellaneous funding, including sector building and audience development initiatives and programs.
- Canada Council for the Arts is Canada’s national, arts funding agency investing $28 million in its Canada Council Musical Instrument Bank (Page 16) and $28,156,000 in Music Arts Programs (Page 66). The Government of Canada also renewed its annual investment of $27.6 million over five years in the Canada Music Fund.

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41 2011 Annual Report for Cyprus Ministry of Culture, Section 1.2 “Music” (http://www.moec.gov.cy/en/annual_reports/annual_report_2011_en.pdf). Activities include Music Performances in Cyprus (1.2.1) and Abroad (1.2.2), Subsidization of Paphos Aphrodite Festival (1.2.3), Music Publications (1.2.4), Subsidization and Purchases of Digital Records (1.2.5), Promotion for Cypriot musical creativity abroad (1.2.6), Cyprus Symphony Orchestra Foundation (1.2.7), Music Information Centre (1.2.8), Developing Music Education (1.2.9), Organising of the 1st Musicological Symposium (1.2.10), Musical Festivities for the European Volunteerism Year (1.2.11)
42 http://www.culturalpolicies.net/down/albania_012011.pdf
44 http://my.midem.com/en/contact-us/pavilion-representatives/
48 http://www.pch.gc.ca/eng/1294862453819/1294862453821
• The United Kingdom Department for Culture and Education (DfE) will fund music education at significant levels: £77 million, £65 million and £60 million will be available in the three years from April 2012.49

• The United States National Endowment of the Arts has awarded more than $4 billion to support the arts since its inception50 and has a strong focus on music as outlined in its Strategic Plan51 with Congress requested to provide $154,465,000 for fiscal year 2014.52

• The National Arts Council of South Africa invested 2,536,131 ZAR in Music and 9,995,000 ZAR in Orchestrastas and has focused strongly on the “Strengthening of live indigenous music and advocating the revival of the live music circuit in South Africa”53

• The Singapore Arts Council will fund $10.2 million in the arts under its 2013 Grants Framework, including the Ding Yi Music Company and Siong Leng Musical Association.54

• In 2011, the support for artistic activities by the Arts Council of Finland was €32.4 million of which €4,921,850 was awarded to music.55

Each of IFACCA’s members has a clear association with, and mandate to support the music arts in their countries. In most countries, their ministry of culture/arts council is the largest funder and marketing supporter of the music arts.

A fourth entity NAMM, the International Music Products Association, is an entity mainly dedicated to the community and is a group of non-negligible size that has supported DotMusic. NAMM, formed in 1901, has globally-recognized members and exhibitors that include Yamaha, Roland, Sennheiser, Sony, Fender, Harman, Kawai, Shure, Steinway, Audio-Technica, AKAI, Gibson, Peavey, Korg, AKG, Selmer, JBL, Alesis, Ibanex, AVID, Casio, DW, Sabian, Pearl, Zildjian, Martin, Ludwig, Marshall and others.56 57 Every amateur and professional musician worldwide uses music products manufactured and distributed by NAMM’s members. NAMM and its trade shows power the $17 billion global music products industry serving as a hub for the global music community wanting to seek out the newest innovations in musical

53 2010-2011 Annual Report for the National Arts Council South Africa, National Arts Council South Africa, http://www.nac.org.za/media/publications/AR%2010-11%20NAC.PDF/download, Page 11. Also Mmino, the South African – Norwegian Education Music Programme, solely funds music projects funding a total of 294 projects. Thirteen projects were allocated funding for a total of R1,680,600 of which R1,381,000 went towards music educational and R299,600 to exchange projects (Page 10)
56 https://www.namm.org/files/showdir/ExhibitorList_WN15.xls
57 http://www.musictrades.com/global.html
products, recording technology, sound and lighting. NAMM documented activities and events include the NAMM Show, the world's largest event for the music products community.\(^{58}\)

A fifth global Music Community Coalition led by the RIAA “on behalf of over 15 national and international trade associations” also expressed its support for .MUSIC to be under a “community” application model, including encouraging statements in support of DotMusic’s policies that stated that the coalition “was encouraged to see” that DotMusic “included several measures to deter and address copyright infringement within that TLD.” The “coalition members represent the people that write, sing, record, manufacture, distribute and/or license over 80% of the world’s music”\(^{59}\) – a majority of global music.\(^{60}\)

Another letter\(^ {61}\) sent to ICANN (on April 14\(^{th}\), 2015) from a sixth entity, the NMPA and on behalf of a music publisher and songwriter community coalition, representing a majority of the global music publishing community, also expressed “support [for] the .MUSIC community applications because respecting and protecting music rights serves the global music community and the public interest.”

Finally, a seventh example of an “entity mainly dedicated to the community,” with members that cover hundreds of millions of music constituents with formal boundaries, is A2IM, the American Association of Independent Music. A2IM has two types of members: U.S independent Label members and Associate members. A2IM membership for Labels and Associates is invoked formally through an application and if accepted would require annual membership dues.\(^ {62}\)

The reach of A2IM Associate\(^ {63}\) membership covers hundreds of millions of entities (i.e. the reach of A2IM’s total membership “geographic breadth is inclusive of all recognized territories covering regions associated with ISO-3166 codes and 193 United Nations countries with a Community of considerable size with millions of constituents – See Application Answer to Question 20a).

Organized and strictly delineated communities related to music that are A2IM members include:

- **Apple iTunes**\(^ {64}\) – iTunes accounts for 63% of global digital music market\(^ {65}\) - a majority – with a registered community of 800 million registered members\(^ {66}\) available in 119 countries who abide to strict terms of service and boundaries\(^ {67}\) and have downloaded over 25 billion songs\(^ {68}\) from iTunes’ catalog of over 43 million songs\(^ {69}\) covering a global music community, regardless of genre or

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58 https://www.namm.org/thenammshow
62 http://a2im.org/about-joining/
63 http://a2im.org/groups/tag/associate+members/
64 http://a2im.org/groups/itunes
66 http://www.npr.org/blogs/therecord/2015/01/06/375173595/with-downloads-in-decline-can-itunes-adapt
69 https://www.apple.com/itunes/features/
whether the community entities are amateur, professional, commercial or non-commercial. To add music to iTunes, all music artists must have a formal membership with iTunes via an Apple ID registration, which includes a current credit card on file.\(^{70}\)

- **Pandora\(^{71}\)** – Pandora is the world’s largest streaming music radio with a community of over 250 million registered members.\(^{72}\)
- **Spotify\(^{73}\)** – Spotify is the world’s largest music streaming community with over 50 million active registered members in 58 countries and over 30 million songs. The music community uploads 20,000 songs every day.\(^{74}\)
- **Vevo\(^{75}\)** – Vevo is the world’s leading all-premium music video community and platform with over 8 billion monthly views globally.\(^{76}\)
- **Youtube\(^{77}\)** – Youtube is the world’s largest music video streaming community with millions of music creators -- amateur, professional, commercial or non-commercial -- and over 1 billion registered members covering all regions globally. 6 billion hours of video is watched every month on Youtube,\(^{78}\) of which 38.4% is music-related.\(^{79}\)
- **Reverbnation\(^{80}\)** – Reverbnation\(^{81}\) is one of the world’s largest music community and a leading music distributor with over 3.87 million musicians, venues labels and industry professionals covering every country globally. The Reverbnation community grows by over 50,000 artists, bands, labels and industry professionals monthly.
- **BMG\(^{82}\)** – BMG is focused on the management of music publishing and recording rights. BMG has an international presence and represents over 2.5 million music rights globally.\(^{83}\)

A2IM also includes members that are associated with global government agencies which exclusively represent substantial music economies and music members, such as France (BureauExport\(^{84}\)), China (China Audio Video Association\(^{85}\)) and Germany (Initiative Musik).\(^{86}\) A2IM also has Affiliate\(^{87}\) associations

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71 http://a2im.org/groups/pandora
72 http://cnet.com/news/like-a-rolling-milestone-pandora-hits-250m-registered-users/ and http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTkxNTM1fENoaWxkSUQ9LTF8VHlwZT0z&t=1, Pg.9
73 http://a2im.org/groups/spotify
74 http://www.vevo.com/en/\n75 http://a2im.org/groups/vevo/
76 http://a2im.org/groups/youtube/
77 https://www.youtube.com/yt/press/statistics.html
78 http://www.researchandmarkets.com/reports/2092499/internet_video_2011_2014_view_share_site_and
79 http://a2im.org/groups/reverb-nation/
80 http://a2im.org/groups/reverb-nation/about
81 http://www.reverbnation.com/about
82 http://a2im.org/groups/bmg-rights/
83 http://www.bmg.com/category/about-us/history/
84 http://a2im.org/groups/french-music-export-office
85 http://a2im.org/groups/china-audio-video-association-caya
86 http://a2im.org/groups/initiative-musik-gmbh
87 http://a2im.org/groups/tag/associate+members/
within the global music community. These include Affiliates such as MusicFirst, the Copyright Alliance, the Worldwide Independent Network (WIN) and Merlin.

A2IM also represents a recognized Music Coalition representing the interests of the Global Independent Music Community. The A2IM Coalition includes Merlin, a global rights agency for the independent label sector, representing over 20,000 labels from 39 countries, Worldwide Independent Network (representing label creators in over 20 countries), Association of Independent Music (representing largest and most respected labels in the world), and IMPALA (Independent Music Companies Association on behalf of over 4,000 independent music companies and national associations across Europe, representing 99% of music actors in Europe which are micro, small and medium sized enterprises.

Cumulatively, A2IM’s Label and Associate Membership, A2IM’s Affiliates and the A2IM’s Global Independent Music Community Coalition, covers a majority of the global music community. Its cumulative membership is in the hundreds of millions of entities with formal boundaries belonging to strictly organized and delineated communities related to music as per the Community Definition and Size.

Accordingly, it is respectfully submitted that the Panel should determine that the community as defined in the application satisfies both of the conditions to fulfill the requirements for organization.

**Pre-existence**

To fulfill the requirements for pre-existence, the community must have been active prior to September 2007 (when the new gTLD policy recommendations were completed) and must display an awareness and recognition of a community among its members.

The community as defined in the application was active prior to September 2007 as required by the AGB, section 4.2.3. According to the application:

> The Community has bought, sold, and bartered music for as long (“LONGEVITY”) as it has been made (R. Burnett, International Music Industry, 1996 and P. Gronow, International History of the Recording Industry, 1998). The Community is a delineated network where production and distribution of music occur in a process relying on labor division and technology. Under such structured context music consumption becomes possible regardless whether the transaction is commercial and non-commercial (M. Talbot, Business of Music, 2002). The foundation for the structured

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88 [http://musicfirstcoalition.org/coalition](http://musicfirstcoalition.org/coalition), The musicFIRST Coalition, with founding members A2IM, RIAA, and Recording Academy represents musicians, artists, managers, music businesses, and performance right advocates.
89 [http://www.copyrightalliance.org/members](http://www.copyrightalliance.org/members)
90 [http://www.winformmusic.org](http://www.winformmusic.org)
91 [http://www.merlinnetwork.org](http://www.merlinnetwork.org)
and strictly delineated Community only resulted from the interplay between the growing music publishing business and an emerging public music concert culture in the 18th century ("PRE-EXISTING"). Consequently, music publishers and concert promoters assumed the function of institutional gatekeepers of the Music Community who decided which music reached consumers and in what form, thus setting the parameters within which creativity was able to unfold (P. Tschmuck, Creativity & Innovation in the Music Industry, Institute of Culture Management & Culture Science, 2006). (Question 20A)

The community as defined in the application was active prior to September 2007.

Furthermore, most of the supporting organizations that fall within the application's delineation have been active prior to 2007, including the IFPI93 (1933), FIM94 (1948), NAMM95 (1901) and others. The Panel can determine that because organizations like those referenced above are mainly dedicated to the members of the community as defined by the application, and because they and most others were active prior to 2007, the community as defined in the application fulfills the requirements for Pre-existence.

As discussed above, these organizations and their members, in addition to being active prior to 2007, demonstrate the AGB’s requirements for awareness and recognition.

Accordingly, it is respectfully submitted that the Panel should determine that the community as defined in the application fulfills the requirements for pre-existence.

1-B Extension

The Panel should determine that the community as identified in the application meets the criterion for Extension specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB, as the application fulfilled the requirements for the size and longevity of the community. The application should receive a score of 2 out of 2 points under criterion 1-B: Extension.

Size

Two conditions must be met to fulfill the requirements for size: the community must be of considerable size and must display an awareness and recognition of a community among its members.

The community as defined in the application is of considerable size.

According to the application:

94 http://www.fim-musicians.org/about-fim/history/
95 https://www.namm.org/library/blog/oldest-known-namm-member-photo-donated
The Music Community’s geographic breadth is inclusive of all recognized territories covering regions associated with ISO-3166 codes and 193 United Nations countries (“EXTENSION”) with a Community of considerable size with millions of constituents (“SIZE”). (Question 20A)

Additionally, as discussed above, the community defined by the application demonstrates the recognition and awareness required by the AGB.

While the exact size of the global Music Community as defined is unknown (there is no evidence providing an exact, finite number because amateur entities are also included in the Community’s definition), it is in the considerable millions as explicitly stated in the DotMusic Application. DotMusic’s definition of the Community and mutually-inclusive Registration Policies ensure that eligible members are only music-related and associated with the string. (PIC at p.13)

Accordingly the Panel should determine that the community as defined in the application satisfies both of the conditions to fulfil the requirements for size and awareness.

**Longevity**

Two conditions must be met to fulfill the requirements for longevity: the community must demonstrate longevity and must display an awareness and recognition of a community among its members.

The community as defined in the application demonstrates longevity. According to the application:

The Community has bought, sold, and bartered music for as long (“LONGEVITY”) as it has been made (R. Burnett, International Music Industry, 1996 and P. Gronow, International History of the Recording Industry, 1998). The Community is a delineated network where production and distribution of music occur in a process relying on labor division and technology. Under such structured context music consumption becomes possible regardless whether the transaction is commercial and non-commercial (M. Talbot, Business of Music, 2002). The foundation for the structured and strictly delineated Community only resulted from the interplay between the growing music publishing business and an emerging public music concert culture in the 18th century (“PRE-EXISTING”). Consequently, music publishers and concert promoters assumed the function of institutional gatekeepers of the Music Community who decided which music reached consumers and in what form, thus setting the parameters within which creativity was able to unfold (P. Tschmuck, Creativity & Innovation in the Music Industry, Institute of Culture Management & Culture Science, 2006). (Question 20A)
Given the size of the music community and its historical background, the Panel should determine that the pursuits of the community are of a lasting, non-transient nature. Additionally, as discussed above, the community defined by the application demonstrates the recognition and awareness required by the AGB.

The Panel should determine that the community as defined in the application satisfies both of the conditions to fulfill the requirements for longevity.

**Criterion #2: Nexus between Proposed String and Community**

**2A – Nexus**

The Panel should determine that the application meets the criterion for Nexus as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB. The string matches the name of the community as defined in the application. The application received a score of 3 out of 3 points under criterion 2-A: Nexus.

To receive the maximum score for Nexus, the applied-for string must match the name of the community or be a well-known short-form or abbreviation of the community name. To receive a partial score for Nexus (of 2 out of 3 points; 1 point is not possible), the applied-for string must identify the community. “Identify means that the applied-for string should closely describe the community or the community members, without over-reaching substantially beyond the community.”

According to the application:

The .MUSIC string relates to the Community by:
- Completely representing the entire Community. It relates to all music-related constituents using an all-inclusive, multi-stakeholder model
- Directly communicating that the content is music-related and representing the Community in a positive and beneficial manner consistent with the .MUSIC Purpose and Use policy

...The Community is not subject to merely commercial/financial variables. The music Community is driven primarily by technology and the socio-cultural environment that influence music-related media cultures and consumer behavior, including the Community itself.

The socio-cultural environment drives the TLD, including the cultural diversity that provides space within the Community for many genres/participants, general socioeconomic and demographic factors and their impact on diverse local environments, and the support that the Community gives to new
creators/performers. The string and Community share a particular cultural ambience: a sensitivity and preference for certain cultural expressions. The ambience is diverse and influential: music preferences of different sections of the society vary, ranging from metal to classical; Socio-economic distributions and demographic patterns.

...The Community and the .MUSIC string share a core value system of artistic expression with diverse, niche subcultures and socio-economic interactions between music creators, their value chain, distribution channel, and ultimately engaging fans as well as other music constituents subscribing to common ideals. (Question 20D)

The Panel should determine that the Community (as defined by the application, including those community organizations supporting the application) are also “commonly known by others” (AGB) both in and outside of the community by the applied-for string “MUSIC” as required by the AGB. Indeed, the word “music” is defined in the application as “the art of combining sounds rhythmically, melodically or harmonically” or “vocal or instrumental sounds (or both) combined in such a way as to produce beauty of form, harmony, and expression of emotion” (Oxford Dictionaries). This common usage of the applied-for string closely aligns with the community as defined in the application and with Wikipedia’s definition for “Music Community.”

According to the AGB, “with respect to “Nexus,” for a score of 3, the essential aspect is that the applied-for string is commonly known by others as the identification / name of the community.” (CPE Guidelines, Pg.8)

To address “Nexus,” an independent survey was conducted within the United States from August 7 through August 11, 2015 among 2,084 adults ages 18 and older, by Harris Poll on behalf of DotMusic Limited. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. The data was also weighted to reflect the composition of the adult population. Nielsen/Harris Poll addressed whether the applied-for string was commonly-known (i.e. known by most people) and associated with the identification of the community defined by DotMusic by asking the question:

If you saw a website domain that ended in “.music” (e.g., www.name.music), would you associate it with musicians and/or other individuals or organizations belonging to the music community (i.e., a logical alliance of communities of individuals, organizations and business that relate to music)?

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96 A dictionary or encyclopedia may be used to determine how the applied-for string is used for Nexus evaluation. These may analyze present and evolving uses of a word, capturing in this case the most prevalent uses of “music”. See: http://oxforddictionaries.com/us/definition/american_english/music or https://en.wikipedia.org/wiki/Music_community
97 http://www.harrisinteractive.com/Products/HarrisPollQuickQuery.aspx
99 Nielsen / Harris Poll, Quick Query Q3505, http://music.us/nielsen-harris-poll.pdf, Fielding Period: August 7-11, 2015, Pg. 1,2,3 and Appendix B
Most people, 1562 out of 2084 (3 in 4 or 75% of the respondents) responded “Yes,” which is aligned with the “Nexus” Criterion 2A requirements that the applied-for string is “commonly-known” as the identification of the community addressed by the application.

Furthermore, independent testimonies and disclosures from over 40 experts agree that the application’s defined community matches the applied-for string. Therefore, the Panel should determine that the applied-for string is the established name by which the community is commonly known by others, and the applied-for string matches the community as defined in the application. Therefore, it is respectfully submitted that the Applicant meets the requirements for a full credit of 3 points on Nexus.

2B – Uniqueness

The Panel should determine that the application meets the criterion for Uniqueness as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB. The application received a score of 1 out of 1 point under criterion 2-B: Uniqueness.

To fulfill the requirements for Uniqueness, the string must have no other significant meaning beyond identifying the community described in the application and it must also score a 2 or a 3 on Nexus. The string as defined in the application demonstrates uniqueness, as the string does not have any other meaning beyond identifying the community described in the application. The Community Priority Evaluation panel should determine that the applied-for string satisfies the condition to fulfill the requirements for Uniqueness.

Therefore, the Panel should determine that the applied-for string satisfies the condition to fulfill the requirements for Uniqueness.

Criterion #3: Registration Policies

3-A Eligibility

The Panel should determine that the application meets the criterion for Eligibility as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the AGB, as eligibility is restricted to community members. The application should receive a maximum score of 1 point under criterion 3-A: Eligibility.

To fulfill the requirements for Eligibility, the registration policies must restrict the eligibility of

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100 Nielsen / Harris Poll, Quick Query Q3505, [http://music.us/nielsen-harris-poll.pdf](http://music.us/nielsen-harris-poll.pdf), Fielding Period: August 7-11, 2015, Pg. 1,2,3 and Appendix B

101 [http://music.us/expert/letters](http://music.us/expert/letters) and Appendix A
prospective registrants to community members. According to the application:

The TLD will be **exclusive** to the Community... .MUSIC domains will be validated to belong to Community members, who can only use the domains under Community-focused Policies. This way, Internet users will experience trusted interactions with registrants and be confident that any interaction is with legitimate Community members. (Question 18A)

...Registrants will be verified using Community-organized, unified “criteria taken from holistic perspective with due regard of Community particularities” that “invoke a formal membership” without discrimination, conflict of interest or “likelihood of material detriment to the rights and legitimate interests” of the Community... (Question 20A)

...Music Community Member Organization (MCMO)... phase... is a limited-time period reserved for members of DotMusic-accredited music Community Member Organizations (MCMO). Unique registrations will be granted to the sole registrant and delegated at the close of the time period; multiple registration requests for the same string will go through an auction. ...General Availability... phase of registration of .MUSIC domains. .MUSIC registrations will now be available to Music Community members on a first come, first served basis. (Question 20E)

The application therefore demonstrates adherence to the AGB’s requirement by restricting domain registration to entities who are members of the community defined by the application. The Panel should determine that the application satisfies the condition to fulfill the requirements for Eligibility.

**3-B Name Selection**

The Panel should determine that the application meets the criterion for Name Selection as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as name selection rules are consistent with the articulated community-based purpose of the applied-for TLD. The application should receive a score of 1 out of 1 point under criterion 3-B: Name Selection.

According to the application:

**The Names Selection Policy ensures only music-related names are registered as domains under .MUSIC, with the following restrictions:**

1) A name of (entire or portion of) the musician, band, company, organization, e.g. the registrants “doing business as” name
2) An acronym representing the registrant
3) A name that recognizes or generally describes the registrant, or
4) A name related to the mission or activities of the registrant” (Question 20E)

Also, the Name Selection Policy also covers the music Globally Protected Marks List (GPML) and does not allow registrants to register a domain containing an established music brands’ name that would be deemed confusing to Internet users and the Music Community:

Globally Protected Marks List (GPML) will ensure major music brands and established artists, such as RIAA-certified platinum-selling bands, are protected not cybersquatted. These are reserved at all times. (Question 20E)

...Applicants “cannot register a domain containing an established music brand’s name in bad faith that might be deemed confusing to Internet users and the Music Community. (Question 20E)

Therefore, the Panel should determine that the application satisfies the conditions to fulfill the requirements for Name Selection.

3-C Content and Use

The Community Priority Evaluation panel should determine that the application meets the criterion for Content and Use as specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the rules for content and use are consistent with the articulated community-based purpose of the applied-for TLD. The application should receive a maximum score of 1 point under criterion 3-C: Content and Use.

To fulfill the requirements for Content and Use, the registration policies must include rules for content and use for registrants that are consistent with the articulated community-based purpose of the applied-for gTLD. The application demonstrates adherence to this requirement by specifying that use of the domain name must be beneficial to the cause and values of the Community:

.MUSIC will effectively differentiate itself by addressing the key online usage issues of safety, trust, consistency, brand recognition as well as communicate site subject-matter: music-related content. The TLD will be exclusive to the Community and will incorporate enhanced safeguards and Use policies to protect creators, intellectual property and rights holders.

Community members need to be able to distinguish themselves from illegal or unlicensed sites. Ensuring monies flow to rightful owners and the Music Community is critical to the .MUSIC Mission.

DotMusic will provide Premium Channels and a Song Registry where the Community and Internet users can network, share information and engage in commerce in a trusted, secure ecosystem – a safe haven for legal music consumption and song licensing ensuring monies
flow to the Community not unlicensed sites.

.MUSIC domains can serve as trusted signals for search engines and used as filters for legal, licensed and safe music sites with relevant, quality content. .MUSIC domains will be validated to belong to Community members, who can only use the domains under Community-focused Policies. This way, Internet users will experience trusted interactions with registrants and be confident that any interaction is with legitimate Community members. (Question 18A)

The application also has Content and Use policies that prohibit the use of parking pages:

PARKING PAGES: DotMusic will prohibit the use of parked pages. .MUSIC sites will be subject to the content and use restrictions described in response to question 18b and question 20e. Parked sites can only be used as temporary pages assigned to a domain at the time of registration and stay in place until the registrant has a website developed and ready to go live in a reasonable time period. (Question 18C iii)

The application also restricts Content and Use to legal music-related activities:

The following use requirements apply:

- Use only for music-related activities
- Comply with applicable laws and regulations and not participate in, facilitate, or further illegal activities
- Do not post or submit content that is illegal, threatening, abusive, harassing, defamatory, libelous, deceptive, fraudulent, invasive of another's privacy, or tortious
- Respect the intellectual property rights of others by posting or submitting only content that is owned, licensed, or otherwise have the right to post or submit
- Immediately notify us if there is a security breach, other member incompliance or illegal activity on .MUSIC sites
- Do not register a domain containing an established music brand's name in bad faith that might be deemed confusing to Internet users and the Music Community
- Do not use any automated process to access or use the .MUSIC sites or any process, whether automated or manual, to capture data or content from any service for any reason
- Do not use any service or any process to damage, disable, impair, or otherwise attack .MUSIC sites or the networks connected to .MUSIC sites (Question 20E)

The Community Priority Evaluation panel should determine that the application satisfies the condition to fulfill the requirements for Content and Use.

3-D Enforcement
The Panel should determine that the application meets the criterion for Enforcement as specified in
section 4.2.3 (Community Priority Evaluation Criteria) of the AGB. The application provides specific enforcement measures and outlines coherent and appropriate appeals mechanisms. The application should receive a score of 1 point under criterion 3-D: Enforcement.

Two conditions must be met to fulfill the requirements for Enforcement: the registration policies must include specific enforcement measures constituting a coherent set, and there must be appropriate appeals mechanisms.

The application commits to implement both proactive and reactive enforcement measures, such as proactive zone screening, Community crowdsourced enforcement (to “immediately notify [DotMusic] if there is a security breach, other member incompliance or illegal activity on .MUSIC sites”) and random compliance checks, with appropriate dispute processes to fix compliance issues under its .MUSIC Policy & Copyright Infringement Dispute Resolution Process (MPCIDRP), including reasonable time to appeal with the registry to fix compliance issues or appeal with an independent dispute resolution provider, such as the National Arbitration Forum (NAF), which already has a customized DotMusic appeals mechanism in place.102

According to the application:

**REGISTRY DATA VALIDATION**

DotMusic will validate elements of the received WHOIS data as a requirement for domain registration, also providing access to Premium Channels, such as the registrant’s:
- Email address through validation links
- Phone number through validated PIN-codes (Question 18B iv, Question 20E)

**COMPLIANCE & ENFORCEMENT**

DotMusic will take proactive and reactive measures to enforce its Policies. Proactive measures are taken at the time of registration. Reactive measures are addressed via compliance and enforcement mechanisms and through dispute processes.

Allegation that a domain is not used for legitimate music purposes or otherwise infringes on Policies shall be enforced under the provisions of the .MUSIC Policy & Copyright Infringement Dispute Resolution Process (“MPCIDRP”); described in question 28 response. (Question 18B iv, Question 20E)

The MPCIDRP is not a replacement for alleged violation of the UDRP/URS/PDDR/PDRDP, which shall be enforced under the provisions contained

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The application outlines policies that include specific enforcement measures constituting a coherent set. The Panel should determine that the application satisfies both of the two conditions to fulfill the requirements for Enforcement and therefore scores 1 point.

**Criterion #4: Community Endorsement**

Support for or opposition to a CPE gTLD application may come by way of an application comment on ICANN’s website, attachment to the application, or by correspondence with ICANN.
4-A Support

The Community Priority Evaluation panel should determine that the application fully meets the criterion for Support specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the applicant had documented support from the recognized community institution(s)/member organization(s). The application should receive a maximum score of 2 points under criterion 4-A: Support.

To receive the maximum score for Support, the applicant is, or has documented support from, the recognized community institution(s)/member organization(s), or has otherwise documented authority to represent the community. “Recognized” means those institution(s)/organization(s) that, through membership or otherwise, are clearly recognized by the community members as representative of the community. To receive a partial score for Support, the applicant must have documented support from at least one group with relevance. “Relevance” refers to the communities explicitly and implicitly addressed.

Collectively, the DotMusic application received support from the largest coalition of music community member organizations ever assembled to support a cause representing over 95% of music consumed globally.103 Such unparalleled global Music Community support also represents an overwhelming majority of the global Music Community as defined. Cumulatively, DotMusic possesses documented support104 from institutions/organizations representing a majority of the Community addressed. Music -- as commonly known by the general public and experienced today -- would not be possible without these supporting, non-negligible and relevant organizations that have endorsed DotMusic.

The Community Priority Evaluation panel should determine that the applicant was not the recognized community institution(s)/member organization(s). However, the applicant possesses documented support from institutions/organizations representing a majority of the community addressed, and this documentation contained a description of the process and rationale used in arriving at the expression of support. The applicant received support from a broad range of recognized community institutions/member organizations, which represented different segments of the community as defined by the applicant. These entities represent a majority of the overall community. The Community Priority Evaluation Panel should determine that the applicant fully satisfies the requirements for Support.

4-B Opposition

The Community Priority Evaluation panel should determine that the application meets the criterion for

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104 http://music.us/supporters
Opposition specified in section 4.2.3 (Community Priority Evaluation Criteria) of the Applicant Guidebook, as the application received no relevant opposition.

According to ICANN’s CPE Guidelines:

To be taken into account as relevant opposition, such objections or comments must be of a reasoned nature. Sources of opposition that are clearly spurious, unsubstantiated, made for a purpose incompatible with competition objectives, or filed for the purpose of obstruction will not be considered relevant. 105

To receive the maximum score for Opposition, the application must not have received any opposition of relevance. A few letters were filed for the purpose of obstruction and therefore are not considered relevant. 106 The application also received letters of opposition, which should be deemed not to be relevant, as they were either from groups of negligible size, or were from entities/communities that do not have an association with the applied for string. As these letters are neither from the recognized community institutions/member organizations, nor were they from communities/entities that have an association with the community they should not be considered relevant.

Accordingly, the Community Priority Evaluation panel should determine that there is no relevant opposition to the application. The Community Priority Evaluation Panel should determine that the applicant satisfies the requirements for Opposition.

**Conclusion**

For the aforementioned reasons, it is respectfully submitted that the Applicant satisfies all criteria to establish Community and should prevail with a passing grade in CPE.

Transparency and accountability mechanisms, including the quality control requirement of compelling and defensible documentation, forms an integral part of ICANN’s decision-making standards. The AGB and CPE Guidelines provide in pertinent part that:

The evaluation process will respect the principles of fairness, transparency, avoiding potential conflicts of interest, and non-discrimination... 107

Consistency of approach in scoring Applications will be of particular importance... 108

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106 The correspondence for .MUSIC includes several letters from DotMusic and letters from entities related to an opposition letter. These entities not only withdrew opposition but supported DotMusic. Furthermore, some are currently on DotMusic’s Board ([http://music.us/board](http://music.us/board)). The sender of the letter also was included in correspondence which disclosed that their organization and many others were encouraged by the applicant’s policies.
107 CPE Guidelines, Pg. 22
108 CPE Guidelines, Pg. 22
The EIU will work closely with ICANN when questions arise and when additional information may be required to evaluate an application.\textsuperscript{109}

The EIU will fully cooperate with ICANN’s quality control process.\textsuperscript{110}

The panel must be able to exercise consistent and somewhat subjective judgment in making its evaluations in order to reach conclusions that are compelling and defensible.\textsuperscript{111}

The panel must be able to document the way in which it has done so in each case.\textsuperscript{112}

All EIU evaluators undergo regular training to ensure full understanding of all CPE requirements as listed in the Applicant Guidebook, as well as to ensure consistent judgment (CPE Panel Process Document, Pg.2)...

The Panel Firm exercises consistent judgment in making its evaluations in order to reach conclusions that are compelling and defensible, and documents the way in which it has done so in each case (CPE Guidelines, Pg.22 and CPE Panel Process Document, Pg. 3).\textsuperscript{113}

In the case of opposition letters, community applicants must be given the opportunity to provide context and a challenge to any opposition letter if deemed relevant so that the EIU have a complete understanding of the subject-matter and adequately take into consideration both perspectives (just like any fair and equitable proceeding) before reliably determining that the panel has incorporated a “consistent and somewhat subjective judgment in making its evaluations in order to reach conclusions that are compelling and defensible.” The EIU “panel must be able to document the way in which it has done so in each case.”\textsuperscript{114}

DotMusic’s CPE must be evaluated using the same consistent criteria and precedents that were established in prior EIU determinations to ensure “consistency of approach across all applications:”

“All Applications will subsequently be reviewed by members of the core project team to verify accuracy and compliance with the AGB, and to ensure consistency of approach across all applications.”\textsuperscript{115} (emphasis added)

In the prevailing CPE Determinations for .RADIO, .SPA and .HOTEL, the EIU consistently referred to the community as the “(industry) community” as an acceptable threshold to its “Community

\textsuperscript{109} CPE Guidelines, Pg. 22 and Pg.23
\textsuperscript{110} CPE Guidelines, Pg. 22 and Pg.23
\textsuperscript{111} CPE Guidelines, Pg. 22
\textsuperscript{112} CPE Guidelines, Pg. 22
\textsuperscript{114} ICANN CPE Guidelines, Pg. 22
\textsuperscript{115} CPE Guidelines, Pg. 22
Establishment”, “Nexus” and “Support” criteria:

According to the .RADIO prevailing CPE determination:

In addition, the community as defined in the application has awareness and recognition among its members. This is because the community as defined consists of entities and individuals that are in the radio industry, and as participants in this clearly defined industry, they have an awareness and recognition of their inclusion in the industry community. In addition, membership in the (industry) community is sufficiently structured, as the requirements listed in the community definition above show.¹¹⁶

According to the .SPA prevailing CPE determination:

The community as defined in the application has awareness and recognition among its members. This is because the community as defined consists of entities that are in the spa industry, and as participants in this clearly defined industry, they have an awareness and recognition of their inclusion in the industry community. In addition, membership in the (industry) community is sufficiently structured, as the requirements listed in the community definition above show. Members of all three of these membership categories recognize themselves as part of the spa community as evidenced, for example, by their inclusion in industry organizations and participation in their events.¹¹⁷

According to the .HOTEL prevailing CPE determination:

This community definition shows a clear and straightforward membership. The community is clearly defined because membership requires entities/associations to fulfill the ISO criterion for what constitutes a hotel. Furthermore, association with the hotel sector can be verified through membership lists, directories and registers. In addition, the community as defined in the application has awareness and recognition among its members. This is because the community is defined in terms of its association with the hotel industry.¹¹⁸

Following the rationale in the aforementioned EIU Determinations, DotMusic’s community-based application would overwhelmingly exceed the minimum “(industry) community” threshold for the applied for string because its application is supported by organizations with members that represent over 95% of global music consumed. In fact, DotMusic’s application has amassed the largest coalition of

¹¹⁶ https://www.icann.org/sites/default/files/tlds/radio/radio-cpe-1-1083-39123-en.pdf, Pg.2
¹¹⁸ https://www.icann.org/sites/default/files/tlds/hotel/hotel-cpe-1-1032-95136-en.pdf, Pg.2
music-related organizations to support a music cause. Just like in the CPE application cases of .RADIO, .HOTEL and .SPA, DotMusic is supported by a global "(industry) community," with members that have the requisite awareness and recognition of the community defined.

Furthermore, in the .ECO prevailing CPE Determination it was found that “involvement in...activities” and the “interdependence and active commitment to shared goals” are “indicative of the “cohesion” that the AGB requires in a CPE-eligible community.” The .ECO prevailing CPE determination provides in pertinent part that:

"...Each individual or entity has a clear, public and demonstrable involvement in environmental activities. The interdependence and active commitment to shared goals are indicative of the “cohesion” that the AGB requires in a CPE-eligible community. The Panel found that entities included in the membership categories defined in the application are shown to cohere in their work towards clearly defined projects and goals that overlap among a wide array of member organizations...Furthermore, businesses that are included in the applicant’s defined community have voluntarily opted to subject themselves to evaluation of their compliance with environmental standards that qualify them for the accreditations referenced in the application. As such, the defined community’s membership is found to meet the AGB’s standard for cohesion, required for an adequately delineated community."

It follows that DotMusic’s community-based application should exceed the minimum threshold for “Community Establishment” because the DotMusic application and purpose follows unified goals which the represented global Music Community addressed subscribes to, such as:

1) creating a trusted identifier and safe haven for music consumption by protecting musicians’ rights and intellectual property,
2) fighting copyright infringement/piracy,
3) supporting fair compensation and music education;
4) following a multi-stakeholder approach supporting all types of global music constituents without discrimination; and
5) governance by relevant organizations with Community members representing over 95% of music consumed globally, including many entities mainly dedicated to the Community. (Mission and Purpose, Q.18 and Q.20)

DotMusic developed its Mission and Registration Policies using feedback and universal principles collected in its ongoing, extensive public global communication outreach campaign launched in 2008, which gave the Community open opportunities to engage (e.g. via events, meetings, social media, ICANN’s 2012 public comment period or other correspondence). DotMusic has participated in hundreds

of international music/domain events ([http://music.us/events](http://music.us/events)) and still continues to engage Community members. (See Question 18 and Question 20).

Furthermore, in comparison, DotMusic’s community-application has more music-tailored policies and enhanced safeguards aligned with DotMusic’s community-based purpose to serve the interests of the global music community than all .MUSIC applicants combined. (See .MUSIC Applicant Comparison Chart, Appendix C)

Therefore, it is respectfully submitted that the Applicant satisfies all criteria to establish Community and should prevail with a passing grade in CPE.
References

Review the DotMusic Limited application for .MUSIC with ID 1-1115-14110: https://gtldresult.icann.org/application-result/applicationstatus/applicationdetails/1392


DotMusic Limited support letters for 20f: https://gtldresult.icann.org/application-result/applicationstatus/applicationdetails downloadattachment/142588?ac=1392 and
http://music.us/supporters


Independent Expert Letters: http://music.us/expert/letters and Appendix A

Independent Nielsen / Harris Poll: http://music.us/nielsen-harris-poll.pdf and Appendix B


DotMusic website: http://music.us

Disclaimer:

The Community Establishment, Nexus and Community Endorsement Analysis (CPE Criterion #1, #2 and #4) is based on Expert Testimonies by over 40 Experts and Ph.Ds (See http://www.music.us/expert/letters to download Expert Letters and to review Experts’ qualifications and Appendix A). The Experts have provided independent, unbiased and objective testimony. The Experts have not been compensated or paid by DotMusic Limited for their testimonies nor have the Experts supported any New gTLD string or are shareholders in any application.
Appendix A: Expert Testimonies

Below are testimonies from **43 experts**, including **33 Ph.Ds** that provide **compelling evidence** and “conclusions that are compelling and defensible”\(^\text{120}\) that conclude beyond reasonable doubt, that DotMusic’s community-based application for .MUSIC **exceeds** all the CPE criteria and **should prevail CPE**

1) Music Expert Letter Dr Angiro Vatakis.pdf
2) Music Expert Letter Dr Askin Noah.pdf
3) Music Expert Letter Dr Brian E Corner.pdf
4) Music Expert Letter Dr Chauntelle Tibbals.pdf
6) Music Expert Letter Dr David Michael Ramirez II.pdf
7) Music Expert Letter Dr Deborah L Vietze.pdf
8) Music Expert Letter Dr Dimitrios Vatakis.pdf
9) Music Expert Letter Dr Dimitris Constantinou.pdf
12) Music Expert Letter Dr Jeremy Silver.pdf
14) Music Expert Letter Dr John Snyder.pdf
15) Music Expert Letter Dr Jordi Bonada Sanjaume.pdf
16) Music Expert Letter Dr Jordi Janer.pdf
17) Music Expert Letter Dr Juan Diego Diaz.pdf
18) Music Expert Letter Dr Juliane Jones.pdf
19) Music Expert Letter Dr Kathryn Fitzgerald.pdf
20) Music Expert Letter Dr Lisa Overholser.pdf
22) Music Expert Letter Dr Mantos Kazantzides.pdf
23) Music Expert Letter Dr Michael Mauskapf.pdf
24) Music Expert Letter Dr Mike Alleyne.pdf
26) Music Expert Letter Dr Paul McMahon.pdf
27) Music Expert Letter Dr Rachel Resop.pdf
28) Music Expert Letter Dr Shain Shapiro.pdf
29) Music Expert Letter Dr Sharon Chanley.pdf
30) Music Expert Letter Dr Tom ter Bogt.pdf
31) Music Expert Letter Dr Vassilis Varyaresos.pdf
33) Music Expert Letter Dr Wilfred Dolsma.pdf
34) Music Expert Letter JD Matthew Covey Esq.pdf
35) Music Expert Letter Jonathan Segal MM.pdf
37) Music Expert Letter Lecturer David Lowery.pdf
38) Music Expert Letter Lecturer Dean Pierides.pdf
39) Music Expert Letter Professor Andrew Dubber.pdf
40) Music Expert Letter Professor Author Bobby Borg.pdf
41) Music Expert Letter Professor Heidy Vaquerano Esq.pdf

43) Music_Expert_Letter_Stella_Black_MM.pdf

Expert Letter Link: http://music.us/expert/letters
Appendix B: Independent Nielsen/Harris Poll

To address the DotMusic Application’s “Community Establishment,” “Community Definition” and “Nexus,” an independent survey was conducted within the United States from August 7-11, 2015 among 2,084 adults ages 18 and older, by Harris Poll\(^{121}\) on behalf of DotMusic Limited. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. The data was weighted to reflect the composition of the adult population. The independent polling organization Nielsen/Harris Poll addressed whether the applied-for string was commonly-known (i.e. known by most people\(^{122}\)) and associated with the identification of the community defined by DotMusic by asking the question:

> If you saw a website domain that ended in “.music” (e.g., www.name.music), would you associate it with musicians and/or other individuals or organizations belonging to the music community (i.e., a logical alliance of communities of individuals, organizations and business that relate to music)?\(^{123}\)

Most people, 1562 out of 2084 (i.e. 3 in 4 or 75% of the respondents) responded “Yes,”\(^{124}\) which is aligned with the “Nexus” Criterion 2A requirements that the applied for-string is “commonly-known” as the identification of the community addressed by the application.

Furthermore, a majority agreed that DotMusic’s associated definition of the community addressed that matches the string (i.e. a logical alliance of communities of individuals, organizations and business that relate to music) is representative and accurate.

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\(^{121}\) [http://www.harrisinteractive.com/Products/HarrisPollQuickQuery.aspx](http://www.harrisinteractive.com/Products/HarrisPollQuickQuery.aspx)


\(^{123}\) Nielsen / Harris Poll, Quick Query Q3505, [http://music.us/nielsen-harris-poll.pdf](http://music.us/nielsen-harris-poll.pdf), Fielding Period: August 7-11, 2015, Pg. 1,2,3 and Appendix B

\(^{124}\) Nielsen / Harris Poll, Quick Query Q3505, [http://music.us/nielsen-harris-poll.pdf](http://music.us/nielsen-harris-poll.pdf), Fielding Period: August 7-11, 2015, Pg. 1,2,3 and Appendix B
If you saw a website domain that ended in "music" (e.g., www.name.music), would you associate it with musicians and/or other individuals or organizations belonging to the music community (i.e., a logical alliance of communities of individuals, organizations and business that relate to music)?

Base: All Respondents

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<td>(AB)</td>
<td>(AC)</td>
<td>(AD)</td>
</tr>
</tbody>
</table>

Notes:
- Sample sizes are based on the number of respondents who answered "Yes" or "No" to the question.
- The percentages are rounded to the nearest whole number.
- The table includes all respondents, not just those in the target demographic.

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<table>
<thead>
<tr>
<th>Housing Status</th>
<th>Income</th>
<th>Education</th>
<th>Employment Status</th>
<th>Children in HH</th>
<th>Parent of Child Under 18 in HH</th>
<th>Home Ownership</th>
<th>Marital Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Less Than S/NK</td>
<td>5-4.9K</td>
<td>3.9K-5.9K</td>
<td>5.9K-9.9K</td>
<td>Total</td>
<td>Less Than S/NK</td>
</tr>
<tr>
<td>Unweighted Base</td>
<td>2009</td>
<td>682</td>
<td>380</td>
<td>221</td>
<td>326</td>
<td>874</td>
<td>806</td>
</tr>
<tr>
<td>Weighted Base</td>
<td>2004</td>
<td>711</td>
<td>347</td>
<td>250</td>
<td>815</td>
<td>869</td>
<td>1039</td>
</tr>
<tr>
<td>No</td>
<td>522</td>
<td>303</td>
<td>65</td>
<td>10</td>
<td>91</td>
<td>240</td>
<td>148</td>
</tr>
<tr>
<td>Yes</td>
<td>507</td>
<td>379</td>
<td>267</td>
<td>211</td>
<td>326</td>
<td>874</td>
<td>806</td>
</tr>
<tr>
<td>Sigma</td>
<td>1006</td>
<td>706</td>
<td>376</td>
<td>291</td>
<td>652</td>
<td>871</td>
<td>804</td>
</tr>
</tbody>
</table>

Note: Overlap formula used in calculations.
<table>
<thead>
<tr>
<th>Page</th>
<th>Table</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>O3565 If you saw a website domain that ended in &quot;music&quot; (e.g., <a href="http://www.name">www.name</a> music), would you associate it with musicians and/or other individuals or organizations belonging to the music community (i.e., a legal alliance of communities of individuals, organizations and business that relate to music)?</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>O3565 If you saw a website domain that ended in &quot;music&quot; (e.g., <a href="http://www.name">www.name</a> music), would you associate it with musicians and/or other individuals or organizations belonging to the music community (i.e., a legal alliance of communities of individuals, organizations and business that relate to music)?</td>
</tr>
</tbody>
</table>
Appendix C: .MUSIC Applicant Comparison Chart
### .MUSIC Applicant Comparison Chart: DotMusic Limited vs. Other .MUSIC Applicants

<table>
<thead>
<tr>
<th></th>
<th>DotMusic Limited</th>
<th>.music LLC</th>
<th>Amazon S.a.r.l</th>
<th>Charleston Road</th>
<th>dot Music Limited</th>
<th>Victor Cross</th>
<th>Entertainment Names</th>
<th>Dotmusic Inc</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Also Known As&quot;</td>
<td>.MUSIC™</td>
<td>Far Further</td>
<td>Amazon</td>
<td>Google</td>
<td>Famous Four Media</td>
<td>Donuts/Rightside</td>
<td>Minds and Machines</td>
<td>Radix</td>
</tr>
<tr>
<td>Application ID</td>
<td>1-1115-14110</td>
<td>1-959-51046</td>
<td>1-1316-18029</td>
<td>1-1680-18593</td>
<td>1-1175-68062</td>
<td>1-1571-12951</td>
<td>1-994-99764</td>
<td>1-1058-25065</td>
</tr>
<tr>
<td>Total Top-Level Domain Applications Filed</td>
<td>1</td>
<td>1</td>
<td>76 (Portfolio)</td>
<td>101 (Portfolio)</td>
<td>60 (Portfolio)</td>
<td>307 (Portfolio)</td>
<td>71 (Portfolio)</td>
<td>31 (Portfolio)</td>
</tr>
<tr>
<td>Type of Application</td>
<td>Community (Restricted)</td>
<td>Community (Restricted)</td>
<td>Standard (Closed)</td>
<td>Standard (Open)</td>
<td>Standard (Open)</td>
<td>Standard (Open)</td>
<td>Standard (Open)</td>
<td>Standard (Open)</td>
</tr>
<tr>
<td>Policy Advisory Board &amp; Multi-Stakeholder Governance</td>
<td>Yes</td>
<td>Yes. Board still pending.</td>
<td>No</td>
<td>No</td>
<td>Limited Board</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Community Member Organization Resellers/Partners</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Music Organization Accreditation Requirements</td>
<td>Yes. Eligible organizations get priority in MCMO Phase(1)</td>
<td>No. Invite-only.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Who Can Register (Eligibility)</td>
<td>Entire global Music Community</td>
<td>Only those belonging to 42 organizations</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Phone &amp; Email Two-Step Authentication</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Protect Famous Music Artists/Brand Names</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Music Globally Protected Marks List (GPML)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Domain Naming Conditions</td>
<td>Yes. 1. Entity name (or portion of); or</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
</tr>
<tr>
<td></td>
<td>3. Acronym (AKA); or</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>---------------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>with established artist's/brand's name</td>
<td>Yes</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
</tr>
<tr>
<td>Content:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Only Music-Related Content</td>
<td>Yes. Only music content allowed</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
</tr>
<tr>
<td>Quality Content Control (Parking Pages)</td>
<td>Yes. Parking pages are not allowed</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
<td>No. Open</td>
</tr>
<tr>
<td>Independent Dispute Resolution Provider</td>
<td>Yes. National Arbitration Forum (NAF)</td>
<td>None specified</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Music-Focused Registration Policy Dispute Resolution</td>
<td>MPCIDRP</td>
<td>Partial. Only for Eligibility (MEDRP)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Community Definition</td>
<td>Organized &amp; delineated logical alliance of music communities</td>
<td>Segments from 42 organizations</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
</tr>
<tr>
<td>Community Support</td>
<td>Majority. Coalition represents over 95% of global music consumed</td>
<td>Minority. Only 4 million members.</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
</tr>
<tr>
<td>Community Objection</td>
<td>There has been no Community Objection or relevant opposition (3)</td>
<td>Objection.</td>
<td>Objection.</td>
<td>Objection.</td>
<td>Objection.</td>
<td>Objection.</td>
<td>Objection.</td>
<td>Objection.</td>
</tr>
</tbody>
</table>
### Music-Tailored Public Interest Commitments (PIC)

<table>
<thead>
<tr>
<th>.music Community TLD Support Petition</th>
<th>Public Interest Commitments with Clarifications (4)</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5+ million signed petition</td>
<td></td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Public Community Outreach Campaign</td>
<td>200+ public events (2008-Present)</td>
<td>Negligible</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>.music-focused Social Media Engagement Trademark for .MUSIC™</td>
<td>Extensive. 5+ million across all media</td>
<td>Negligible</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes. Over 40 countries/regions</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1 country</td>
</tr>
<tr>
<td>Community Premium Channels</td>
<td>Yes. Sorted by Type, Genre, Language, Geography, Keyword (5)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Global Legal Song Licensing Registry based on DNS</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

1. DotMusic gives priority to members of Music Organizations during MCMO Phase. During General Availability all Community members (including non-MCMO members) can register a .MUSIC domain.

2. DotMusic has more enhanced safeguards than all .MUSIC applicants combined. DotMusic has incorporated all IFPI/RIAA IP protection provisions that include stopping domain hopping, takedown policies, authorizations, permanent blocks, privacy/proxy, true name/address and trusted sender complaint policies.

3. DotMusic addressed all concerns/comments raised by the Music Community and filed the PIC which clarifies how the Application serves the Community and the public interest. According to the ICANN New gTLD Program Applicant Guidebook: "To be taken into account as relevant opposition, such objections or comments must be of a reasoned nature. Sources of opposition that are clearly spurious, unsubstantiated, made for a purpose incompatible with competition objectives, or filed for the purpose of obstruction will not be considered relevant." (Community Priority Evaluation Guidelines, P.20)

4. By filing these Public Interest Commitments with ICANN, DotMusic commits to serve the Music Community and Public Interest as clarified and may be held accountable via the PICDRP.

5. The Premium Channels available to all validated community members are sorted/delineated according to NAICS community type (Musician/Band/Professional/Company), Genre (e.g. www.Rock.music), Language (e.g. French.music), Geography (e.g. London.music / France.music) and Keywords (e.g. Lyrics.music).
Exhibit A33
19 February 2016

The Board of Directors
ICANN
12025 Waterfront Drive, Suite 300
Los Angeles, CA 90094

Dear Members of the Board:

Subject: Summary of My Tenure

As I prepare for my last meeting as ICANN CEO, I wanted to share my reflections on our journey together since I joined in 2012. My first thought is one of gratitude. I thank you for this wonderful opportunity, and for your trust in me as a steward of this important and unique organization. Throughout our journey together, I have consistently been awed by the immense dedication of our small but growing community to this massive living experiment toward multistakeholder governance. It has been intellectually challenging, humbling and messy, and I’ve enjoyed nearly every moment of it.

As some of you will recall, several criticisms were levied against ICANN in 2012, and altering these perceptions was a task the Board asked me to address in those early days. One key criticism was that ICANN was too U.S.-centric in its decision-making, and not properly reflective of its many stakeholders around the world. We also heard that ICANN needed to improve operational excellence and delivery of services. Many of these concerns centered on the fear that ICANN staff would not be able to fully implement the New gTLD Program, which had just opened the application window in January 2012. We were also told again and again that we needed stronger and better communication. With those criticisms in mind, the ICANN executive team set out a series of objectives and goals for how we would both address those criticisms and create the structures and tools needed to advance ICANN. That work has been our blueprint for the past four years.
Four Objectives
We began with four objectives. Affirmation of purpose was the first of these, and included the continued delivery of our core Internet functions and deep engagement in the Internet governance ecosystem. The second objective focused on raising the level of operations excellence at ICANN by institutionalizing management disciplines and building the back-end organizational functions that could scale to meet the growing needs of our contracted parties and fully implement the New gTLD Program. Thirdly, we wanted to internationalize ICANN from the bottom up. Or to put it another way: we wanted to bring ICANN to the world, rather than asking the world to come to ICANN. Finally, we set our fourth objective to evolve the multistakeholder model, which included increasing participation and promoting ethics and transparency. Among our concerns in this realm: The pressure from governments such as Brazil, China, India and Russia to bring the IANA Functions under control of the United Nations via a multilateral instead of multistakeholder governance model.

From a functional perspective, we translated the four objectives into 16 goals, 56 portfolios, 116 programs and more than 500 projects. Achieving these management objectives required restructuring. And so we moved quickly and assembled a stellar team of global leaders who lifted ICANN into a truly global profile by summer 2013.

We created new departments for government, technical community, DNS industry, business and global stakeholder engagement. We transformed the organization from a Los Angeles-based headquarters to one with hub offices in Singapore and Istanbul housing our Global Support Center and important services like registry and registrar support, stakeholder engagement and contractual compliance. These hubs and our engagement team - working from engagement offices in cities such as Beijing, Geneva, Montevideo, and soon Nairobi – helped us move decision-making out of the U.S. and into the world. David Olive blazed trails for us in Istanbul by moving there to personally oversee the opening of the hub.

We collected business operations and customer service functions into a single managed area called the Global Domains Division under Akram Atallah’s leadership. The first of the new gTLD registries launched in February 2014, making new Internet domains available to the public in the largest expansion of the domain name system. We approached the difficult issue of WHOIS from several angles, including the formation of an Expert Working Group on gTLD Directory Services to help further the discussion on how to replace the current
WHOIS system with a next-generation gTLD directory service. We also worked closely with the community to design and roll out the latest registry and registrar agreements. We actively engaged with governments to promote the multistakeholder model, while also participating in two years of dialogue leading to the United Nations’ 2015 World Summit on the Information Society (WSIS+10). We participated alongside other Internet governance organizations and many others at the NETmundial Multistakeholder Meeting. We launched the second Accountability & Transparency Review Team, an assessment spelled out within the Affirmation of Commitments to review our accountability and transparency in all of our practices.

Then, the environment in which we operated changed dramatically when the U.S. government announced its intention to transition the stewardship of the IANA functions to the global community. It was the realization of the longtime goal for both ICANN and the U.S. government, and a triumph of the multistakeholder model - built from the bottom-up for bottom-up governance. Guided by the deft hand of Theresa Swinehart, we launched a global dialogue about how that transition should occur, and how to strengthen ICANN’s governance and accountability mechanisms. On 10 March, the ICANN community intends to transmit its final proposal to become independent from the U.S. government.

Where We Are Today
ICANN has changed significantly over the last few years. We’ve made substantial headway against the criticism of being too U.S.-centric. One example I can share with you is that during the WSIS+10 in 2015, our team noted recognition from the heads of delegations that ICANN and its multistakeholder community had undergone an evolution toward becoming a global organization. This was a marked departure from the conversations and perceptions we witnessed during meetings in 2012 and 2013, and a testament to the work of our engagement staff under the leadership of Sally Costerton and Tarek Kamel. Another concrete example of our success is that the Outcome Document showed that the issue of Internet governance no longer evolved around the question of whether it should be multilateral or multistakeholder. The new document stated that the “Internet as a global facility includes multilateral, transparent, democratic and multi-stakeholder processes...” – an evolution from the 2005 Tunis Agenda which included “international management of the Internet” that was “multilateral, transparent and democratic.”

Our hub offices in Singapore and Istanbul have grown from concepts to Global
Support Centers offering a wide range of services to our contracted parties and stakeholders in multiple languages and around the clock. Partnerships with organizations like Egypt’s National Telecommunication Regulatory Authority for the DNS Entrepreneurship Center and the Korea Internet and Security Agency on an educational localization toolkit have extended our reach. Regional outreach strategies bring education and programming to meet local needs, as defined by the local community.

The New gTLD Program has met milestone after milestone in its full implementation under Akram’s steady hand. The largest-ever expansion of the domain name system continued with more than half of the 1,277 potential new gTLD strings delegated at the end of FY15, and 995 registry agreements signed. Nearly all of the contention sets (when multiple applicants applied to operate the same new gTLD string) have been resolved, with 14 going to a last resort auction managed by ICANN. The community and staff worked together to develop a framework for mitigating name collisions for delegated top-level domain names that the Board approved in early FY15. A review of the Competition, Consumer Trust and Consumer Choice within the New gTLD Program is underway, following the publication of the first global consumer study on the domain name system in May 2015.

Nora Abusitta has created our first Development and Public Responsibility Department, focusing on projects, tools and collaborative efforts that broaden and support the multistakeholder model, such as the Fellowship and Newcomer Programs and NextGen@ICANN. With an objective of improving engagement with our stakeholders globally and regionally, the DPRD focuses on filling gaps in multistakeholder diversity as identified by stakeholders and the regional outreach strategies.

We’ve also taken many steps to ensure the organization’s stability and strategic planning process. Under the leadership of Susanna Bennett, our new planning process cycle has a threefold approach encompassing a five-year strategic plan, a five-year operating plan and an annual operating plan and budget. The cycle culminates with achievement and progress reporting. The ICANN planning process is continuous and allows for an overlapping of its three components, along with validation of performance. Stakeholder consultation and input is critical and feeds into every aspect of the process. I’m most proud of the way we’ve built performance metrics into everything we do, and the performance data is published via online dashboards as well as through our Quarterly Stakeholder
Calls in support of accountability and transparency.

Ashwin Rangan has built a structured IT approach and hardened ICANN’s operations through a thorough examination of ICANN’s processes and systems. We’ve begun replacing our critical Finance, Procurement, Project Accounting and HR systems with a new, cloud-based enterprise resource planning platform that will take ICANN to a more mature plateau of IT-enabled services delivery. We (re)hired David Conrad as our Chief Technology Officer, and this year made a $5 million investment in our core technical functions.

I can’t say enough about the creative, thoughtful and intelligent team we’ve assembled at the global leader and regional levels. Here, I want to call out John Jeffrey for his wise counsel during my tenure. His years of experience at ICANN have helped our team to anchor our decisions within the organization’s historical context and record. The skills and experience of our management team combined with their shared sense of purpose have brought ICANN to new levels of engagement and operational excellence. Any accomplishments achieved over the past few years are due to their individual and collective efforts.

**Future Opportunities**

Today, ICANN has reached a new plane. We are more reflective of our global stakeholders. We have the leadership team, systems and discipline in place to demonstrate our operational excellence. We have shown the world that multistakeholder governance can work. The pieces are in place for sustained success, and to this end, I think it is important now to take a deep breath and absorb this growth and learning. Taking stock and reviewing our progress is natural for ICANN, with its many layers of reviews built into the Affirmation of Commitments and our bylaws. Now is the perfect opportunity for this pause and reflection.

Already, discussion of the New gTLD Program has turned from implementation of the current round to when and how ICANN will offer a next round. The groundwork for the review process is being laid now, as comments are being analyzed on the 200-page “Preliminary Issues Report on New gTLD Subsequent Procedures.” Lessons learned since the opening of the application window in January 2012 have been many, and the success of future rounds of gTLD applications will be well served by our collective consideration here.
Also critical to our future success is the work of the Cross Community Working Group on Enhancing ICANN Accountability. As the new accountability mechanisms are finalized and put into place, it will be critical to ensure clarity between the Board, staff and community about how decisions will be made. New mechanisms should be effective and provide a higher level of visibility to all stakeholders, but we must be vigilant that these do not place onerous compliance burdens on the organization. ICANN should not become more bureaucratic in the quest for greater accountability. Moreover, we must stay accountable to the values and principles we’ve evolved since our creation in 1998, as we strive to keep ICANN well governed.

I urge you not to swing the pendulum from global engagement all the way to isolationism. With thoughtful re-examination, I hope that we will carefully pivot to a balanced posture given the trust we built on the global stage. We must maintain the benefits of globalization and the close connections to our stakeholders, while continuing to strengthen our operational capabilities and the quality of services to our community. This is particularly true within the larger world of Internet governance in which we are one small part. As issues such as intellectual property infringement or online privacy are addressed in other fora, ICANN should not lead but must remain engaged, and where necessary and appropriate, shape the discussion and debate and commit to be part of a solution in keeping with our values and mission. We cannot simply put our head in the sand and say that these issues are outside of the logical infrastructure layer in which we operate and thus not of our concern. Some solutions within the economic and societal layers of digital governance require distributed, innovative and collaborative issue-specific networks, of which the technical community depending on the issue sometimes must be a key part. We must remain part of the global conversations on digital governance, aware and ready to act when necessary.

For example, about six or seven months ago Allen Grogan led staff as they began working with the intellectual property community on a path toward voluntary mechanisms for addressing copyright infringement concerns with registries and registrars. In early February, these talks bore fruit as new gTLD registry Donuts announced its agreement with the Motion Picture Association of America (MPAA) through which Donuts will investigate cases of large-scale piracy on the domain names it operates. It is important for ICANN to fulfill its role as a participant in finding solutions to issues in the domain name sphere without being responsible for leading them.
The multistakeholder model of Internet governance is the strongest means for ensuring an open, secure and stable Internet. It brings to the table a diverse group of stakeholders - including governments, technical experts, civil society and businesses - who work toward consensus in policies that guide the operations of the domain name system. ICANN is in many ways the world’s prototype for multistakeholderism. To that end, we should continue to demonstrate to the world how well this unusual model can work. It is not only our responsibility, but also our inevitability, for as Internet governance at the global level continues to evolve, we will not be hidden from view. Our actions, our successes and our failures will be in full view of the world. We must be proud of this, and strive to be that light of the world, that city on a hill that cannot be hidden. At the same time, we must resist the expansion of our remit beyond that envisioned in our creation.

Final Thoughts
I mentioned my gratitude for your support and trust at the beginning of this letter. The opportunities for learning and growth began before I took the job - when I attended the USC Center of Public Diplomacy’s Summer Institute, and never stopped for nearly four years. Your support and your trust in me as a steward of ICANN and the multistakeholder model have been unwavering, even when I made mistakes, no matter how well-intentioned.

The best we can hope for at any juncture is to leave a place better than it was when we arrived. I hope you believe that is the case with ICANN as I depart. I believe we have built a strong foundation for the future in bringing ICANN to the world. Thank you again.

Warm Regards,

Fadi Chehade
Your 6th President and CEO
Exhibit A34
23 June 2015

Thomas Schneider
Chair, ICANN Governmental Advisory Committee

Re: GAC advice re Category 1 Safeguards for New gTLDs

Dear Mr. Schneider:

We understand that there are ongoing discussions within the GAC regarding whether and how the Board New gTLD Program Committee (NGPC) and ICANN have accepted and implemented the GAC’s Category 1 Safeguard Advice. To help inform these discussions, we thought it might be helpful to provide the following overview of the NGPC’s consideration and ICANN’s subsequent implementation of this advice.

In the Beijing Communiqué (April 2013), the GAC advised the Board that “strings that are linked to regulated or professional sectors should operate in a way that is consistent with applicable laws. These strings are likely to invoke a level of implied trust from consumers, and carry higher levels of risk associated with consumer harm.”

- The GAC detailed five (5) safeguards that should apply to a list of strings linked to these sectors. See Annex 1.
- The GAC also identified three (3) additional targeted safeguards that should apply to a limited subset of strings associated with market sectors with clear and/or regulated entry requirements in multiple jurisdictions. See Annex 2.

On 29 October 2013, the NGPC sent a letter to the GAC about its proposed implementation of the Category 1 Safeguard advice in the Beijing Communiqué.

- The NGPC proposed to modify the text of the Category 1 Safeguards as appropriate to meet the spirit and intent of the advice in a manner that allowed the requirements to be implemented as Public Interest Commitments (PICs) in Specification 11 of the New gTLD Registry Agreement. See Annex 3.
- The NGPC also proposed additional PICs for strings associated with inherently governmental functions, and strings that have a risk of cyber bullying/harassment. See Annex 4.
- The NGPC also proposed to distinguish the list of strings between those that the NGPC considered to be associated with market sectors or industries that have highly-regulated entry requirements in multiple jurisdictions, and those that do not. The Category 1 Safeguards in the PIC would apply to the TLDs based on how the TLD string was categorized (i.e. the highly-regulated TLDs would have 8 additional PICs, and the others would have 3 additional PICs). See Annex 5.
In the Buenos Aires Communiqué (November 2013), the GAC reported that, “The GAC welcomed the response of the Board to the GAC’s Beijing Communiqué advice on Category 1 and Category 2 safeguards. The GAC received useful information regarding implementation of the safeguards during its discussions with the New gTLD Program Committee. GAC members asked for clarification of a number of issues regarding Category 2 Safeguards – Restricted Access and look forward to ICANN’s response.”

On 5 February 2014, the NGPC accepted the GAC’s Category 1 Safeguard advice in an iteration of the Scorecard, and directed the President and CEO to implement the advice consistent with the implementation framework originally sent to the GAC in the NGPC’s 29 October 2013 letter.

I hope this information is helpful. Please let us know if you have any questions or concerns.

Sincerely,

Dr. Stephen Crocker
Chair, ICANN Board Of Directors
Annex 1

Beijing Communiqué - Safeguards Applicable to Category 1 Strings

1. Registry operators will include in its acceptable use policy that registrants comply with all applicable laws, including those that relate to privacy, data collection, consumer protection (including in relation to misleading and deceptive conduct), fair lending, debt collection, organic farming, disclosure of data, and financial disclosures.

2. Registry operators will require registrars at the time of registration to notify registrants of this requirement.

3. Registry operators will require that registrants who collect and maintain sensitive health and financial data implement reasonable and appropriate security measures commensurate with the offering of those services, as defined by applicable law and recognized industry standards.

4. Establish a working relationship with the relevant regulatory, or industry self-regulatory, bodies, including developing a strategy to mitigate as much as possible the risks of fraudulent, and other illegal, activities.

5. Registrants must be required by the registry operators to notify to them a single point of contact which must be kept up-to-date, for the notification of complaints or reports of registration abuse, as well as the contact details of the relevant regulatory, or industry self-regulatory, bodies in their main place of business.
Annex 2

Beijing Communiqué - Targeted safeguards for a limited subset of Category 1 strings associated with market sectors with clear and/or regulated entry requirements in multiple jurisdictions.

6. At the time of registration, the registry operator must verify and validate the registrants’ authorisations, charters, licenses and/or other related credentials for participation in that sector.

7. In case of doubt with regard to the authenticity of licenses or credentials, Registry Operators should consult with relevant national supervisory authorities, or their equivalents.

8. The registry operator must conduct periodic post-registration checks to ensure registrants’ validity and compliance with the above requirements in order to ensure they continue to conform to appropriate regulations and licensing requirements and generally conduct their activities in the interests of the consumers they serve.
Annex 3

NGPC Proposal (29 October 2013): Category 1 Safeguards as Public Interest Commitments in Specification 11 of the New gTLD Registry Agreement

1. Registry Operators will include a provision in their Registry-Registrar Agreements that requires registrars to include in their Registration Agreements a provision requiring registrants to comply with all applicable laws, including those that relate to privacy, data collection, consumer protection (including in relation to misleading and deceptive conduct), fair lending, debt collection, organic farming, disclosure of data, and financial disclosures.

2. Registry Operators will include a provision in their Registry-Registrar Agreements that requires registrars at the time of registration to notify registrants of the requirement to comply with all applicable laws.

3. Registry Operators will include a provision in their Registry-Registrar Agreements that requires registrars to include in their Registration Agreements a provision requiring that registrants who collect and maintain sensitive health and financial data implement reasonable and appropriate security measures commensurate with the offering of those services, as defined by applicable law.

4. Registry Operators will proactively create a clear pathway for the creation of a working relationship with the relevant regulatory or industry self-regulatory bodies by publicizing a point of contact and inviting such bodies to establish a channel of communication, including for the purpose of facilitating the development of a strategy to mitigate the risks of fraudulent and other illegal activities.

5. Registry Operators will include a provision in their Registry-Registrar Agreements that requires registrars to include in their Registration Agreements a provision requiring registrants to provide administrative contact information, which must be kept up-to-date, for the notification of complaints or reports of registration abuse, as well as the contact details of the relevant regulatory, or industry self-regulatory, bodies in their main place of business.

6. Registry Operators will include a provision in their Registry-Registrar Agreements that requires registrars to include in their Registration Agreements a provision requiring a representation that the registrant possesses any necessary authorizations, charters, licenses and/or other related credentials for participation in the sector associated with the TLD.

7. If a Registry Operator receives a complaint expressing doubt with regard to the authenticity of licenses or credentials, Registry Operators should consult with relevant national supervisory authorities, or their equivalents regarding the authenticity.
8. Registry Operators will include a provision in their Registry-Registrar Agreements that requires registrars to include in their Registration Agreements a provision requiring registrants to report any material changes to the validity of the registrants' authorizations, charters, licenses and/or other related credentials for participation in the sector associated with the TLD in order to ensure they continue to conform to appropriate regulations and licensing requirements and generally conduct their activities in the interests of the consumers they serve.
Annex 4

NGPC Proposal (29 October 2013): Additional PICs for strings associated with inherently governmental functions, and strings that have a risk of cyber bullying/harassment.

9. Registry Operator will include a provision in its Registry-Registrar Agreements that requires registrars to include in their Registration Agreements a provision requiring a representation that the registrant will take steps to ensure against misrepresenting or falsely implying that the registrant or its business is affiliated with, sponsored or endorsed by one or more country's or government's military forces if such affiliation, sponsorship or endorsement does not exist.

10. Registry Operator will develop and publish registration policies to minimize the risk of cyber bullying and/or harassment.
### Annex 5

<table>
<thead>
<tr>
<th><strong>Regulated Sectors/Open Entry</strong> Requirements in Multiple Jurisdictions (Category 1 Safeguards 1-3 applicable)</th>
<th><strong>Highly-regulated Sectors/Closed Entry Requirements in Multiple Jurisdictions</strong> (Category 1 Safeguards 1-8 applicable)</th>
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<td><strong>Health and Fitness:</strong></td>
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<td>Regulated Sectors/Open Entry Requirements in Multiple Jurisdictions (Category 1 Safeguards 1-3 applicable)</td>
<td>Highly-regulated Sectors/Closed Entry Requirements in Multiple Jurisdictions (Category 1 Safeguards 1-8 applicable)</td>
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Exhibit A35
Por la presente se certifica que el documento que se adjunta es una copia conforme del certificado de registro para la marca comunitaria cuyo número y fecha de registro aparecen a continuación. El documento original puede ser consultado en el enlace de la OAMI http://oami.europa.eu introduciendo el código de identificación indicado más arriba.

Hiermit wird bestätigt, daß die Abschrift, die diesem Beleg beigeheftet ist, eine genaue Abschrift der Eintragungsurkunde ist, die für die Gemeinschaftsmarke mit der nachstehenden Eintragungsnummer und dem nachstehenden Eintragungstag ausgestellt wurde. Das Originaldokument kann mittels Eingabe eines Identifizierungscode bei folgender Webadresse http://oami.europa.eu eingesehen werden.

This is to certify that the attached document is an exact copy of the certificate of registration issued for the Community trade mark bearing the registration number and date indicated below. The original document can be consulted introducing the identification code indicated above at the following OHIM web page link http://oami.europa.eu.

Par la présente, il est certifié que le document annexé est une copie conforme du certificat d'enregistrement délivré pour la marque communautaire portant le numéro et la date d'enregistrement qui figurent ci-après. Le document original peut être consulté sur le site web de l'OHMI http://oami.europa.eu en introduisant le code d'identification indiqué ci-dessus.

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<td>03/11/2009</td>
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</table>

Alicante, 11/03/2013

Guido Fael
Departamento de Apoyo a las Operaciones
Hauptabteilung Unterstützung des Kerngeschäfts
Operations Support Department
Département «Soutien aux opérations»
Dipartimento Supporto alle operazioni
Please find enclosed the certificate of registration for Community Trade Mark No. 008139792 which was published in the Community Trade Marks Bulletin no. 2009/043 on 09/11/2009 (see OHIM's website: http://oami.europa.eu).

This certificate contains information from the Community Trade Marks Register at the date of registration (see code 151 on the certificate). If you have filed a request for modification of data on or after that date, no new certificate will be issued. You will be notified separately of the change after which an extract from our database may be requested to reflect the administrative status of the mark.


If you do not agree with the content of this certificate please do not send back the original. You should instead send the Office a letter indicating your objections, which will be dealt with separately.

Catherine DOBSON

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OHIM – OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET
TRADE MARKS AND DESIGNS

CERTIFICATE OF REGISTRATION

This Certificate of Registration is hereby issued for the Community Trade Mark identified below. The corresponding entries have been recorded in the Register of Community Trade Marks.

Registered / Enregistré 03/11/2009
No 008139792

The President / Le Président
Wubbo de Boer

OHMI – OFFICE DE L’HARMONISATION DANS LE MARCHE INTERIEUR MARQUES, DESSINS ET MODÈLES

CERTIFICAT D’ENREGISTREMENT

Le présent Certificat d’Enregistrement est délivré pour la marque communautaire identifiée ci-joint. Les mentions et les renseignements qui s’y rapportent ont été inscrits au Registre des Marques Communautaires.

The President / Le Président
Wubbo de Boer
OHMI – OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET

TRADE MARKS AND DESIGNS

OHMI – OFFICE DE L'HARMONISATION DANS LE MARCHÉ INTÉRIEUR

MARQUES, DESSINS ET MODÈLES

No 008139792

1/10

BG - Сив, бял, зелен.
ES - Gris, blanco, verde.
CS - Šedá, bílá, zelená.
DA - Grå, hvid, grøn.
DE - Grau, weiß, grün.
EL - Γκρι, λευκό, πράσινο.
ET - Hall, valge, roheline.
FR - Gris, blanc, vert.
IT - Grigio, bianco, verde.
LT - Pilka, balta, žalia.
HU - Szürke, fehér, zöld.
MT - Griż, abjad, afdar.
NL - Grijs, wit, groen.
PL - Szary, biały, zielony.
PT - Cinzento, branco, verde.
RO - Gri, alb, verde.
SK - Sivá, biela, zelená.
SL - Siva, bela, zelena.
SV - Grått, vitt, grönt.

531 1.1.2
1.1.99
24.17.11
27.3.15

732 Roussos, Constantinos
P.O Box 50430, 19 Mesolongiou Street
3604 Limassol
CY

740 CABINET DREYFUS & ASSOCIÉS
78, avenue Raymond Poincaré
75116 Paris
FR

270 EN FR

511 BG - 35

重要意义; обработка; технические и правовые исследования, а также использование и предоставление услуг по разработке и использованию имен на интернет-домене, а также для интернет-адресов; административные услуги по предоставлению имени на интернет-домен в контексте работы на интернет-домене и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адресов; административные услуги по предоставлению имени на интернет-домен и другие услуги для интернет-адре
formáticos, en concreto búsqueda, reserva, registro y admi-
nistración de nombres de dominio de Internet; diseño, creación,
crear y desarrollo de proyectos de Internet; ingeniería y
administración (programación) de redes de telecommunica-
ciones; servicios de consultoría en materia de seguridad electró-
nica y de seguridad de los sistemas de información; peritaje
para la puesta en marcha en terminales de telecomunicacio-
nes, de servidores de base de datos nacionales o internacio-
nales, de centros facilitadores de acceso a una red informáti-
cal; alquiler de ordenadores; entre otros para redes de teleco-
municaciones de acceso privado (intranet) y mundial (Inter-
net); programación de ordenadores; investigación y desarrollo
de nuevos productos; investigaciones científicas para fines
médicos; servicios de actualización de bases de datos y de
programas informáticos; servicios de mantenimiento de progra-
mas informáticos; servicios de creación (elaboración) de
imágenes virtuales e interactivas; servicios de cifrado y co-
dificación de lenguaje informático; servicios de indicación de
sitios de Internet; búsqueda y vigilancia de sitios de Internet;
servicios de albergamiento informático; conversión de docu-
mentos de datos de soporte físico a soporte electrónico; ges-
tión de una plataforma comercial basada en la web de nom-
bres de dominio de Internet y proyectos, estudios de nombres
de dominio de Internet y proyectos, diseño y desarrollo de
proyectos de Internet; consultoría y peritaje en materia de
seguridad informática; control de datos, de señales, y de in-
formación tratados por ordenador o por aparatos e instrumen-
tos de telecomunicación.

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servicios de reserva, registro, mantenimiento y gestión
de nombres de dominio; servicios de búsqueda de nombres
de dominio; servicios de registro de nombre de dominio, en
concreto, coordinación de la asignación de nombres de dominio
y espacio de direcciones; investigación técnica y jurídica sobre
nombres de dominios de Internet.

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Reclamación; obchodní řízení; podnikové řízení; kancelářské fu-
nice; správa databází, správa databází s názvy internetových
domín a s projektů, také obsahujících názvy internetových
domín a jiné internetové adresy; administrativní služby posky-
tované v souvislosti s registrací a přidělováním názvů interme-
tových domín a jiných internetových adres, včetně služeb
kykůchajících se obnovy a postupením.

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Tvorbava (návchováni), instalace, údržba, aktualizace nebo
právní posudok; odborná pomoc v oboru spojů (komunika-
cí) a v információ; počítačové služby; jmenovité výzvum,
rezervace, registrace a administrativa doménových interneto-
vých jmen; různé, tvorbava, hosting, údržba a propagační
internetových webových stránek pro druhé; Tvorbava (návhr) počíta-
čových a komunikačních systémů; inženýrsko-technická služby
pro aplikace ve veřejných a sředních počítačových systémech;
počítačová správa, jmenovité informační management; techni-
cká pomoc při provozu počítačových, telekomunikačních sítí a
sítí pro firemní dat; technické ocenění vzhledem k instalaci
ci telekomunikačních terminálů; technická expertiza zaměře-
ná na doménová jména a internetové projekty; inženýrství a
administrativa (programování) telekomunikačních sítí; konzul-
tace vzhledem k elektronickému zabezpečení a zabezpe-
čení informačních systémů; odborný posudok zaměřený na
zavádění komunikačních terminálů, vrstvostálebních nebo
mikrostrukturálních databázových serverů, dodavatelských středisek
pro přístup počítačové sítí; pronájem počítačů/mimo jiné pro
celosvětovou (internetovou) telekomunikační sítí nebo pro te-
lekomunikační sítí s právním přístupem (intranetovou); počí-
tačové programování; výzkum a vývoj nových vývojní; Víde-
cíky výzkum k lekářským účelům; aktualizace databází a so-
ftwaru; služby související s udržbou počítačového softwaru;
tvorbava virtuálních a interaktivních obrazů; šifrování a kódování
počítačového jazyka; indexování webových stránek; výzkum
a sledování webových stránek; služby alternativního přenosu
dat; převod dokumentace z pevného nosiče na elektronický
nosítří správa komerční platformy na bázi webu s názvy inte-
retových domín s projektů, přetěžem názvy internetových
domén a projektů, návrh a vývoj internetových projektů;
konzultace a hodnocení vzhledem ke k zabezpečení počítačů;
kontrola dat, sdružení a informaci, zpracovávání počítačem
nebo telekomunikačními přístroji a vybavenými.

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Rezervace, údržba a správa názvu domén; vyhledávání do-
ménových názvů; registrace názvu domén, jmenovité koordi-
nace přidělování názvů domén a prostory pro adresy; technický
a právní průzkum vzhledem ke k názvům internetových do-
mén.

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Annonce- och reklamväsend; bistand ved forretningsle-
delse og forretningsadministration; forretningsadministration;
bistand ved varetagelse af kontorogaver; styring af databaser,
styring af databaser og internettelefax; projekt; der ligeledes
inverterer internettelefax; andre internetadresser; administrativa
stenester udbudt i forbindelse med registrering og tildeling af
internetadresse; ordbørkerne forbrug og overdragelse.

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Udarbejdelse (design), installation, vedligeholdelse, opdatering
eller udlejning af software; teknisk assistent inden for tele-
kommunikation og e-bd; computervirksomhed, nemlig sagning
er, reservation, registrering og administration af domæne-
avne til internetet; design, udarbejdelse, hosting, vedligehol-
delse og reklameværk; forretningsværk med andre inter-
netwebsider; design af e-bd-systemer og telekommunikations-
systemer; knowhow i forbindelse med applikationer på store
og mellemstore e-bd-systemer; e-bd-forvaltning, nemlig resour-
cedispension via e-bd; teknisk bistand til anvendelse af e-bd-
et, telekommunikation og datatransmission; teknisk ekspertise
for i brugtagning af telekommunikationsterminaler; teknisk
ekspertise til domænemængder og internetprojekter; ingeniørvirk-
somhed og administration (programmering) af telekommunika-
kationsnet; konsulentstibet, der påvirker elektronisk sikker-
het og informationsssikkerhed; knowhow til implementering af
telekommunikationsterminaler, nationale og internationale
databaseserver samt centre, som udbyder adgang til e-
bnet; udlejning af computer, blandet andet af telekommunika-
tionstværk med global (Internet) eller privat adgang (infra-
et); computer programmering; forskning og udvikling af nye
produkter; videnskabelig forskning med medicinske formål;
opdatering af databaser og software; vedligeholdelse af
software; design (udarbejdelse) af virtuelle og interaktiv film;
udlæsning af inverterer og biler; kryptering og kodekøretning
af e-bd-sprog; indeksering af internetsteder; sletning og overvågning af internetsteder;
e-bd-trafikfinalisering, konvertering af datadokumenter fra fysik-
e til elektroniske medier; styring af en webbaseret kommerci-
elle platform af internettelefax; projekt, overvågning af
internetadresse; teknologisk og ekspertbistand vedrørende
computersikkerhed; overvågning af data, signaler og information, der er behandlet via computer eller telekommunikations-apparater og -instrumenter.

**DA** - 35 Reservation, registrering, vedligeholdelse og styring af domænenavn; søgning i forbindelse med domænenavne; registrering af domænenavn, nemlig koordinering af tilde- ling af domænenavn og adresseplads; tekniske og juridiske undersøgelser i sager vedrørende internetdomænenavn.

**DE** - 35 Werbung; Geschäftsführung; Unternehmensverwaltung; Bü- roarbeit; Verwaltung von Datenbanken; Verwaltung einer Datenbank für Internet-Domainnamen und -Projekte, die auch Internet-Domainnamen und andere Internet-Adressen enthal- ten; Verwaltungsdienstleistungen im Zusammenhang mit der Anmeldung und Zuteilung von Internetadressen und anderen Internet-Adressen, einschließlich Verlängerungs- und Zuweisungsdienste.

**DE** - 42 Entwicklung (Gestaltung), Installation, Pflege, Aktualisierung oder Vermietung von Computersoftware; technische Unter- stützung in den Bereichen Telekommunikation und Informatik; Leistungen auf dem Gebiet der Informatik, nämlich Suche nach, Reservierung, Anmeldung und Verwaltung von Domain- namen im Internet; Entwurf, Erstellung, Hosting, Pflege und Förderung von Internetwebsites für Dritte; Design von Daten- verarbeitungs- und Telekommunikationssystemen; Ingenieur- arbeiten für Anwendungen auf großen und mittleren DV-Syste- men; Betriebserdienste im Bereich der Datenverarbeitung, nämlich Dienstleistungen im Bereich Information Management; technische Hilfe beim Betrieb von Computer-, Telekommuni- kations- und Datenübertragungsnetzen; technische Gutachten zum Einsatz von Telekommunikationsteminals; technische Begutachtung von Domainnamen und Internetprojekten; Entwicklung und Verwaltung (Programmierung) von Telekom- munikationsnetzen; Beratung zum Thema elektronische Sicher- heit und Sicherheit von Datensystemen; Gutachten zum Ein- satz von Telekommunikationsservern; Anwendungen auf der Basis von Internet- und Intranet-Adressen; Dienstleistungen zur Erstellung von Websites; Design von Internetwebsites; Entwicklung von Websites; Pflege von Websites; Erstellung; virtueller und interaktiver Bilder; Verschüssele und Kodie- rung von Computersprachen; Indexierung von Internetseiten; Recherche und Überwachung von Internetseiten; Dienstleistun- gen zur Erstellung der Datenverarbeitung; Konvertierung von Dokumenten von einem materiellen auf einen elektronischen Träger; Management einer webbasierten kommerziellen Plattform für Internet-Domainnamen und -Projekte; Prüfung von Internet-Domainnamen und -Projekten; Entwurf und Ent- wicklung von Internet-Projekten; Beratung und Begutachtung im Bereich Sicherheit in der Informatik; Überwachung von Daten, Signalen und Informationen, die von Computern oder von Telekommunikationsservern verarbeitet wurden.

**DE** - 45 Reservierung, Registrierung, Aufrechterhaltung und Verwal- tung von Domain-Namen; Recherche in Bezug auf Domain- namen; Domain-Namen-Registrierung; nämlich Koordination der Zuweisung von Domain-Namen und Adressräumen; techni- nische und juristische Recherchen in Bezug auf Internet-Domai- nennamen.

**ET** - 42 Avutšarkava väljatöötamine (kavandamine), installeerimine, hooldamine, uuendamine või rentimine; side ja informaatika validkonda puudutav tehnilise nõustamine; arutlusees, nimelt Interneti domeeninimede obing, registreerimine, re- gistreerimine ja haldamine; kolmandatele isikutele Interneti veebiside ja projektide raiskamine; loomine, hooldamine ja edendamine; Arvu- ja sidesüsteemide väljatöötamine (projektiühendamine); suure ja keskmise suurusega arvusüsteemi- emide inseneritee; uuendused; uuendus- ja määrustedeenused.

**ET** - 45 Domeeninimede broneerimine, registrimine, hooldamine; domeeninime obing; uuendused; uuendus- ja määrustimedeenused, nimelt Interneti domeeninime ja projektide osas; side- võrkude projektid ja administrimine (programmmeer- mine); konsultatsiooni elektronilise turve ja infotele- ja määrustedeenused.

**EL** - 35 Κατανομή σεντρικά σε διευθυντικά χώρους, καθώς και υπηρεσίες παρεχόμενες σε σχέση με την καταχώριση και καταχώρηση αναλόγων τομέων και άλλων διαδικτυακών διευθύνσεων; διοίκηση τηλεπικοινωνιών και της πληροφορικής· υπηρεσίες διοικητικής διείγειας, όπως φέρουν την επίκαιρη ανανέωση των διαδικτυακών διευθύνσεων και των πληροφορικών υπηρεσιών, ιδίως των πληροφορικών λογισμικών, των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών, των πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών των υπηρεσιών πληροφορικών και των πληροφορικών λογισμικών
MARKET TRADE MARKS AND DESIGNS

EN - 35 Publicité; gestion des affaires commerciales; administration commerciale; travaux de bureaux de réservation de bases de données, gestion d’une base de données pour noms de domaines et projets Internet, contenant également des noms de domaines sur l’Internet et d’autres adresses sur l’Internet; services administratifs fournis en rapport avec l’enregistrement et l’utilisation de noms de domaine sur l’Internet et autres adresses sur l’Internet, y compris services de renouvellement et d’affacement.

EN - 42 Elaboration (conception), installation, maintenance, mise à jour ou location de logiciels; services d’assistance technique dans le domaine des télécommunications et informatiques; services informatiques, à savoir recherche, consultation, enregistrement et administration de noms de domaine Internet; conception, création, hébergement, maintenance et promotion des sites sur l’Internet pour le compte de tiers; Elaboration (conception) de systèmes informatiques et de télécommunications; services d’ingénierie d’applications sur grands et moyens systèmes informatiques; services de garantie informatique, à savoir services d’infogérance informatique; services d’aide technique à l’exploitation de réseaux informatiques, de télécommunications et de transmission de données; expertise technique pour la mise en œuvre de terminaux de télécommunications; expertise technique pour noms de domaine et projets Internet; ingénierie et administration (programmation) de réseaux de télécommunication; services de consultation en matière de sécurité électronique et de sécurité des systèmes d’information; expertise pour la mise en œuvre de terminaux de télécommunications, de serveurs de base de données nationaux ou internationaux; devises, fournisseurs d’accès à un réseau informatique, location d’ordinateurs, entre autres réseaux de télécommunications à accès mondial (Internet) ou à accès privé (Intranet); programmation pour ordinateurs; recherche et développement de nouveaux produits; recherches scientifiques à but médical; services de mise à jour de base de données et de logiciels; service de maintenance de logiciels; services de créations...
(élaboration) d'images virtuelles et interactives; services de cryptage et de codification de langage informatique; service d'indexation des sites Internet; recherche et surveillance de sites Internet; services de déléstage informatique; conversion de documents d'un support physique vers un support électronique; gestion d'une plateforme commerciale basée sur le web de noms de domaines et de projets internet, surveillance des noms de domaine et projets internet, conception et développement de projets internet; consultation et expertise en matière de sécurité informatique; surveillance de données, de signaux et d'informations traitées par ordinateurs ou par appareils et instruments de télécommunications.

FR - 45 services de réservation, d'enregistrement, d'entretien et de gestion de noms de domaines; services de recherche de noms de domaine; services d'enregistrement de noms de domaine, à savoir, coordination de l'utilisation d'espaces d'adresses et de noms de domaine; recherche technique et juridique concernant les noms de domaine sur l'internet.

IT - 35 Pubblicità; gestione di affari commerciali; amministrazione commerciale; lavori di ufficio; gestione di banche dati, gestione di una banca dati di nomi di dominio per Internet e progetti, contenente inoltre domi di dominio per Internet ed altri indirizzi su Internet; servizi amministrativi forniti in relazione alla registrazione e all'assegnazione di nomi di dominio su Internet e altri indirizzi Internet, compresi servizi di rinnovo e assegnazione.

IT - 42 Elaborazione (progettazione), installazione, manutenzione, aggiornamento o noleggio di software; servizi d'assistenza tecnica nel settore delle telecomunicazioni e informatico; servizi informatici, ovvero ricerca, prenotazione, registrazione e amministrazione di nomi di dominio Internet; elaborazione, creazione, concessione, manutenzione e promozione di siti Internet per conto terzi; Elaborazione (progettazione) di sistemi informatici e di telecommunicatione; ingegneria delle applicazioni per sistemi informatici di grande e media entità; gestione informatica, ovvero gestione di sistemi informativi; assistenza tecnica alla gestione dei reti informatiche, di telecomunicazione e di trasmissione dati; perizie tecniche relative alla messa in opera di terminali di telecomunicazione; perizie tecniche per nomi di dominio e progetti Internet; ingegneria e amministrazione (programmazione) di reti di telecomunicazione; consulenza in materia di sicurezza elettronica e di sicurezza dei sistemi informatici; perizie per l'installazione di terminali di telecomunicazione, di server di banche dati nazionali o internazionali, di centri di fornitura d'accesso ad una rete informatica; noleggio di computer/trà l'altro per reti di comunicazione globali (Internet) o ad accesso privato (Intranet); programmazione per computer; ricerca e sviluppo di nuovi prodotti; ricerca scientifica per finalità mediche; aggiornamento di banche dati e di software; manutenzione del software; creazione (elaborazione) di immagini virtuali e interattive; criptazione e codifica di linguaggi informatici; indicizzazione di siti Internet; ricerca e controllo di siti Internet; servizi di netlinket dei sistemi informatizzati; conversione di documenti da supporti fisici verso supporti elettronici; gestione di una piattaforma commerciale su Web di una banca dati di nomi di dominio per Internet e progetti, relazione per nomi di dominio su Internet e progetti, prenotazione, registrazione e gestione di nomi di dominio; ricerca di nomi di dominio; registrazione di nomi di dominio, ovvero coordinamento dell'assegnazione di nomi di dominio e spazi per indirizzi; ricercbe tecniche e giuridiche riguardanti nomi di dominio su Internet.

LV - 35 Reklāma; darījumu vārdnīca; uzņēmumu pārvaldīšana; biroja darbu datubāzi pārvaldība, datubāzes pārvaldība internetu domēnu vārdiņi un projektēm, ari sākt interneta domēnu vārdus un citas interneta adrese piešķiršanu un reģistrēšanu, ietvert aizjauninātās un pielikumus pārvaldījumus.

LV - 42 Izstrāde (projektieta), instalācija, uzņēmuma, palaišana vai datoru programmu noma; tehniskā palīdzība informātikā un telekomunikācijā domēnā; datoru pārvaldījum, projektieta, internetu domēnu vārdu izpilde, rezervēšana, reģistrēšana un administrēšana; interneta ķieģeļa vieta izstrāde, izveide, mūžināšana, apkope un veicināšana cilien; Datorsistēmu un telekomunikāciju kāju izstrāde (projektieta); inženierizējumu pārvaldījumu ietekmē un videjo liežu datorizētās sistēmas; datorizēta vārdē, proti, datorizēta informācijas vārdē; tehniska palīdzība attiecībā uz datoru, telekomunikāciju ķieģeļu un datu pārārides ķieģeļu eksploatacijā; tehniska ekspertizē telekomunikāciju terminalu darbināšanai; tehniska ekspertizē izveidojuma projektu un domēnu vārdā; datorizētā programmu izstrāde; sertificētās lidotavas, proti, domēnu vārdu darbinība ar datoru programmu;
mas, įregistravimas ir administravimas; interneto tinklaviečių projektavimas, kūrimas, priegloba ir reklamavimas kitų labui; techninės ir administravimo programų techninės priežiūros paslaugos; kompiuterinių valdymo paslaugos, būtent kompiuterinių informacijos valdymo paslaugos; techniškų pagalbos paslaugos eksploatauojant kompiuterių, interneto, telekomunikacinius tinklus ir perdoviant duomenis; techninės technikos ekspertizės telekomunikacijų terminalų pateleidimui; techniniai tyrimai domenų pavadinimų ir internetinių projektų srityje; telekomunikacinių tinklų inžinerija ir administravimas (programavimas); koncesijos elektroninio saugumo ir informacinių sistemų saugumo klausimais; telekomunikacijos terminalų, nacionalinių ir tarptautinių duomenų bazės serverių, kompiuterinio tinklo tekstų centrado tyrimai; kompiuterių rizikos, kai katra iki patalpintų internete arba prieiga (intranetu) prie telekomunikacijų tinklų; kompiuterių programų sudarymas; naujų programų tyrimas ir kūrimas; Mokslinei tyrimams atliekamų duomenų bazės ir programinės įrangos atnaujinimo palaugs; kompiuterių programinės įrangos priežiūros paslaugos; virtualūs ir interaktiškas vaizdo kūrimas; kompiuterinius kalbos šifravimo ir įskaidavimo paslaugos; internetinių svetainių įskaidavimo paslaugos; internetinių svetainių projektavimas ir priežiūra; kompiuterinių perėmimų sumažinimas; dokumentų konversija į fizinės laikmenos į elektroninę laikmeną; įzinio ir pagalbos veiksniai interneto domeno vardo ir projekto komerčinės platformos tvarkymas, tyrimai domeno vardo ir projektų srityje, interneto projektų kūrimas ir plėtra; konsultavimas ir ekspertizės informacinių saugumo srityje; kompiuterių ar prietaisai bei telekomunikacijai įsikūrė apdorotų duomenų, ženklių ir informacijos priežiūra; domenų vardo registruojimas ir kūrimas, pagal interneto tinklaviečių projektavimą, kūrimą, prieglobą ir reklamavimą kitų laimėjimus; pagal interneto tinklaviečių projektavimą, kūrimą, prieglobą ir reklamavimą kitų laimėjimus.
u’ ta’ informazzjoni pproċessati minn kompjuters jew minn apparat u strumenti tat-telekomunikazzjoni.

MT - 45
Servizzi ta’ riservazzjoni, registrazzjoni, manutenzjoni u ġestjoni ta’ ismijiet ta’ domijju; servizzi ta’ indagni dwar i’tismisjiet ta’ domijju; servizzi ta’ registrazzjoni ta’ ismijiet ta’ domijju, jiżiffi koordinament tal-assennazzjoni ta’ ismijiet ta’ domijju u ta’ spazju ta’ indirizzi;rčekka teknika u legati relati ma’ ismijiet ta’ domijju tat-Internet.

NL - 35
Reclame; beheer van commerciële zaken; zakelijke administratie; administratieve diensten,beheer van databases, beheer van een database voor internedomeinennamen en -projecten, ook met internedomeinennamen en andere internetadressen; administratieve diensten in het kader van de registratie en toekenning van Internet domeinnamen en andere Internet-adressen, met inbegrip van vernieuwingen en overdrachten.

NL - 42
Ontwikkeling (ontwerp), installatie, onderhoud, upgrading of verhuur van software; technische bijstand op het gebied van telecommunicatie en informatica; computerdiensten, te weten onderzoek, reservering, registratie en administratie van inter-netdomeinennamen;ontwerp, creatie, hosting, onderhoud en promotie van websites op internet voor derden; Het ontwikkel- len (creëren) van computerobjecten en communicatiesystemen; ingenieursdiensten inzake toepassingen voor grote en middelgrote computersystemen; computerbeheer, te weten computerinformatiebeheer; technische hulp bij de exploitatie van computer- en telecommunicatienetwerken en netwerken voor datatransmissie;technische expertise op het gebied van de inwerkingstelling van telecommunicatieterminals; techni- sche expertise inzake domeinnamen en internetprojecten; ingenieursdiensten en administratie (programmering) van telecommunicatienetwerken;advies op het gebied van elektronis- nisering; beveiliging en beveiliging van informatiesystemen; expertise voor de inwerkingstelling van telecommunicatieter- minals; nationale of internationale databaseservers, providers voor toegang tot een computernetwerk; computerverhuur;waar- onder voor wereldwijde telecommunicatienetwerken (internet) of telecommunicatienetwerken met particuliere toegang (intra-net); computerprogrammering; onderzoek en ontwikkeling van nieuwe producten; wetenschappelijk onderzoek voor medische doeleinden; updating van databases en software; onderhoud van software; ontwikkeling (uitwerking) van virtuele en interactieve beeld; coderen en codificatie van computer- taal; indexeren van internetadressen; onderzoek en beveiliging van internetadressen; uitbesteding van computeractiviteiten; con- versie van gegevensdocumenten van fysieke naar elektronische media;beheer van een commercieel platform op het web van internetdomeinennamen en -projecten, onderzoek met be- trekking tot internetdomeinennamen en -projecten, ontwerp en ontwikkeling van internetsiteprojecten;raadgiving en expertise op het gebied van computerbeveiliging; beveiliging van gege- vers, signalen en informatie verwerkt door de computer of telecommunicatiediensten en -instrumenten.

NL - 45
diensten voor het reserveren, registreren, onderhouden en beheren van domeinnamen; zoekdiensten met betrekking tot domeinnamen;registratie van domeinnamen, te weten het coördineren van de toewijzing van domeinnamen en adres-ruimte;technisch en juridisch onderzoek met betrekking tot internetdomeinennamen.

PL - 35
Reklama, zarządzanie w działalności handlowej; czynności biurowe; zarządzanie bazami danych, zarządzanie bazą danych dla nazw i projektów domen internetowych, również zawierające nazwy domen in-
ternetowych i inne adresy internetowe; usługi administracyjne świadczone w związku z rejestrowaniem i przypisywaniem nazwy domen internetowych oraz innych adresów internetowych, w tym usługi w zakresie odnawiania i przypisywania.

PL - 45
Opracowywanie, projektowanie, instalacja, utrzymanie, aktualizowanie lub wynajmowanie oprogramowania kompute-
rowego; pomoc techniczna w dziedzinie informatyki i teleko-
munikacji; usługi informatyczne, mianowicie: wyszukiwanie, reszerzacja, rejestracja i administracja w zakresie nazwy domen internetowych;projektowanie, tworzenie, hosting, konserwacja i promocja witryn internetowych na rzecz osób trzecich; Pro-
jetowanie systemów informatycznych i telekomunikacyjnych; techniczna obsługa aplikacji w dużych i małych systemach komputerowych; usługi w zakresie zarządzania informacyj- nego, mianowicie usługi dotyczące informozdawczości informa-
tycznego; usługi pomocy technicznej w użytkowaniu sieci in-
formatycznych, telekomunikacyjnych i przesyłających dane;eks-
pertyza techniczna w zakresie instalacji terminali telekomi-
unikacyjnych; ekspertyza techniczna w zakresie nazw domen i projektów internetowych; usługi w zakresie inżynierii i zarzą-
dzania (programowanie) dotyczące sieci telekomunikacyj-
nych/konsultacje w dziedzinie bezpieczeństwa elektronicznego i bezpieczeństwa systemów informatycznych; ekspertyzy w celu instalowania terminali telekomunikacyjnych, serwerów baz danych krajowych lub międzynarodowych, centrów za-
pewniających dostęp do sieci informatycznej, wynajem kom-
puterów;meżdzy innymi dla globalnych (internetowych) lub prywatnego dostępu (intranetowych) sieci telekomunikacyj-
nych; programowanie komputerów; prace badawczo-rozwojo-
we nad nowymi produktami; Badania naukowe o charakterze medycznym; usługi w zakresie aktualizacji baz danych i oprogramowania komputerowego; konserwacja oprogramo-
wanie komputerowego; tworzenie obrazów wirtualnych i inte-
traktywnych; usługi kodowania i dekodowania do celów łącz-
ności; indeksacja stron internetowych; wyszukiwanie i nadzór nad stronami internetowymi; usługi oddziedziczania informatycz- nego; konwersja dokumentów z nośnika fizycznego na nośnik elektroniczny;zarządzanie platformą handlową opartą na wi-
trynie internetowej, zawierającą nazwy i projekty domen in-
ternetowych; badanie nazw i projektów domen internetowych, projektowanie i rozwój projektów internetowych;konsultacje i ekspertyzy w sprawach bezpieczeństwa informatycznego; monitorowanie danych, sygnałów i informacji przetwarzanych komputerowo lub przy pomocy aparatury i sprzętu teleku-
monikacyjnego.

PL - 45
Rezervacja, rejestracja, utrzymanie i zarządzanie nazwami domen; usługi w zakresie wyszukiwania nazw domen;usługi w zakresie registrowania nazwy domen, mianowicie koordynacja przypisywania nazwy domen i przestrzeni adresów;badania techniczne i prawne dotyczące nazw domen internetowych.

PL - 35
Publicidade; gestão dos negócios comerciais; administração comercial; trabalhos de escritório;gestão de bases de dados, gestão de uma base de dados para nomes de domínio e projectos no Internet, também contendo nomes de domínio da Internet e outros endereços na Internet; fornecimento de serviços administrativos relacionados com o registro e a atribuição de nomes de domínio e de outros endereços da Internet, incluindo serviços de renovação e de atribuição.

PL - 42
Elaboração (concepção), instalação, manutenção, actualiza-
go ou aluguer de software; serviços de assistência técnica no domínio das telecomunicações e informática; serviços in-
formáticos, nomeadamente pesquisa, reserva, registo e ad-
ministração de nomes de domínio na Internet; projecto, cria-

Identification Code: 2Y2EPYMXVLOL17XX75GBSDA
ção, hospedagem, manutenção e promoção de sítios Web na Internet, para terceiros; Elaboração (concepção) de sistemas de telecomunicações e de transmissão de dados; peritagem técnica para a implementação de terminais de telecomunicação; peritagem técnica para nomes de domínio e projetos na Internet; engenharia e administração (programação) de redes de telecomunicações; serviços de consultoria em matéria de segurança eletrônica e de segurança dos sistemas de informação; peritagem para a implementação de terminais de telecomunicações, de servidores de bases de dados nacionais ou internacionais, de centros fornecedores de acesso a uma rede informática; aluguer de computadores; para redes de telecomunicações mundiais (Internet) ou de acesso privado (Intranet), entre outras; programação para computadores; investigação e desenvolvimento de novos produtos; investigação científica com fins medicinais; serviços de actualização de bases de dados e de software; serviços de manutenção de software; serviços de criação (elaboração) de imagens virtuais e interactivas; serviços de encriptação e de codificação de linguagem informática; serviços de indexação de sites Internet; pesquisa e vigilância de sites Internet; serviços de desvio automático de tráfego informático; conversão de documentos de um suporte físico para um suporte eletrónico; gestão de uma plataforma comercial baseada na Web de nomes de domínio e projetos na Internet, realização de estudos para nomes de domínio e projectos na Internet, concepção e desenvolvimento de projectos para a Internet; consultadoria e peritagem em matéria de segurança informática; Vigilância de sites, de sinais e de informações tratados por computadores ou por aparelhos e instrumentos de telecomunicação.

PT - 45 serviços de reserva, registo, manutenção e gestão de nomes de domínio; serviços de pesquisa de nomes de domínio; serviços de registo de nomes de domínio, nomeadamente coordenação da atribuição de nomes de domínio e espaço para endereços; investigação técnica e jurídica relacionada com nomes de domínio na Internet.

RO - 35 Publicitate; managementul afacerilor; administrarea afacerilor; funcții administrative/gestionare de baze de date, gestionare de baze de date pentru denumiri și proiecte de domenii na Internet, care conțin de asemenea denumiri de domenii de Internet și alte adrese de Internet; servicii administrative furnizate în legătura cu înregistrarea și alocarea de denumiri de domenii de internet și alte adrese de internet, inclusiv servicii de reînnoire sau alocare.

RO - 42 Elaborare (proiectare), instalare, întreținere, actualizare sau închiriere de software de calculator; servicii de asistența tehnică în domeniul telecomunicațiilor si informaticii; servicii informatici, si anume ceretate, rezervare, înregistrare si administrație de nume de domeniu pe internet;proiectare, creare, găzduire, întreținere și promovare de site-uri web de Internet pentru terți; Elaborare (proiectare) de sisteme informatiche si de telecomunicatie; servicii tehnice pentru aplicatie pe sisteme mari și medi de calculatoare; servicii de operator in materie de prelucrare de date, si anume servicii de informații despre rețelele informatiche, de telecomunicatie si de transmisie de date;expertiză tehnică pentru punerea în functionare de terminal de telecomunicație; expertiza tehnică pentru nume de domeniu si proiecte de internet; ingerire si administrare (programare) de retele de telecomunicatie;servicii de consultanta în materie de siguranta electronică și de siguranța a sistemelor de informare; expertiza pentru punerea în practica de terminale de telecomunicatii, de servere de baze de date nationale sau internationale, de centre furnizatoare de acces la retea informatica; închiriere de calculatoare, printre altele pentru rețele de telecomunicatii worldwide (Internet) sau cu acces privat (intranet); programare pentru calculatoare; cercetare și dezvoltare de produse noi; cercetare stilistică în scop medical; servicii de actualizare de baze de date si de software; servicii de intreținere a aplicațiilor software; creare de imagini virtuale și interactive; servicii de criptare si de codificare de limbaj informatic; servicii de indexare de site-uri de internet; cercetarea si supravegherea de site-uri de internet; servicii pentru decongestionarea prelucrarii de date; conversie de documente dintr-un suport fizic catre un suport electronic; gestionarea unei platforme comerciale pe bază de web de denumiri și proiecte de domenii de Internet, cercetarea pentru denumiri și proiecte de domenii de Internet, programare și dezvoltare de produse noi; consultanta și expertiza în materie de siguranta informatica; supravegherea datelor, a semnalor si a informații prelucrate de calculatoare sau de aparate si instrumente de telecomunicatii.
odľahčenia; konverzia dokumentov z fyzického nosiča na elektronický nosič; správa webových komerčných platform s názvami internetových domén a projektov, prieskum názvov internetových domén a projektov, navrhovanie a vývoj internetových projektov; konzultácie a oceňovanie v oblasti počítačovej bezpečnosti; kontrola (dozor) dát, signalú a informácií spracovaných počítačmi alebo telekomunikačnými prístrojmi a zariadeniami.

- 45 Služby v oblasti rezervovania, registrácie, údržby a správy názvov domén; služby vyhľadávania názvov domén; služby v oblasti registrácie názvov domén, menovite koordinácia prírastovanie názvov domén a address technicky, a právny výskum v oblasti názvov internetových domén.

- 35 Oglasná dejavnosť: vedenie komerčných poslov; poslovecká administrácia, pedanšný postup, upravovanie podatkových baz, upravovanie podatkové baze za internetná domenská imena a projekty, ktoré všeobecné tiež internetná domenská imena a iné internetné naslovy; administratívne storitev, núdne v zvezi s registráciou a dodržiavajú imen internetných domén a iných internetových naslofov, vkladne storitev obnovovne a določitevé.

- 42 Izdavanie (oblikovanie), návrhovanie, vizualizácia, poslovanie alebo nápjava račuľníckého programového olope. storitev technicke podpore na telekomunikáciou a račuľníckem področju; račuľnícké storitev, a sicer ickanie, registracia, registrácia a upravovanie internetných domenských imen; oblikovanie, nakrúčovanie, gosťovanie a vývoj internetných společenských stratie na druhé; izdavanie (oblikovanie) račuľníckych a telekomunikácijských storitev; technicke storitev za návrhovanie na vešte a sínne račuľnícké systémy; storitev račuľníckeho upravovania in storitev storitev z návrhu inzajovania račuľníckich storitev, storitev technicke podpore pri upravovaniu račuľníckich, telekomunikácijských omejzí a omejze za prenos podatkov; technicke externa kozietka za izdavanie telekomunikácijských terminalov; technicke externa kozietka za domenská imena in internetne projekty; izdavanie in registrácie upravovania in upravovanie internetných internetských in vámovom technickeho programovania; izdavanie technickeho, technickeho in interaktívnych sil; storitev šíření a kodifikácie račuľníckeho jezika; storitev/izdavanie jazykových společenských stratie; izdavanie a nakrúčovanie inkoordinácie račuľníckych in projektov; izdavanie (oblikovanie) račuľníckych prístrojov a aparátov.

- 45 Storitev rezervácie, registrácie, vizualizácia a upravovanie domenských imen; storitev ickanie imena domene; storitev regi-strácie domenských imen, in storitev uskúšanie dodelovania domenských imen in prostora za naslove; technicke in právne razikaze v zvezi s internetnimi domenskimi imeni.

Mainonta; liikkeentohto; yrityshallinto; toimistotietotiedot; tietokanontoriihallinta, sellaisen Internetin verkkoturvausta ja projektien tietokannon hallinta, jossa on Internetin verkkoturvausta ja muita Internet-osoitteita, Internet-verkkoturvausta ja muiten Internet-osoitteiden tietoturva-

- 42 Ohjeistosten laadinta (suunnittelu), asennus, ylläpito tai vuokraus; tekniset avustuspalvelut tietoliikenneteko ja tieto-

tekniikan alollä; tietotekniikan palvelut, nimitetään Internetin verkkoturvausten tutkimus, varaus, rekisterintorii ja hallinto/in-

- 45 Verkkoturvausten varoamis-, rekisterintorii-, ylläpito- ja hallintopalvelut; verkkoturvausten etiittäpalvelut; verkkoturvausten rekisterintorii-palvelut, nimitetään verkkoturvausten ja osoitettait

- 42 Annons- och reklamverksamhet; företagsledning; företagsad-

- 45 Utveckling (utformning), installation, underhåll, uppdatering eller utförning av programvara; teknisk assistans inom dator-

- 42 Utveckling (utformning), installation, underhåll, uppdatering eller utförning av programvara; teknisk assistans inom dator-

- 35 OHMI – OFFICE OF HARMONIZATION IN THE INTERNAL MARKET

TRADE MARKS AND DESIGNS

OHMI – OFFICE DE L'HARMONISATION DANS LE MARCHÉ INTÉRIEUR
MARQUES, DESSINS ET MODÈLES

OHMI – OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET

TRADE MARKS AND DESIGNS

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MARQUES, DESSINS ET MODÈLES

OHMI – OFFICE OF HARMONIZATION IN THE INTERNAL MARKET

TRADE MARKS AND DESIGNS

OHMI – OFFICE DE L'HARMONISATION DANS LE MARCHÉ INTÉRIEUR
MARQUES, DESSINS ET MODÈLES
ter vid drift av dator-, telekommunikations- och dataöverföringsnät; teknisk expertis inom implementering av telekommunikationsterminaler; teknisk expertis för domännamn och Internetprojekt; teknik och administration (programmering) av telekommunikationsnät; säkerhetskonsultation avseende elektronisk säkerhet och säkerhet hos informationssystem; expertis för implementering av telekommunikationsterminaler, nationella och internationella databaservrar och centra för åtkomst av ett datornät; utnyttning av datorer; bland annat för global (Internet) eller privat åtkomst (intranät) till telekommunikationsnät; datorprogrammering; forskning och utveckling av nya produkter; vetenskaplig forskning för medicinska ändamål; uppdatering av databaser och programvara; underhåll av programvara; tjänster avseende skapande av virtuella och interaktiva bilder; kryptering och kodning av datorspråk; indexering av Internetplatser; tjänster avseende avlastning av datorer; omvandling av dokument från fysisk till elektronisk media; hantering av en webbaserad kommersiell plattform för Internetdomännamn och projekt, inspektion för Internetdomännamn och projekt, design och utveckling av Internetprojekt; konsultation och expertis avseende datasäkerhet; övervakning av data, signaler och information som bearbetats med hjälp av dator eller apparater och instrument för telekommunikation.

SV - 45
reservation, registrering, underhåll och hantering av domännamn; särtycken avseende domännamn; domännamnsregistrering, nämligen samordning av tilldelning av domännamn och adressutrymme; teknisk och juridisk forskning relaterad till Internetdomännamn.
Exhibit A36
Trademark is **“MUSIC”**

Channel of Trade and Classes: Domain Names

Owner / Registrant of Trademark: DotMusic Limited
Exhibit A37
Por la presente se certifica que el documento que se adjunta es una copia conforme del certificado de registro para la marca comunitaria cuyo número y fecha de registro aparecen a continuación.

El documento original puede ser consultado en el enlace de la OAMI http://oami.europa.eu introduciendo el código de identificación indicado más arriba.

Hiermit wird bestätigt, daß die Abschrift, die diesem Beleg beigefügt ist, eine genaue Abschrift der Eintragungsurkunde ist, die für die Gemeinschaftsmarke mit der nachstehenden Eintragungsnummer und dem nachstehenden Eintragungstag ausgestellt wurde. Das Originaldokument kann mittels Eingabe eines Identifizierungscode bei folgender Webadresse http://oami.europa.eu eingesehen werden.

This is to certify that the attached document is an exact copy of the certificate of registration issued for the Community trade mark bearing the registration number and date indicated below.

The original document can be consulted introducing the identification code indicated above at the following OHIM web page link http://oami.europa.eu.

Par la présente, il est certifié que le document annexé est une copie conforme du certificat d'enregistrement délivré pour la marque communautaire portant le numéro et la date d'enregistrement qui figurent ci-après.


Con la presente si certifica che il documento allegato è una copia conforme del certificato di registrazione per il marchio comunitario contrassegnato dal numero e dalla data di registrazione riportati sotto.

Il Documento originale può essere consultato introducendo il codice di identificazione sopra indicato, nel indirizzo http://oami.europa.eu della pagina Web della UAMI.

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Alicante, 12/03/2013

Guido Fael

Departamento de Apoyo a las Operaciones
Hauptabteilung Unterstützung des Kerngeschäfts
Operations Support Department
Département «Soutien aux opérations»
Dipartimento Supporto alle operazioni
Certificate of Registration

Registration No.: 008139834
Your reference: 
Trade Mark: dotmusic
Applicant: Constantinos Roussos
Contact Information Redacted

Please find enclosed the certificate of registration for Community Trade Mark No. 008139834 which was published in the Community Trade Marks Bulletin no. 2009/044 on 16/11/2009 (see OHIM’s website: http://oami.europa.eu).

This certificate contains information from the Community Trade Marks Register at the date of registration (see code 151 on the certificate). If you have filed a request for modification of data on or after that date, no new certificate will be issued. You will be notified separately of the change after which an extract from our database may be requested to reflect the administrative status of the mark.


If you do not agree with the content of this certificate please do not send back the original. You should instead send the Office a letter indicating your objections, which will be dealt with separately.

Catherine DOBSON

OHIM – OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET
TRADE MARKS AND DESIGNS

CERTIFICATE OF REGISTRATION

This Certificate of Registration is hereby issued for the Community Trade Mark identified below. The corresponding entries have been recorded in the Register of Community Trade Marks.

Registered / Enregistré 11/11/2009
No 008139834

The President / Le Président
Wubbo de Boer

Copia Certificada / Beglaubigte Abschrift / Certified Copy / Copie Certifiée / Copia Autenticata
Certificado de registro de marca comunitaria / Eintragungsurkunde der Gemeinschaftsmarke / Registration certificate of community trade mark / Certificat d'enregistrement de marque communautaire / Certificato registrazione di marchio comunitario

Identification Code: Z6Q2XGE72W4MTOV4VEUW7SIYJA
210 008139834 220 05/03/2009 400 06/07/2009 151 11/11/2009 450 16/11/2009 186 05/03/2019 541 dotmusic 521 0 546

BG - Сив, бял и зелен.
ES - Gris, blanco y verde.
CS - Šedá, bílá a zelená.
DA - Grå, hvid og grøn.
DE - Grau, weiß und grün.
EL - Παπαδάκης, λευκό και πράσινο.
EN - Grey, white and green.
FR - Gris, blanc et vert.
IT - Grigio, bianco e verde.
LV - Pilks, balts un zaļš.
LT - Pilka, balta ir žalia.
NL - Grijs, wit en groen.
PL - Szary, biały i zielony.
PT - Cinzento, branco e verde.
RO - Gălbui, alb și verde.
SK - Sivá, biela a zelena.
SL - Siva, bela in zelena.
SV - Grått, vitt och grönt.

531 1.1.2 1.1.12 24.17.11 27.3.15

732 Roussos, Constantinos P.O Box 50430, 19 Mesolongiou Street 3604 Limassol CY

740 CABINET DREYFUS & ASSOCIÉS 78, avenue Raymond Poincaré 75116 Paris FR

270 EN FR

511 BE - 42 Реклама; бизнес управление; търговска администрация; административна дейност; управление на база данни, управление на база данни за интернет домейни и проекти, които съдържат също и интернет домейн името и други интернет адреси; административни услуги, предоставени във връзка с регистрация и разпределение на името на интернет домейни и други интернет адреси, включително услуги за подновяване и даване.

BE - 42 Изработване (дизайн/проектиране), инсталация, поддръжка, прилагане или отдаване под наем на компютърен софтуер; услуги за техническа помощ в областта на информатиката и телекоммуникациите; компютърни услуги, а именно прочуяване, резервации, записване и администрация на името на домейн в интернет/проектиране, създаване, хостинг; поддръжка и реклама на интернет уебсайтове за трети лица: Създаване (дизайн/проектиране) на информационни и телекоммуникационни системи; инженерни услуги за приложение на компютърни системи от големи и среден размер; компютърен мениджмънт, именно - компютърно информационно обслужване; услуги за техническо съдействие и експлоатация на информационни, телекоммуникационни мрежи и за предаване на данни; техническа експертиза за анедаване на терминали за телекомуникация; технически експертизи за името на домейни и интернет проекти; инженерни и администриращи (програмиране) на телекомуникационни мрежи; консултации услуги в областта на телефонната сигурност и сигурността на информационните системи; експертиза за създаване на телекомуникационни терминали, съвършено с база от национални или международни данни, центрове доставчици на достъп до информационна мрежа; отдаване под наем на компютръм между другото за международен (интернет) или частен достъп (интернант) до телекомуникационни мрежи; компютърно програмиране; проучване и разработване на нови продукти; научни изследвания за медицински цели; услуги за обикновяване на база данни и софтуер; софтуерна поддръжка; създаване на виртуални и интерактивни изображения; услуги за кодиране на компютърен език; услуги за поставяне на индекси в интернет сайтове; прочуяване и контрол на интернет сайтове; услуги за улесняване на обработването на данни; консултации на документи от физически носители (върху електронен носител); развитяване на уеб базирана търговска платформа с интернет домейн името и проекти, проучване за интернет домейн името и проекти, проектиране и разработване на интернет проект; консултации и експертизи в областта на телекоммуникационната безопасност; контрол на данни, сигнали и информация обработена чрез компютър или телекомуникационни уреди и инструменти.

BE - 45 Резервирание, регистриране, поддръжка и управление на името на домейн; услуги за търсене на име на домейн/услуги за регистрация на домейн името, а именно координиране на назначеното на домейн името и адрес; технически и правни проучвания, свързани с интернет домейн името.

ES - 35 Publicidad; gestión de negocios comerciales; administración comercial; trabajos de oficina; gestión de bases de datos, gestión de una base de datos para nombres de dominio de Internet y proyectos, que también contienen nombres de dominio de Internet u otras direcciones de Internet; servicios administrativos prestados en relación con el registro y la asignación de nombres de dominio de Internet y otras direcciones de Internet, incluyendo los servicios de renovación y asignación.

ES - 42 Elaboración (diseno), instalación, mantenimiento, actualización o alquiler de software; servicios de asistencia técnica en el ámbito de las telecomunicaciones e informático; servicios informáticos, en concreto búsqueda, reserva, registro y administración de nombres de dominio de Internet; diseño, creación,
erudición, mantenimiento y promoción de sitios web de Internet para terceros; Elaboración (diseño) de sistemas informáticos y de telecomunicaciones; servicios de ingeniería de aplicaciones en sistemas informáticos grandes y medianos; servicios de gestión informática, en concreto servicio de info- gestión informática; servicios de asistencia técnica en la ex-plotación de redes informáticas, de telecomunicaciones y de transmisión de datos; peritaje técnico para la puesta en marcha de terminales de telecomunicación; peritaje técnico para nombres de dominio y proyectos de Internet; ingeniería y administración (programación) de redes de telecomunicación; servicios de consultoría en materia de seguridad electrón-ica y de seguridad de los sistemas de información; peritaje para la puesta en marcha de terminales de telecomunicacio-nes, de servidores de base de datos nacionales o internacio-nales, de centros facilitadores de acceso a una red informáti-ca; alquiler de ordenadores; entre otros para redes de telecomu- nicaciones de acceso global (Internet) o privado (intranet); programación de ordenadores; investigación y desarrollo de nuevos productos; investigaciones científicas para fines mé-dicos; servicios de actualización de bases de datos y de pro-gramas informáticos; servicios de mantenimiento de programas informáticos; servicios de creación (elaboración) de imágenes virtuales e interactivas; servicios de cifrado y codificación de lenguaje informático; servicios de indicación de sitios de Inter-net; búsqueda y vigilancia de sitios de Internet; servicios de alineamiento informático; conversión de documentos de datos de soporte físico a soporte electrónico; gestión de una plata-forma comercial basada en la web de nombres de dominio de Internet y proyectos, supervisión de nombres de dominio de dominio de Internet y proyectos, diseño y desarrollo de proyectos de Internet; consultoría y peritaje en materia de seguridad infor-mática; control de datos, de señales, y de información tratados por ordenador o por aparatos e instrumentos de telecommuni-cación.

- 45 servicios de reserva, registro, mantenimiento y gestión de nombres de dominio; servicios de búsqueda de nombres de dominio; servicios de registro de nombre de dominio, en con- creto, coordinación de la asignación de nombres de dominio y espacio de direcciones; investigación técnica y jurídica en relación con nombres de dominio de Internet.

- 35 Reclama; obchodní řízení; podnikové řízení; kancelářské fu-nce; správa databáz; správa databáze internetových domén se změny a projektů, rovněž změny internetových domén a dalšími internetovými adresami; administrativní služby poskytováním v souvislosti s registrací a přidělováním názvu internetových domén a jiných internetových adres, včetně služeb týkajících se obnovy a postupení.

- 42 Tvorba (návrhování), instalace, údržba, aktualizace nebo pronájem software; odborná pomoc v oboru spojeného (komunika-cí) a v informatici; počítačové služby, jmenovitě: výzkum, rezervace, registrace a administrativních domén internetových jmen/návrh, tvorba, vedení, údržba a propagace internetových webových stránek na řízené osoby; Tvorba (návrh) počítačových a komunikačních systémů; technická podpora při provozu počítačových, telekomunikačních síťů a sítí pro přenos dat; technické oceňování vztahující se instalací telekomunikačních terminálů; technická expertiza zaměřená na doménová jména a internetové projekty; inženýr-ství a administrativa (programování) telekomunikačních sítí; konzultace vztahující se k elektronickému zabezpečení a zabezpečení informačního systému; odborný posudek zaměře-
og information, der er behandlet via computer eller telekommunikationsapparater og instrumenter.

DA - 45 reservation, registrering, vedligeholdelse og styring af domænennavn; sælgelister i forbindelse med domænennavn; registrering af domænennavn, nemlig koordinering af ideleling af domænennavn og adreseplads; tekniske og juridiske undersøgelser vedrørende internetdomænennavn.

DE - 35 Werbung; Geschäftsführung; Unternehmensverwaltung; Bürowerke; Verwaltung von Datenbanken; Verwaltung einer Datenbank für Internetdomain-Namen und -Projekte, die auch Internetdomain-Namen und andere Internet-Adressen enthalten; Verwaltungsdienstleistungen im Zusammenhang mit der Anmeldung und Zuteilung von Internet-Domainnamen und anderen Internet-Adressen, einschließlich Verlängerungs- und Zuweisungsdienste.

En - 42 Elaboration (conception), installation, maintenance, mise à jour or location of logic; services d’assistance technique dans le domaine des télécommunications et informatiques; services informatiques, à savoir recherche, réservation, en-registrement et administration de noms de domaine Inter-net;conception, création, hébergement, maintenance et promotion de sites web sur l’Internet pour le compte de tiers; Elaboration (conception) de systèmes informatiques et de télécommunications; services d’ingénierie d’applications sur grands et moyens systèmes informatiques; services de géance informatique, à savoir services d’inforisation infor-matique; services d’aide technique à l’exploitation de réseaux informatiques, de télécommunications et de transmission de données;expertise technique pour la mise en œuvre de terminaux de télécommunication; expertise technique pour noms de domaine et projets internet; ingénierie et administration (programmation) de réseaux de télécommunication;services de consultation en matière de sécurité électronique et de sécurité des systèmes d’information; expertise pour la mise en œuvre de terminaux de télécommunications, de serveurs de base de données nationaux ou internationaux, de centres fournisseurs d’accès à un réseau informatique; location d’ori-dinateurs;entre autres pour réseaux de télécommunications mondiaux (l’internet) ou à accès privé (Intranet); programs-mation pour ordinateurs; recherche et développement de nouveaux produits; recherches scientifiques à but médical; services de mise à jour de bases de données et de logiciels; service de maintenance de logiciels; services de créations (élaboration) d’images virtuelles et interactives; services de cryptage et de codification de langage informatique; service
d’indexazione di siti Internet; ricerca e surveillance di siti Internet; servizi di deletaggio informatico; conversione di documenti da supporto fisico verso un supporto elettronico; gestione di una piattaforma commerciale basata sul web; servizi di rete; consulenza e sviluppo di nuovi prodotti; ricerca scientifica per finalità di ricerca; progettazione; creazione, concessione, manutenzione e promozione di siti Internet per conto terzi; Elaborazione (progettazione) di sistemi informatici e di telecomunicazione; ingegneria delle applicazioni per sistemi informatici di grande e media entità; gestione informatica, gestione di sistemi informativi; assistenza tecnica alla gestione di reti informatiche, di telecomunicazione e di trasmissione dati; perizie tecniche relative alla messa in opera di terminali di telecomunicazione; perizie tecniche per nomi di dominio e progetti Internet; insegna e amministrazione (progettazione) di siti Internet; consulenza e controllo di siti Internet; ricerca e controllo di siti Internet; servizi amministrativi forniti in relazione alla registrazione e all’assegnazione di nomi di dominio su Internet e altri indirizzi Internet, compresi servizi di rinnovo e assegnazione.

44 - 45 Prenotazione, registrazione, manutenzione e gestione di nomi di dominio; ricerca di nomi di dominio; regolamento dell’assegnazione di nomi di dominio e spazi per indirizzi; ricercare tecniche e legali in materia di nomi di dominio su Internet.

LV - 35 Reklama; daržų vaizdai; užsieninio produkto vaizdavimas; informacija apie interneto domėnų savininkų ir projektus.

LV - 42 Įžvalgų, projektavimo, įstatymų, administravimo, užsienio ir kitų interneto adrešų registruojimas ir naudojimas; techninės ir juridinės priežiūros paslaugos.

LT - 45 Domėnų nusakymo registruojimas, registravimas, užregistruojimas, registratorius.

LV - 35 Reklama; verslo vadyba; verslo įstaigos; interneto domėnų savininkų ir projektų registravimas; techninės ir juridinės priežiūros paslaugos.
formajzjoni pproċessati minn ċompjuters jew minn aparaturu ta’ telekomunikazzjoni.

IL - 45 
Servizzi ta’ riservazjoni, registrazione, manutenzjoni u ġejżjonj ta’ ismjiet tad-domini; servizzi ta’ indajni dwar ha-ismjiet ta’ dominji; servizzi ta’ registrazzjoni ta’ ismjiet tad-domini, jagifieri l-kordinazzjoni tal-assenjazzjoni tal-ismjiet tad-domini u l-ispazju tal-indirizz; riferka teknika u leġal re-latata mal-ismjiet tad-domini tal-Internet.

NL - 35 
Reclame; beheer van commerciële zaken; zakelijke administra-tie; administratieve diensten; beheer van databases; beheer van een database voor internedomainennamen en -projecten; eveneens met internedomainennamen en andere internetadressen; administratieve diensten in het kader van de registratie en toekenning van Internet domeinnamen en andere internetadres sen; administratieve diensten in het kader van de registratie en toekenning van Internet domeinnamen en andere internetadres sen; met inbegrip van vernieuwingen en overdrachten.

PL - 42 
Ontwikkelen (ontwerp), installatie, onderhoud, updating of verhuur van software; technische bijstand op het gebied van telecommunicatie en informatie; computerdiensten, te weten onderzoek, reservering, registratie en administratie van inter-netdomeinnamen; ontwerp, creatie, hosting, onderhoud en promotie van internetwebsites voor derden; Het ontwikkelen (creëren) van computersystemen en telecommunicatiesyste men; ingenieursdiensten inzake toepassingen voor grote en middelgrote computersystemen; computerbeheere, te weten computerinformatiebeheere; technische hulp bij de exploitatie van computer- en telecommunicatienetwerken en netwerken voor datatransmissie; technische expertise op het gebied van de inwerkingstelling van telecommunicatieterminals; techni sche expertise inzake domeinnamen en internetprojecten; ingenieursdiensten en administratie (programmering) van tele communicatienetwerken;advies op het gebied van elektro nise; beveiliging en beveiliging van informatiesystemen; expertise voor de inwerkingstelling van telecommunicatieterm inals, nationale of internationale databaseservers, providers voor toegang tot een computernetwerk; computerverhuur; waar onder voor wereldwijde telecommunicatienetwerken (internet) of telecommunicatienetwerken met privétoegang (intranet); computerprogrammering; onderzoek en ontwikkeling van nieuwe producten; wetenschappelijk onderzoek voor medische doeleinden; updating van databases en software; onderhoud van software; ontwikkeling (uitwerking) van virtuele en inter actieve beeld; oorden en codificatie van computerinformatiaal; in dexeren van internetoperații; onderzoek en beveiliging van inter netisites; uitbesteding van computeractiviteiten; conversie van gegevensdocumenten van fysieke naar elektronische me dia; beheer van een op het web gebaseerd commercieel plat form met internedomainennamen en -projecten, onderzoek naar internetdomeinnamen en -projecten, ontwerp en ontwikkeling van 'internetprojecten; raadgiving en expertise op het gebied van computerbeveiliging; beveiliging van gegevens, signalen en informatie verwerkt door de computer of telecommunicatie toestellen en -instrumenten.

NL - 45 
diensten voor het reserveren, registreren, onderhouden en beheren van domeinnamen; zoekdiensten met betrekking tot domeinnamen; registratie van domeinnamen, te weten het coördineren van de toewijzing van domeinnamen en adres ruimte; technisch en juridisch onderzoek op het gebied van internedomeinnamen.

PL - 35 
Reklama, zarządzanie w działalności handlowej; administro wanie działalności handlowej; czynności biurowe; zarządzanie bazami danych, zarządzanie bazami danych nazw i projektów domen internetowych, również zawierające nazwy domen in- temetowych i inne adresy internetowe; usługi administracyjne świadczone w związku z rejestracją i przydzialem namen domen internetowych oraz innych adresów internetowych, w tym usług w zakresie odnawiania i przydzialania.

PL - 45 
Opracowywanie, projektowanie, instalacja, utrzymanie, aktualizowanie lub wynajmowanie oprogramowania kompute rowego; pomoc techniczna w dziedzinie informatyki i telekom uunikacji; usługi informatyczne, mianowicie: wyszukiwanie, rezerwacja, rejestracja i administracja w zakresie nazw domen internetowych; projektowanie, tworzenie, hosting, konserwacja i promocias witryn internetowych na rzecz osób trzecich; Projektowanie systemów informatycznych i telekomunikacyjnych; techniczna obsługa aplikacji w dużych i średnich systemach komputerowych; usługi w zakresie zarządzania informatycz nego; mianowicie usługi dotyczące infopersządy oraz informacyj nych; usługi pomocy technicznej w użytkowaniu sieci in formatycznych, telekomunikacyjnych i przesyłających dane; eksperytyka techniczna w zakresie instalacji terminali telecommuni kacyjnych; ekspertyza techniczna w zakresie nazw domen i projektów internetowych; usługi w zakresie inżynierii i zarzą dzania (programowanie) dotyczące sieci telekomunikacyj nych/konsultacje w dziedzinie bezpieczeństwa i bezpieczeństwa systemów informatycznych; ekspertyzy w celu instalowania terminali telekomunikacyjnych, serwerów baz danych krajowych lub międzynarodowych, centrów za powinających dostęp do sieci informatycznej; wynajem kom püterów; między innymi dla sieci telekomunikacyjnych o światowym (internet) lub prywatnym dostępie; programowanie komputerów; prace badawczo-rozwijowe nad nowymi produk tam; Badania naukowe o charakterze medyczny; usługi w zakresie aktualizacji baz danych i oprogramowania kompute rowego; konserwacja oprogramowania komputerowego; tworzenie obrazów wirtualnych i interaktywnych; usługi kodo wania i dekodowania razem z łącznością; indeksacja stron internetowych; wyszukiwanie i nadzór nad stronami interneto wym; usługi odłączania informatycznych; konwersja doku mentów z źródła fizycznego na źródło elektroniczne; zarzą dzanie stroną internetową opartą na platformie handlowej z nazwami i projektami domen internetowych, badanie nazw i projektów domen internetowych, projektowanie i rozwijanie projektów internetowych/konsultacje i ekspertyzy w sprawach bezpieczeństwa informatycznego; monitorowanie danych, sygnałów i informacji przetwarzanych komputerowo lub przy pomocy aparatury i sprzętu telekomunikacyjnego.

PL - 45 
Rezervacija, registracija, utrzymywanie i zarządzanie nazwami domen; usługi w zakresie wyszukiwania nazw domen; usługi w zakresie rejestracji nazw domen, mianowicie koordynacja przypisywania nazw domen do przestrzeni adresowych; badania techniczne i prawne dotyczące nazw domen internetowych.

PL - 42 
Publizitäts-; gestaltungs; des negoc; kaufhandel; administration; konsumenten, marktbearbeitung, handelsaktivitäten; geschäftsführung; von exportgeschäft; administration; produkten, handel und export; konsumenten, marktbearbeitung, handelsaktivitäten; geschäftsführung; von exportgeschäft; administration; produkten, handel und export.

PL - 42 
Elaborazione (concezione), installazione, manutenzione, actualizza zione o alloggiamento di software; servizi di assistenza tecnica nel dominio delle telecommunicazioni e informatica; servizi in formazione, supporto, assistenza, consulenza, regia, ricerca e ad ministrazione di nomi di dominio sulla Internet; concezione, cessione, alojamiento, manutenção e promoção de sítios Web
de informații tratați de calculatoare sau apărate științifico-technice pentru a prelucra, a stoca sau a transfera date sau informații; servicii de consultare în domeniul telecomunicațiilor mondiale (Internet) sau cu acces privat (Intranet); programare pentru calculatoare; cercetare și dezvoltare de produse noi; cercetare stilistica în scop medical; servicii de actualizare a bazelor de date și de software; servicii de intreținere a aplicațiilor software; creare a imaginii virtuale și interactive; servicii de criptare și codificare de limbaj informatic; supravegherea datelor; semnalele a informațiilor pruncate de calculatoare sau de aparate și instrumente de telecomunicații.

RO - 45 Servicii de rezervare, înregistrare, întreținere și gestionare a denumirilor de domenii; servicii de înregistrare a nume de domenii, servicii de înregistrare a nume de domenii, și anumite coordonări denumirilor de domenii și spatiului de adresa; cercetarea tehnică și juridică cu privire la denumiri de domenii de Internet.

SK - 45 Reklama; obchodný manažment; obchodná správa; kancelárské funkcie; Správa databáz, správa databáz s názvami internetových domén a projektov; administratívne služby poskytovane v spojení s registráciou a pridelením internetových názvov domén a iných internetových adries, vrátane služieb obnovenia a pridelenia.

RO - 42 Elaborare (proiectare), instalare, întreținere, actualizare sau închiriere de software pentru calculator; servicii de asistență tehnică în domeniul telecomunicațiilor si informaticii; servicii informatiche, în anumite cercetări, rezervare, înregistrare și administrare de nume de domenii pe Internet; proiectare, creare, găzduire, întreținere și promovare de site-uri de Internet pentru terți; Elaborare (proiectare) de sisteme informatiche și de telecomunicație; servicii tehnice pentru aplicații pe sisteme mării și mediul de calculatoare; servicii de operator în materie de prelucrare de date; și anumite servicii de infogestie informatică; servicii de asistența tehnică în exploatarea retelor informatiche; de telecomunicații și de transmisie de date; expertiză tehnică pentru punerea în funcțiune de terminal de telecomunicație; expertiza tehnică pentru nume de domenii și proiecte de internet; ingerie și administrare (programare) de retele de telecomunicație; servicii de consultantă în materie de siguranță electronică și de siguranță a sistemelor de informare; expertiza pentru punerea în practică de terminale de telecomunicații, de servere de baze de date naționale sau internaționale, de centre furnizoare de acces la rețea informatică; închiriere de calculatoare prințe pentru rețele de telecomunicații worldwide (Internet) sau cu acces privat (Intranet); programare pentru calculatoare; cercetare și dezvoltare de produse noi; cercetare stilistica în scop medical; servicii de actualizare a bazelor de date și de software; servicii de intreținere a aplicațiilor software; creare de imagini virtuale și interactive; servicii de criptare și codificare de limbaj informatic; servicii de indexarea de site-uri de Internet; cercetarea și supraveghere a datelor, a semnalelor a informațiilor pruncate de calculatoare sau de aparate și instrumente de telecomunicații.
ringsnät; teknisk expertis inom implementering av telekomunikationsterminaler; teknisk expertis för domännamn och Internetprojekt; teknik och administration (programmering) av telekomunikationsnät; säkerhetskonsultation avseende elektronisk säkerhet och säkerhet av informationssystem; expertis för implementering av telekommunikationsterminaler, nationella och internationella databasservrar och centra för åtkomst av ett datornät; utnyttning av datorer; bland annat för global (Internet) eller privat åtkomt (intranät) till telekommunikationsnät; datorprogrammering; forskning och utveckling av nya produkter; vetenskaplig forskning för medicinska ändamål; uppdatering av databaser och programvara; underhåll av programvara, tjänster avseende skapande av virtuella och interaktiva bilder; kryptering och kodning av datorspråk; indexering av Internetplatser; sökning och övervakning av Internetplatser; tjänster avseende avlastning av datorer; omvandling av dokument från fysisk till elektronisk media; hantering av en webbaserad kommersiell plattform av internedomännamn och projekt, kartläggning för Internetdomännamn och projekt, design och utveckling av Internetprojekt; konsultation och expertis avseende datasäkerhet; övervakning av data, signaler och information som bearbetats med hjälp av dator eller apparater och instrument för telekommunikation.

SV - 45 reservation, registrering, underhåll och hantering av domännamn; sök- och hanterings tjänster avseende domännamn, domännamnsregisterering, nämligen samordning av tilldelning av domännamn och adressutrymme; teknisk och juridisk forskning relaterad till Internedomännamn.
Exhibit A38
According to ICANN’s *Initial Evaluation Quality Control Program Report*:

Initial Evaluation (IE) included seven distinct evaluation types: applicant background, financial capability, technical/operational capability, registry services, geographic names, DNS stability, and string similarity….Quality and consistency of evaluation across all applications and all evaluator firms was a key business requirement for ICANN. At a high level, the new gTLD application evaluation training and quality program was designed to both *improve* and *measure*: (i) **Consistency/Precision**: a measure of the degree of agreement between independent assessments of a particular sample. Precision is expressed in terms of the standard deviation of the consistency rating among primary and independent half-blind *de novo* assessments (calculation of the consistency rating is described in Section 5.2). Precision is important because multiple evaluator firms should produce similar results given similar applications. Situations where precision was not as expected triggered additional training, documentation, and may inform future process revisions; (ii) **Accuracy**: a measure of the degree of agreement of a sample with an accepted reference. In the case of application evaluation, the accepted reference is the result of “work-out” conferences between the primary evaluator firm, the quality firm, and ICANN when discrepancies occur. Accuracy is expressed in terms of percent of the samples reflecting the expected value. Situations where accuracy was not as expected triggered additional training, documentation, and may inform future process revisions; and (iii) **Process Fidelity**: a measure of the alignment between the expected process per the vendor’s contract and the actual process performed for a given application. Process fidelity is expressed in terms of a percent of the samples where a post-evaluation Procedural Inspection indicated that proper procedures were followed.¹ The training and quality program was designed to achieve multiple objectives. The most important objective was to provide confidence that applications with similar content received a similar final pass/fail disposition…To achieve this objective, training and quality programs focused on: Upfront “calibration” among evaluator firms via unified training, discussion, scoring exercises, and pilots; Leveraging analytics to identify latent similarities and determine potential scoring inconsistencies.²…Blind Content Inspections were selected via random ordering…The first 15% (288) applications in the random ordering were selected…[95.26% were Consistent Pre-Outreach. 100% were Consistent Post-Outreach].³ …Numerous subjective terms (such as “adequate,” “commensurate,” “comprehensive,” “highly developed,” and similar terms) appear frequently in the Applicant Guidebook. Evaluator firms and ICANN spent significant effort defining these terms crisply and calibrating for the purpose of consistent evaluation. While the results show that this effort was largely successful, additional definition of subjective terms in future revisions of the Applicant Guidebook would be of value.⁴ Despite acknowledged inconsistencies in CQs and numeric scores…all similar applications received passing scores and the applications referred to Extended Evaluation correctly were individual special cases requiring additional clarification.⁵ …As verified by the positive quality program results, a unified approach to these activities coalesced the team and

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2 Ibid, p.5
3 Ibid, p.10
4 Ibid, p.11
5 Ibid, p.15
substantially mitigated the risk of isolation and inconsistent or divergent evaluations…As quality practitioners well know, one value of a proactive quality program is that the mere (visible) existence of such a program helps incent the desired behaviors. In this case, it is highly probable that the existence of a visible and well-publicized proactive quality program properly incented all evaluation panel vendors to be appropriately cognizant of evaluation consistency, accuracy, and process fidelity, and perform accordingly.\textsuperscript{6}

\textsuperscript{6} Ibid, p.16
Exhibit A39
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1 Summary

New gTLD application evaluation was a labor-intensive business process performed by multiple vendors and hundreds of individuals on a global basis. Initial Evaluation (IE) included seven distinct evaluation types: applicant background, financial capability, technical/operational capability, registry services, geographic names, DNS stability, and string similarity. For commercial and practical reasons, including application volume and handling conflicts of interest between an applicant and evaluator, multiple evaluator firms were contracted. Application evaluation was performed against detailed criteria as published in the New gTLD Applicant Guidebook (AGB).\(^1\) Quality and consistency of evaluation across all applications and all evaluator firms was a key business requirement for ICANN. Given the importance of demonstrable quality, 50% of the applications were subject to quality sampling in some capacity and 100% of the applications were reviewed using analytical techniques. All application data was subject to a suite of manual and automated data consistency checks performed by ICANN staff and JAS.

At a high level, the new gTLD application evaluation training and quality program was designed to both improve and measure:

- **Consistency/Precision:** a measure of the degree of agreement between independent assessments of a particular sample. Precision is expressed in terms of the standard deviation of the consistency rating among primary and independent half-blind *de novo* assessments (calculation of the consistency rating is described in Section 5.2). Precision is important because multiple evaluator firms should produce similar results given similar applications. Situations where precision was not as expected triggered additional training, documentation, and may inform future process revisions.

- **Accuracy:** a measure of the degree of agreement of a sample with an accepted reference. In the case of application evaluation, the accepted reference is the result of “work-out” conferences between the primary evaluator firm, the quality firm, and ICANN when discrepancies occur. Accuracy is expressed in terms of percent of the samples reflecting the expected value. Situations where accuracy was not as expected triggered additional training, documentation, and may inform future process revisions.

- **Process Fidelity:** a measure of the alignment between the expected process per the vendor’s contract and the actual process performed for a given application. Process fidelity is expressed in terms of a percent of the samples where a post-evaluation Procedural Inspection indicated that proper procedures were followed.

As quality measurement and improvement are typically somewhat competing goals (performing quality improvement on a process while measurement is occurring leads to a degree of Heisenberg uncertainty), the overall quality program was designed primarily to monitor, incent, and improve quality during evaluation with a secondary objective of providing analysis and a quantitative baseline to assess the process in arrears and inform future rounds.

\(^1\) *New gTLD Applicant Guidebook*, ICANN, 4 June 2012, [http://newgtlids.icann.org/en/applicants/ aggregated](http://newgtlids.icann.org/en/applicants/aggregate)
The training and quality program is comprised of six functions:

**Unified Training**

A unified, cross-firm approach to training was developed and implemented prior to the commencement of production evaluation. Unified training was essential in bringing together the evaluation operations of all evaluator firms – particularly the large-scale operations of the three technical/operational and financial firms – and maintaining ongoing alignment in a challenging and dynamic environment.

For technical/operational and financial panels – the most complex evaluations – all three evaluator firms shared training materials and conducted joint training sessions. For other panels, standardized training templates were utilized.

**Content Reviews**

Content Reviews were discussions between two or more evaluator firms that had completed a full or partial review of the same application. Content Reviews were designed to improve consistency/precision and accuracy among the three technical/operational and financial evaluator firms. Content Reviews of selected applications were performed as a part of the comprehensive training program prior to commencement of production evaluation and additionally throughout Initial Evaluation to maintain communication and alignment between all three evaluator firms. One special case of content reviews was the applicant-facing Clarifying Question (CQ) pilot that provided immense value. Of the 1917 application IDs receiving Prioritization Draw results, 107 applications were involved in a complete or partial content review at some point.

**Blind Content Inspections**

Content Inspections were half-blind independent evaluation and scoring of a randomly selected set of applications. The Content Inspection included review of the primary evaluator firm’s Clarifying Questions (CQs) prior to issuance, and independently generated final scoring by the quality evaluator firm. Blind Content Inspections were designed to measure and improve consistency/precision and accuracy among the three technical/operational and financial panel firms. The inspections were half-blind in that the primary panel firm did not know in advance which applications were selected for inspection and the quality firm was not aware of the primary firm’s scores in advance. Content Inspections were conducted on a randomly selected 15% of the 1917 application IDs receiving Prioritization Draw results.

**Blind Procedural Inspections**

Procedural Inspections were half-blind reviews of the primary firm’s records to gain confidence that the agreed-upon processes and procedures were performed as expected. Procedural Inspections were designed to measure the process fidelity of the panel firms. The inspections were blind in that the primary panel firm did not know in advance which applications were selected for inspection. Procedural Inspections were conducted on a randomly selected 35% of the 1917 application IDs receiving Prioritization Draw results.
Analytics

ICANN received in excess of 1900 applications, largely comprised of unstructured text and attachments. Many latent similarities existed between the applications due to common applicants, consultants, and service providers. Analytical tools were developed to highlight these latent similarities and improve confidence that applications with similar content received a similar final disposition. Moreover, in excess of 5000 Clarifying Questions (CQs) were generated as a part of evaluation; as CQ generation is labor-intensive and subject to a range of error modalities, analytical systems provided automated quality and content checks of CQs prior to issuance.

Data Consistency Checks

Application evaluation was a large-scale global operation with a number of dynamic components. Ensuring that ICANN’s systems of record were both internally consistent and accurately reflective of the authoritative evaluation results as documented in numerous vendor reports was critical. Automated systems provided routine data validation and crosschecking spanning numerous systems and record types to reduce likelihood of consistency errors.

1.1 Program Coverage

While designing training and quality programs, the process of application evaluation was divided into content and process components. The process components covered each vendor’s obligation to perform their contracted duties and interact with the broader system and ICANN as specified, and the general requirement to maintain data consistency across several systems given emergent and fast-moving processes. The content components covered each vendor’s obligation to evaluate the application pursuant to the Applicant Guidebook and all relevant guidance. The training and quality program recognized and provided coverage to both of these at multiple points in time during application processing.

Content-oriented aspects of the training and quality program were focused on the technical/operational and financial panel types due to the nature of these evaluations and the complexity and scale of the combined evaluation operations of all three evaluator firms. For all panel types, the process-oriented aspects of the quality program were focused on ensuring that all evaluator panels followed procedures agreed upon with ICANN.
<table>
<thead>
<tr>
<th>Panel Type</th>
<th>Prior to CQ Release</th>
<th>Final Scoring (IE)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Content</td>
<td>Content</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td>Training</td>
<td>Ongoing Training &amp; Communication</td>
</tr>
<tr>
<td></td>
<td>Content Review</td>
<td>Content Review</td>
</tr>
<tr>
<td></td>
<td>Blind Content Inspection</td>
<td>Blind Content Inspection</td>
</tr>
<tr>
<td></td>
<td>Analytics</td>
<td>Analytics</td>
</tr>
<tr>
<td><strong>Technical/Operational</strong></td>
<td>Training</td>
<td>Ongoing Training &amp; Communication</td>
</tr>
<tr>
<td></td>
<td>Content Review</td>
<td>Content Review</td>
</tr>
<tr>
<td></td>
<td>Blind Content Inspection</td>
<td>Blind Content Inspection</td>
</tr>
<tr>
<td></td>
<td>Analytics</td>
<td>Analytics</td>
</tr>
<tr>
<td><strong>Registry Services</strong></td>
<td>Training</td>
<td>Analytics</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DNS Stability</strong></td>
<td>Training</td>
<td>Training</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>String Contention</strong></td>
<td>Training</td>
<td>Training</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Geographic</strong></td>
<td>Training</td>
<td>Training</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Training and Quality Program Coverage

1.2 Program Scope
The training and quality programs were operational prior to the commencement of production evaluation and continued through the completion of Initial Evaluation. Extended Evaluation was not included in the scope of the quality program.

1.3 Roles and Responsibilities
JAS Global Advisors LLC ("JAS") was responsible for designing the overall training and quality programs based on requirements developed with ICANN. JAS was responsible for administering the quality program during execution, coordinating content reviews, performing Content Inspections, performing Procedural Inspections, implementing analytical and consistency checking systems, and reporting results. JAS was the primary technical/operational and financial reviewer for fewer than 50 applications and only in situations where no other technical/operational and financial firms were available due to a conflict of interest with the applicant. Related to the training and quality programs, all evaluator firms had obligations to provide data, participate in training activities, produce documentation, and generally cooperate with training and quality activities.
2 Program Objectives

The training and quality program was designed to achieve multiple objectives. The most important objective was to provide confidence that applications with similar content received a similar final pass/fail disposition. It’s important to note that with respect to scoring, the quality program viewed Initial Evaluation as a pass/fail exercise consistent with the description in the Applicant Guidebook. No meaning is or should be imparted to numerical differences in score between two passing (or two failing) applications.

To achieve this objective, training and quality programs focused on:

- Upfront “calibration” among evaluator firms via unified training, discussion, scoring exercises, and pilots;
- Encouraging and maintaining ongoing communication among evaluator firms throughout the process via training, scoring exercises, and comparison of evaluation results;
- Leveraging analytics to identify latent similarities and determine potential scoring inconsistencies; and
- Providing visibility and early notification to ICANN in the event inconsistencies were discovered.

Clearly, communication and visibility are the central themes. Given the scale and nature of evaluation, absent active mechanisms to maintain communication between firms and with ICANN, there was a risk that evaluator firms would become isolated and produce increasingly divergent results over time. A central objective was to maintain open communication among all participants during the entire evaluation process.

A second central objective was to provide ICANN visibility into evaluation quality throughout the evaluation time period. Absent active mechanisms to assess quality during evaluation, it would be hard to quickly determine if quality was acceptable or unacceptable, converging or diverging, or if process improvements or additional training was required, leading to a sort of unmanaged Markov process.

By creating active communication and visibility mechanisms, ICANN was able to successfully keep the evaluation process under control.

Additionally, the program had the following secondary objectives:

- Improve quality of issued CQs
- Reduce data and clerical errors
- Provide quantitative baseline for future rounds
Content Reviews were discussions between two or more firms that had completed a full or partial review of the same application. Content Reviews were designed to improve consistency/precision and accuracy among the three technical/operational and financial evaluator firms.

Content Reviews were performed early in the process – during training and early in Initial Evaluation – in order to add maximum value to the calibration process; subsequent and less frequent Content Reviews were performed throughout Initial Evaluation to encourage continued communication and alignment, particularly around emergent issues. Content Reviews were performed on technical/operational and financial panel results.

One special case of content reviews was the applicant-facing Clarifying Question (CQ) pilot that provided immense value; multiple pilots that were not applicant-facing were also conducted.

3.1 Process and Sampling
Content Reviews leveraged approximately 107 applications that both a primary reviewer and a secondary reviewer had evaluated (in part or in full) in some capacity. An effort was made to select applications for Content Review that represented a wide range of applicants and service providers to maximize the value of the exercise. Applications utilized for Content Reviews were not eligible for selection for Content Inspection.

3.2 Roles and Responsibilities
JAS coordinated Content Review activities among the three technical/operational and financial evaluator firms. Prior to the availability of actual applicant data, JAS developed several mock applications as a part of the training materials.

3.3 Exceptions
Differences in scoring were discussed and remediated between the evaluator firms with input from ICANN requested on an as-needed basis.

3.4 Metrics and Reporting
The primary objective was to facilitate calibration and maintain communication; the Content Review program did not generate metrics.
4 Blind Content Inspections

A statistically relevant number of technical/operational and financial evaluations were subject to half-blind Content Inspection reviews performed on a de novo basis. A de novo review is a complete and independent review performed “from the beginning” by the quality firm simultaneously with – but independently from – the primary evaluator firm. The review is also half-blind; the primary evaluator firm did not know in advance which applications were selected for Content Inspection. The intent of the review was to measure CQ and scoring consistency and accuracy against scoring guidance and training, and to provide an opportunity to quickly detect quality and consistency issues.

4.1 Process and Sampling

Blind Content Inspections were selected via random ordering of the 1917 application IDs receiving Prioritization Draw results. JAS performed the random ordering via computer on 20 Dec 2012. Note that withdrawals reduced the size of the population, requiring limited selection of additional samples to compensate for the aforementioned issues. The first 15% (288) applications in the random ordering were selected for Content Inspection. As additional samples were needed due to withdrawals or other factors requiring de-sampling, applications starting at 289 in the random ordering were selected.

Final metrics for the quality control program were taken on 28 August 2013 at the conclusion of Initial Evaluation work and are as follows:

<table>
<thead>
<tr>
<th>Total Active Applications (28 Aug 2013)</th>
<th>1768</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications Sampled</td>
<td>274</td>
</tr>
<tr>
<td>Sampled Proportion</td>
<td>15.50%</td>
</tr>
</tbody>
</table>

Table 2: Content Inspection Sampling

4.2 Metrics

The blind Content Inspections produced the following quantitative metrics:

- **Consistency Rating (per question).** This is the simple numeric pairwise comparison between the primary and QC review final scores on a per question basis. A pairwise comparison of 0 indicates that the primary and QC review final scores are identical whereas a pairwise comparison of +1 or -1 indicates the final scores differ. Instances of non-objection were de-sampled (see below).

  For the purpose of QC, no distinction is made between passing scores with score = 1 and score > 1. Any score greater than or equal to 1 will be considered a 1 for the purpose of QC – for both the primary firm score and the QC firm score. For example, a score of 2 is equal to a score of 1 and to a score of 3 – all were transformed to a score of 1 prior to calculation of the consistency rating. This transformation is necessary to align the QC program with the pass/fail design of Initial Evaluation as described in the Applicant Guidebook.

- **Consistency Rating (per application).** This is a proportional measure of consistency of final (pass/fail) dispositions for a given application. The quality evaluator firm maintained the option to deem an application “non-objection” meaning that for reasons related to maintaining the
integrity of the half-blind selection, not enough information was available to score the application but the quality evaluator firm did not find sufficient cause to disagree with the primary firm’s pass/fail disposition.

4.3 Roles and Responsibilities
JAS was the quality evaluator firm. If an application was selected for Content Inspection where JAS was the Primary Review Firm (due to conflict with both primary evaluator firms), the application was de-sampled for quality control purposes and the next application in the random ordering that had not already been released was selected.

JAS’ small number of primary evaluations were therefore ineligible for Content Inspection; however, as JAS was a party to each and every consistency rating metric, evaluation of JAS’ performance as compared to the other firms was evident and obvious.

4.4 Exceptions
Differences in scoring appear in the consistency rating; exceptions were brought to ICANN’s attention as soon as they were discovered for discussion with the evaluator firms as necessary.

4.5 Results
Content Inspections generated metrics on a horizontal basis (per question across applications) and on a per-application basis. Content Inspection samples were taken before and after the Outreach phase. Outreach was an ICANN process that in limited situations allowed the applicant to provide missing information that may have stemmed from an oversight.

Shown below are statistics describing the Content Inspection samples taken prior to Outreach; following Outreach, all primary and Content Inspection evaluations were in agreement (consistency rating = 0). Small variances in the sample size in the table below occurred because in certain limited circumstances the quality firm asserted “non-objection” discrepancies as described above and those individual questions were de-sampled for statistical purposes.

In summary, prior to the Outreach phase there were six individual application question/response instances (1 technical/operational and 5 financial) where a bona-fide scoring discrepancy existed that would have impacted the final disposition of the application (moving an application from a pass to a fail or vice versa). To highlight root causes, for purposes of this analysis and presentation, a single scoring issue that cascaded into multiple scoring discrepancies has been reduced to the single root cause and the cascading discrepancies are not reflected here. For example, a discrepancy in financial cost calculations may cascade into a discrepancy in the question 50 Continuation of Operations (COI) Instrument calculation; the former is indicative of a root cause quality issue whereas the latter is not.

Applications containing a question that received a zero score following the Clarifying Question phase proceeded to the Outreach phase. All of the per-question discrepancies below were resolved during Outreach; following Outreach, all primary and Content Inspection evaluations were in agreement and every question selected for Content Inspection received a passing (non-zero) score.
<table>
<thead>
<tr>
<th>Question #</th>
<th>n where consistency rating = 0 (Consistent)</th>
<th>n where consistency rating != 0 (Not Consistent)</th>
<th>Standard Deviation of Consistency Rating for the Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>25</td>
<td>256</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>26</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>27</td>
<td>260</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>28</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>29</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>30</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>31</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>32</td>
<td>260</td>
<td>1</td>
<td>0.024</td>
</tr>
<tr>
<td>33</td>
<td>260</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>34</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>35</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>36</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>37</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>38</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>39</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>40</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>41</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>42</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>43</td>
<td>260</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>44</td>
<td>N/A – Optional</td>
<td>N/A – Optional</td>
<td>N/A – Optional</td>
</tr>
<tr>
<td>45</td>
<td>258</td>
<td>2</td>
<td>0.037</td>
</tr>
<tr>
<td>46</td>
<td>261</td>
<td>1</td>
<td>0.000</td>
</tr>
<tr>
<td>47</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>48</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>49</td>
<td>261</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>50</td>
<td>256</td>
<td>2</td>
<td>0.041</td>
</tr>
</tbody>
</table>

Table 3: Per-Question Consistency Rating
An application must have no individually failing questions (score=0) and reach a minimum score threshold in both technical/operational and financial questions in order to pass evaluation. As an application with all passing individual questions may still fail due to insufficient total points, consistency was also analyzed on a per-application basis to capture this aspect.

In summary, prior to the Outreach phase there were five (5) applications where a bona-fide scoring discrepancy existed that would have impacted the final disposition of the application (moving an application from a pass to a fail or vice versa).

Note that this analysis is considering an application as a whole whereas the previous analysis is considering all question/response instances. In the former, there were six (6) question/response instances where the consistency rating was not zero; in the later, there were five (5) whole applications where the final disposition was not consistent pre-Outreach. All inconsistencies were resolved Post Outreach.

<table>
<thead>
<tr>
<th>Application Status</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistent Pre-Outreach</td>
<td>261</td>
<td>95.26%</td>
</tr>
<tr>
<td>Not Consistent Pre-Outreach</td>
<td>5</td>
<td>1.82%</td>
</tr>
<tr>
<td>No Objection</td>
<td>8</td>
<td>2.92%</td>
</tr>
<tr>
<td>Consistent Post Outreach</td>
<td>274</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Table 4: Per-Application Consistency Rating

Analyzing the five (5) instances where there was a scoring discrepancy prior to Outreach on a per-evaluator firm basis revealed balanced data (note that aliases are used to identify evaluator firms):

<table>
<thead>
<tr>
<th>Status</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluator Firm Alpha consistency rating as compared to quality firm is &gt; 0 (Evaluator Firm Alpha scored higher than quality firm)</td>
<td>1</td>
</tr>
<tr>
<td>Evaluator Firm Alpha consistency rating as compared to quality firm is &lt; 0 (Evaluator Firm Alpha scored lower than quality firm)</td>
<td>2</td>
</tr>
<tr>
<td>Evaluator Firm Bravo consistency rating as compared to quality firm is &gt; 0 (Evaluator Firm Bravo scored higher than quality firm)</td>
<td>0</td>
</tr>
<tr>
<td>Evaluator Firm Bravo consistency rating as compared to quality firm is &lt; 0 (Evaluator Firm Bravo scored lower than quality firm)</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 5: Per Evaluator Firm Analysis of Application Discrepancies

4.6 Analysis and Discussion

Given the overall scale, scope, and challenge of Initial Evaluation, evaluation was remarkably consistent. Several points are worth noting:

- Evaluator firms spent considerable effort in training and calibration, and clearly it proved effective. The Applicant Guidebook describes Initial Evaluation as a pass/fail exercise (as long as the minimum point requirements are met, there is no benefit in receiving additional points and no penalty in receiving fewer points). As such, during initial training and calibration, evaluator firms focused on “zero/non-zero” issues/scoring to gain confidence that pass/fail alignment
would be high. As a result, pass/fail consistency was very high but raw numeric scoring – which included the additional points – was less consistent. Analysis of the additional point system beyond the minimum pass/fail thresholds was not a part of the design of the quality program.

- Consistency of CQs was desirable but not always possible. Variance in internal firm processes and other factors reduced the overall consistency of CQs. However, pass/fail application disposition remained high despite variance in CQs. A contributing factor is that a significant proportion of CQ inconsistencies were related to additional points components of questions (criteria required to receive a score of two (2) or three (3) on a question).

- Consistency issues are highly concentrated in very few questions, particularly financial questions 45 and 50. Anyone familiar with the application process will recognize these questions and not be at all surprised with this finding. The fact that these questions were the subject of the majority of post-AGB ICANN guidance – both to applicants and evaluators – underscores the localized difficulties present in these two questions. Discrepancies that surfaced in questions 45 and 50 tended to be systemic issues (symptoms of unanticipated scenarios and/or broader lack of clarity) whereas the discrepancies that surfaced in other questions tended to be isolated and unusual corner cases.

- Numerous subjective terms (such as “adequate,” “commensurate,” “comprehensive,” “highly developed,” and similar terms) appear frequently in the Applicant Guidebook. Evaluator firms and ICANN spent significant effort defining these terms crisply and calibrating for the purpose of consistent evaluation. While the results show that this effort was largely successful, additional definition of subjective terms in future revisions of the Applicant Guidebook would be of value.

- The Applicant Guidebook did not recognize the concept of a Registry Service Provider nor did it contemplate an applicant describing a registry being run as a cost center with limited or no revenue. Ambiguity surrounding these concepts was the root cause of several calibration discussions and scoring discrepancies. Overt recognition of these concepts in future revisions of the Applicant Guidebook would be of value.
5 Blind Procedural Inspections

Work performed by technical/operational, financial, string similarity, and geographic name panels/providers was subject to a Procedural Inspection on a statistically relevant randomly selected sample of applications. The intent of the Procedural Inspection was to provide assurance that the application was fully processed, and that all panel providers completed (and provided evidence of completing) all the steps required of them as documented in the Applicant Guidebook and individual SOWs. A team of JAS personnel conducted the Procedural Inspections.

Each of the five panel types had a “procedural checklist” which was developed by ICANN and the panel providers in advance. Multiple firms performing the same function (e.g. financial review) used the same procedural checklist. The procedural checklist was the basis on which the Procedural Inspections were conducted.

5.1 Process and Sampling

Blind Procedural Inspections were selected via random ordering of the 1917 application IDs receiving Prioritization Draw results. The first 35% (671) applications in the random ordering were selected for Procedural Inspection; if additional samples were needed due to withdrawals, selection of an application where the applicant is conflicted with both primary evaluator firms, or other factor requiring de-sampling, applications starting at 672 in the random ordering were selected. Each selected application was subjected to a Procedural Inspection for all panel types. Note that the random ordering generated for Procedural Inspections was different – and independent – from the random ordering generated for Content Inspections.

Procedural Inspections were conducted on final work products after final scoring was submitted to ICANN.

Final metrics for the quality control program were taken on 28 August 2013 and are as follows:

<table>
<thead>
<tr>
<th>Total Active Applications (28 Aug 2013)</th>
<th>1768</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications Sampled</td>
<td>639</td>
</tr>
<tr>
<td>Sampled Proportion</td>
<td>36.14%</td>
</tr>
<tr>
<td>Compliance Rate</td>
<td>99.84%</td>
</tr>
</tbody>
</table>

Table 6: Procedural Inspection Sampling

As the String Similarity panel operated on unique strings, a separate random ordering and selection were performed for these Procedural Inspections. Content Inspection metrics for String Similarity are as follows:

| Unique Strings (28 Aug 2013) | 1388 |
| Applications Sampled          | 490  |
| Sampled Proportion             | 35.30%|
| Compliance Rate                | 100.00%|

Table 7: String Similarity Procedural Inspection Sampling
5.2 Metrics
Each Procedural Inspection reviewed the primary evaluation as a whole and generated one metric per application. The resulting metric is an assessment of the fidelity with which the primary evaluation followed the agreed-upon Procedural Checklist for the specific application. The metric is one of: Compliant (C); Minor Discrepancy (MD); Significant Discrepancy (SD).

5.3 Roles and Responsibilities
JAS was the quality evaluator firm. If an application was selected for Procedural Inspection where JAS was the Primary Review Firm (due to conflict with both primary evaluator firms), the application was desampled for quality control purposes and the next application in the random ordering that had not already been released was selected.

5.4 Exceptions
Exceptions were brought to ICANN’s attention as soon as they were discovered for discussion with the evaluator firms as necessary.

5.5 Results
Procedural Inspections generated metrics on a per-evaluator firm basis for each evaluation type. One sample was taken after the primary evaluator firm submitted final results for an application that was selected for Procedural Inspection.

<table>
<thead>
<tr>
<th>Evaluation Type</th>
<th>Evaluator Firm (alias)</th>
<th>n Compliant</th>
<th>n Minor Discrepancy</th>
<th>n Significant Discrepancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical/Operational</td>
<td>Charlie</td>
<td>329</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Technical/Operational</td>
<td>Delta</td>
<td>309</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Financial</td>
<td>Charlie</td>
<td>329</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Financial</td>
<td>Delta</td>
<td>309</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Geographic</td>
<td>Echo</td>
<td>399</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Geographic</td>
<td>Foxtrot</td>
<td>240</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DNS Stability</td>
<td>Golf</td>
<td>639</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Registry Services</td>
<td>Lima</td>
<td>639</td>
<td>0</td>
<td>0</td>
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<tr>
<td>String Similarity²</td>
<td>Oscar</td>
<td>490</td>
<td>0</td>
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</table>

Table 8: Per Evaluator Firm Analysis of Procedural Inspections

5.6 Analysis and Discussion
Each evaluation vendor’s adherence to agreed-upon evaluation procedures was a critical success factor for the program. Procedural Inspection results show that this adherence did indeed occur.

² Note that String Similarity Procedural Inspections were performed on 490 evaluations based on applications for 1388 unique strings.
6 Analytical System Review

ICANN received in excess of 1900 applications, largely comprised of unstructured text and attachments. Many latent similarities existed between the applications due to common applicants, consultants, and service providers. Analytical tools were developed to achieve three objectives:

- Provide confidence that all similar applications received similar final (pass/fail) dispositions;
- Help identify potential CQ inconsistencies that could lead to a discrepancy in final disposition;
- Improve the quality of CQs by programmatically checking application and Applicant Guidebook citations.

While the previously described quality procedures applied to a sample of applications, analytical techniques were performed on all applications and CQs.

The analytical system allowed the evaluator firms, quality firm, and ICANN to visually review connections between similar applications, the CQs generated for those applications, the responses to those CQs from applicants, and the final score on an ongoing basis. While complete and absolute consistency through all of those steps would be a desirable – albeit Quixotic – outcome, in reality, analytics allowed discrepancies to be identified and reviewed for impact. Potentially problematic discrepancies were identified and rectified.

6.1 Process

Financial and technical/operator evaluator firms interacted with the analytical system at three points in time:

1. Following submission of CQs to ICANN’s application management system (but prior to their transmission to the applicant);
2. Prior to submitting final scores to ICANN; and
3. Following submission of final scores to ICANN.

Following submission of CQs to ICANN’s application management system, the analytical system programmatically matched quotes and citations appearing in the CQs to the relevant application and the Applicant Guidebook. Matches were confirmed and potential mismatches were flagged for manual verification. This step reduced the occurrence of misquotes and copy/paste errors given that thousands of similar CQs were generated. This was an especially important error mode to control, given that oft-quoted portions of the applications were confidential. Additionally, the analytical system compared the CQs for the submitted application to the CQs generated for similar applications and flagged discrepancies for manual verification.

Following submission of final scores to ICANN’s application management system, the analytical system compared the scores of the submitted application to the scores of similar applications previously submitted. Potential discrepancies were flagged for manual verification.

Finally, at the completion of Initial Evaluation, JAS performed an analytical review of all applications that completed Initial Evaluation successfully vs. those that were referred to Extended Evaluation.
6.2 Analysis and Discussion

The sheer volume and unstructured nature of the application data necessitated an analytical approach. During each weekly application processing cycle, reports were delivered to evaluator firms and ICANN containing the results of the analytical reviews described above. As manual verification confirmed or refuted analytical results, false positives were identified and tuned out to improve future efficacy of the system. Noting that analytical reviews were a backstop measure designed to catch issues that remained undetected relatively late in the application cycle, a low and decreasing number of analytical system exceptions were indicative of high quality work by the evaluator firms. While there was an initial burst of analytical system exceptions, by the end of Initial Evaluation, very few valid analytical exceptions were being identified. This was an indication that the evaluation system was performing adequately and that the internal quality procedures being performed by each firm were effective. This was the desired behavior.

Following the completion of Initial Evaluation, JAS performed an analytical comparison of all applications that completed Initial Evaluation successfully vs. those that were referred to Extended Evaluation and found that the applications that were referred to Extended Evaluation were materially different than the applications that passed Initial Evaluation successfully. As this analysis took the entire population of applications into consideration, this step served as a valuable system-wide double-check on all of the previous sample-oriented quality programs.

Despite acknowledged inconsistencies in CQs and numeric scores (above and beyond the passing thresholds), this last analysis provided a strong indication that – when the process reached completion – all similar applications received passing scores and the applications referred to Extended Evaluation correctly were individual special cases requiring additional clarification.
Overall Analysis, Discussion, and Recommendations

The ICANN New gTLD evaluation program resulted in the successful evaluation of over 1900 applications from a full range of global applicants, delivering a demonstrably high level of evaluation consistency while providing ICANN with the practical and commercial benefits of evaluator depth and diversity. Some additional overall comments in closing:

1. The extensive advanced preparation, training, synchronization, and evaluation exercises (pilots) undertaken by the technical/operational and financial evaluator firms were essential and probably the single largest critical success factor. As verified by the positive quality program results, a unified approach to these activities coalesced the team and substantially mitigated the risk of isolation and inconsistent or divergent evaluations.

2. As quality practitioners well know, one value of a proactive quality program is that the mere (visible) existence of such a program helps incent the desired behaviors. In this case, it is highly probable that the existence of a visible and well-publicized proactive quality program properly incented all evaluation panel vendors to be appropriately cognizant of evaluation consistency, accuracy, and process fidelity, and perform accordingly.

3. Although the questions were provided in advance and there was an expectation that applicants would be clear on the material, it was apparent that many applicants, including sophisticated applicants, were confused as to how to respond to the questions. This resulted in two undesirable effects: (a) applicants tended to “over-respond” to the application, adding unnecessary volume and complexity; and (b) there was more effort put into clarification communications (including CQs) than was probably intended in the original vision. While not “providing the answers” there is an opportunity to make the application process more objective and deterministic for both applicants and evaluators. Reducing subjectivity of evaluation will enable improved quality and consistency and reduce costs associated with extensive synchronization activities.

4. The lack of structured application data was an impediment during evaluation; future application rounds should capture data in a more structured format, greatly facilitating evaluation, quality reviews, and subsequent processes like contracting.

5. Several questions, particularly technical/operational questions, have overlapping remits complicating evaluation, quality processes, and unnecessarily creating the appearance of inconsistency. Some topics, such as the use of IDNs, often have material spread throughout several questions. This makes it harder for applicants to “know what to put where” and for evaluators to find the information they’re looking for. A highly structured application will help address this issue.

6. Releasing results incrementally opened the opportunity for difficult-to-manage inconsistencies. Future rounds designed for one release of results at the end will make comprehensive consistency and quality checking more effective.

7. The publication of detailed numeric scores confused and undermined the AGB-driven premise that evaluation was pass/fail. Inconsistencies in numeric scores incorrectly sent a message that evaluation was much more inconsistent than the final results and the quality programs assert.
Future application rounds should either publish results as pass/fail only, or re-calibrate the entire process to produce numerically consistent scores.

8. Financial evaluation of questions 45 and 50 exhibited systemic issues that made consistent evaluation difficult. Recognizing applicants that choose to run their registry as a cost center and revising the approach to the problematic question 50 regarding the Continuity of Operations Instrument will go a long way to increase the evaluation consistency of these questions.
Exhibit A40
## MUSIC Community Priority Evaluation Expert Letters

<table>
<thead>
<tr>
<th>Expert Testimonies</th>
<th>Clearly Delineated, Organized and Pre-existing</th>
<th>Considerable Size and Longevity</th>
<th>String Matches the Name of the Community</th>
<th>No Other Significant Meaning</th>
<th>Majority Community Support</th>
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Exhibit A41
### CPE Applicant Comparison

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<th>GAY</th>
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<td><img src="image-url" alt="Link" /></td>
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<td><strong>ICANN</strong></td>
<td>Determined</td>
<td>Stronger cohesion</td>
<td>than DotMusic</td>
<td></td>
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<td><strong>Global Reporting Initiative (.ECO CPE Report, p.3)</strong></td>
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<td><strong>&quot;The applicant possesses documented support from institutions/organizations representing a majority of the community, which is also similarly defined in terms of the community to which the applicant belongs&quot; (.HOTEL CPE Report, p.2).</strong></td>
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<td><strong>The string, &quot;.osaka&quot;, directly represents the Osaka geographical area as having a tie to Osaka, or the culture of Osaka. Major participants of the community include, but are not limited to, those who self-identify as having a tie to Osaka, or the culture of Osaka.</strong> (20A)</td>
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<td><strong>The &quot;music&quot; community is defined in terms of its association with the music industry, and Culture Agencies (IFACCA) and ReverbNation identifying sound recordings and music video recordings as having a &quot;music&quot; essence.</strong> (20A)</td>
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<td><strong>Licensed radio broadcasters are part of the .radio community, which is also similarly defined in terms of the community to which the applicant belongs.</strong> (20A)</td>
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