

# Summary of Changes to Base Agreement for gTLD's

(v.3 against v.2)

## Background - New gTLD Program

Since ICANN was founded ten years ago as a not-for-profit, multi-stakeholder organization dedicated to coordinating the Internet's addressing system, one of its foundational principles, recognized by the United States and other governments, has been to promote competition in the domain-name marketplace while ensuring Internet security and stability. The expansion of the generic top-level domains (gTLDs) will allow for more innovation, choice and change to the Internet's addressing system, now represented by 21 gTLDs.

The decision to introduce new gTLDs followed a detailed and lengthy consultation process with all constituencies of the global Internet community represented by a wide variety of stakeholders – governments, individuals, civil society, business and intellectual property constituencies, and the technology community. Also contributing were ICANN's Governmental Advisory Committee (GAC), At-Large Advisory Committee (ALAC), Country Code Names Supporting Organization (ccNSO), and Security and Stability Advisory Committee (SSAC). The consultation process resulted in a policy on the introduction of New gTLDs completed by the Generic Names Supporting Organization (GNSO) in 2007, and adopted by ICANN's Board in June, 2008. The program is expected to launch in calendar year 2010.

This explanatory memorandum is part of a series of documents published by ICANN to assist the global Internet community in understanding the requirements and processes presented in the Applicant Guidebook, currently in draft form. Since late 2008, ICANN staff has been sharing the program development progress with the Internet community through a series of public comment fora on the applicant guidebook drafts and supporting documents. To date, there have been over 250 consultation days on critical program materials. The comments received continue to be carefully evaluated and used to further refine the program and inform development of the final version of the Applicant Guidebook.

For current information, timelines and activities related to the New gTLD Program, please go to <http://www.icann.org/en/topics/new-qtld-program.htm>.

Please note that this is a discussion draft only. Potential applicants should not rely on any of the proposed details of the new gTLD program as the program remains subject to further consultation and revision.

## Summary of Changes to Base Agreement for New gTLDs

### (v.3 against v.2)

The following chart sets out the proposed changes to the draft base gTLD Agreement. These changes are suggested in response to comments received from the community on v.2 of the draft base gTLD Agreement and further review of contractual needs of the new gTLD program. It is important to note that the new draft agreement does not constitute a formal position by ICANN, and has not been approved by ICANN's Board of Directors. The agreement has been set out for review and community discussion purposes, and we encourage comments and suggestions for improvement.

Section	Change to Text	Comments and Rationale
1.1	<b>Domain and Designation.</b>	No change
1.2	<b>Technical Feasibility of String.</b>	No change
1.3	<p><b><u>(a) Registry Operator represents and warrants to ICANN as follows:</u></b></p> <p><del>(i) Section 1.3 Statements of Registry Operator. Registry Operator represents and warrants that all material information provided and statements made in connection with the registry TLD application, and statements made in writing during the negotiations</del> <b><u>negotiation</u></b> of this Agreement, were true and correct in all material respects at the time made, and that such information or statements continue to be true and correct in all material respects as of the Effective Date except as otherwise <b><u>previously</u></b> disclosed in writing by Registry Operator to ICANN;</p> <p><b><u>(ii) Registry Operator is a _____, duly organized, validly existing and in good standing under the laws of _____, and Registry Operator has all requisite power and authority and obtained all necessary _____ approvals to enter into and duly execute and deliver this Agreement; and</u></b></p> <p><b><u>(iii) Each of Registry Operator and the other parties</u></b></p>	<p>The material change in clause (a)(i) was made to exclude oral statements because of concerns expressed by the community relating to evidentiary issues and concerns that such a requirement would stifle the application process. ICANN must be able to rely on written statements made during the application process in order to administer the new gTLD program effectively.</p> <p>Subsections (a)(ii) and (b) were added based on community comment and are consistent with the terms of existing registry agreements.</p> <p>Subsection (a)(iii) was added to address the requirement that Registry Operator obtain a financial instrument ensuring the resources necessary to operate the TLD for a specified period of time following the termination of the agreement (see new Section 2.12 below and new Specification 8 posted on the ICANN website).</p>

Section	Change to Text	Comments and Rationale
	<p><u>thereto has duly executed and delivered to ICANN an instrument that secures the funds required to perform registry functions for the TLD in the event of the termination or expiration of this Agreement (the “Continued Operations Instrument”), and such instrument is a binding obligation of the parties thereto, enforceable against the parties in accordance with its terms.</u></p> <p><u>(b) ICANN represents and warrants to Registry Operator that ICANN is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California, United States of America. ICANN has all requisite power and authority and obtained all necessary corporate approvals to enter into and duly execute and deliver this Agreement.</u></p>	
2.1	<p><u>Approved Services; Additional Services. Registry Operator shall be entitled to provide the Registry Services described in clauses (a) and (b) of the first paragraph of Section 2 in Specification 6 at [see specification 6] and such other Registry Services set forth on Exhibit A (collectively, the “Approved Services”). If Registry Operator desires to provide any Registry Service that is not an Approved Service or is a modification to an Approved Service (each, an “Additional Service”), Registry Operator shall submit requests for approval of such Additional Service pursuant to the Registry Services Evaluation Policy at <a href="http://www.icann.org/en/registries/rsep/rsep.html">http://www.icann.org/en/registries/rsep/rsep.html</a>, as such policy may be amended from time to time (the “RSEP”). Registry Operator may offer Additional Services only with the written approval of ICANN. In its reasonable discretion, ICANN may require an amendment to this Agreement reflecting the provision of any Additional Service which is approved pursuant to the RSEP.</u></p>	<p>This new provision clarifies what was previously considered inherent in existing registry agreements, namely that Registry Operator is authorized to provide certain registry services, and must submit requests for new services through the funnel.</p>
2.2	<p><b>Compliance with Consensus Policies and Temporary Policies.</b> Registry Operator shall comply with and implement all Consensus Policies and Temporary Policies found at &lt;<a href="http://www.icann.org/general/consensus-policies.htm">http://www.icann.org/general/consensus-policies.htm</a>&gt;, as of the Effective Date and as may in the future be developed and adopted in accordance with ICANN’s Bylaws, provided such <b>future</b> Consensus Polices and Temporary Policies are adopted in accordance with</p>	<p>This change clarifies that the proviso qualifies only future policies and not existing policies.</p>

Section	Change to Text	Comments and Rationale
	the procedure and relate to those topics and subject to those limitations set forth at [see specification 1]*.	
2.3	<b>Data Escrow.</b>	No change to agreement, however, see Specification 2 posted to the ICANN website for revised technical escrow specifications. Also, although ICANN will not require a form escrow agreement for new gTLDs, certain mandatory escrow contractual provisions are contained in Specification 2, Part B.
2.4	Within <u>twenty (20) calendar</u> days following the end of each calendar month, Registry Operator shall deliver to ICANN a report in the format posted at [see specification 3]*. <del>ICANN may audit Registry Operator's books and records relating to data contained in monthly reports from time to time upon reasonable advance written notice, provided that such audits will not exceed one per quarter. Any such audit will be at ICANN's cost, unless such audit is related to a discrepancy or discrepancies in the data provided by Registry Operator in excess of 5% to ICANN's detriment. In the latter event, Registry Operator shall reimburse ICANN for all reasonable costs and expenses associated with such audit, which reimbursement will be paid together with the next Registry Level Fee payment due following the date of transmittal of the cost statement for such audit.</del>	The audit mechanism was deleted from Section 2.4 and consolidated with the broader audit provisions of Section 2.11 (see below).  See Specification 3 posted to ICANN's website for mandatory elements of monthly reports including a newly required report with respect to service level agreement performance.
2.5	<b>Publication of Registration Data.</b>	No change to text of agreement, however, see Specification 4 posted to ICANN website. Specification 4 will require "thick" WHOIS data as well as set mandatory requirements for access to Registry Operator's root zone file.
2.6	<b>Reserved Names.</b> Except to the extent that ICANN otherwise expressly authorizes in writing, Registry Operator shall reserve from initial (i.e. other than renewal) registration all <u>character</u> strings that appear on the Schedule of Reserved Names posted at [see specification 5]*. <u>Registry Operator may establish policies concerning the reservation or blocking of additional character strings within the TLD at its discretion. If Registry Operator is the registrant for any domain names in the Registry TLD (other than the Second-Level Reservations for Registry Operations from Specification 5), such registrations must be through an ICANN accredited registrar. Any such registrations will be considered Transactions (as defined in Section 6.1) for purposes of calculating the</u>	This revision provides that Registry Operator is permitted to establish policies concerning reservation of strings, provided that, if it registers any domains names in the TLD for its own account, it will do so through an ICANN accredited registrar and any such registrations will result in fees payable under Section 6.1. This requirement ensures that all registrations will be treated equally and managed efficiently through accredited registrars, and that all registrations will be subject to registry level fees.

Section	Change to Text	Comments and Rationale
	<b><u>Registry-Level Transaction Fee to be paid to ICANN by Registry Operator pursuant to Section 6.1.</u></b>	
2.7	<b>Functional and Performance Specifications.</b> Functional and Performance Specifications for operation of the TLD will be as set forth at [ <i>see specification 6</i> ]*. Registry Operator shall comply with <del>and</del> <b><u>such Functional and Performance Specifications and, for a period of at least one year, shall</u></b> keep technical and operational records sufficient to evidence compliance with such specifications <del>for at least one year, which records ICANN may audit from time to time upon reasonable advance written notice, provided that such audits will not exceed one per quarter. Any such audit will be at ICANN's cost.</del>	This change was made in response to community comments and clarifies the mandated performance specifications must be complied with and records of such compliance must be maintained for at least one year. The audit mechanism was deleted from Section 2.7 and consolidated with the broader audit provisions of Section 2.11 (see below).  In order to promote a more secure DNS and Internet, changes to Specification 6 include the requirement to implement IPv6 and DNSSEC. See the full text of Specification 6 posted on ICANN's website for all additional functional and performance requirements.
2.8	<b>Protection of Legal Rights of Third Parties.</b> Registry Operator must specify <del>and comply with</del> a process and procedures for launch of the TLD and initial registration-related and ongoing protection of the legal rights of third parties ( <del>"Rights Protection Mechanisms"</del> ), which shall at a minimum include those provisions set forth at [ <i>see specification 7</i> ]*. Any changes or modifications to <del>Registry Operator's Rights Protection Mechanisms</del> <b><u>such process and procedures</u></b> following the Effective Date must be approved in advance by ICANN <b><u>in writing</u></b> .	This change was made in response to community comment and is intended to clarify that the Registry Operator is required not only to specify processes and procedures, but must also comply with such processes and procedures.  Specification 7 posted on ICANN's website contains a draft rights protection framework, which is still subject to community discussion. Additional rights protection mechanisms are under consideration by the GNSO.
2.9	Registry Operator must use only ICANN accredited registrars in registering domain names. <del>Affiliates of Registry Operator may be ICANN accredited registrars authorized to register names in the TLD, provided, however, that together they may act as registrar for no more than 100,000 names registered in the TLD. Registry Operator may not itself act as an authorized registrar for the TLD through the same entity that provides registry services. Registry Operator must provide non-discriminatory access to registry services to all ICANN accredited registrars that enter into and are in compliance with Registry Operator's registry-registrar agreement for the TLD. Registry Operator must use a uniform agreement with all registrars authorized to register names in the TLD, which may be revised by Registry Operator from time to time, provided however, that any such revisions must be approved in</del>	Section 2.9 (registry/registrar separation) continues to be controversial within the community. This text sets forth 4 different alternatives with respect to separation that are currently under consideration. None of these alternatives have been approved by the ICANN board of directors and each is provided for discussion purposes only and does not constitute a formal proposal of ICANN.

Section	Change to Text	Comments and Rationale
	<p>advance by ICANN.</p> <p><b><u>[There are four options for community discussion and consideration with respect to registry/registrar separation:</u></b></p> <p><b><u>(a) No cross-ownership restrictions except where there is market power and/or registry price caps (regulation needs, if any, left to regulating authorities)</u></b></p> <p><b><u>(b) No cross-ownership restrictions for new registries, existing restrictions for existing registries.</u></b></p> <p><b><u>(c) Limited lifting with enhanced structural separation:</u></b></p> <p><b><u>(i) The registrar cannot sell names in the co-owned registry, or</u></b></p> <p><b><u>(ii) The registrar can sell a very limited number of names in the co-owned registry.</u></b></p> <p><b><u>(d) Complete restrictions:</u></b></p> <p><b><u>(i) Registries cannot have ownership percentages in registrars, and vice versa.</u></b></p> <p><b><u>(ii) Registrars prohibited from providing back-end services (this might be accompanied by reciprocal restrictions, i.e., that registries cannot provide back-end services for other registries and registries cannot own resellers).]</u></b></p>	
2.10	<p><del>Transparency of Pricing for Registry Services. Except as set forth in this Section 2.10,</del> Registry Operator shall provide no less than six months notice <del>to each ICANN accredited registrar that has executed Registry Operator's registry-registrar agreement</del> advance <u>notice</u> of any price increase <del>for [net of refunds, rebates, discounts, product tying or other programs]</del> <u>of no less than thirty (30) calendar days with respect to</u></p>	<p>This provision was modified to shorten the notification period for price increases related to initial registrations as suggested by community comments and otherwise clarifies notices that must be given in the event of price increases as well as the required duration of registration offerings.</p>

Section	Change to Text	Comments and Rationale
	<p><b><u>initial domain name registrations and one hundred eighty (180) calendar days with respect to renewal of</u></b> domain name registrations, and shall offer <b><u>registrars the option to obtain</u></b> domain name registrations for periods of up to ten years. <b><u>registration renewals at the current price (i.e. the price in place prior to any noticed increase) for periods of one to ten years at the discretion of the registrar, but no greater than ten years.</u></b> <b><u>Notwithstanding the foregoing, with respect to renewal of domain name registrations,</u></b> Registry Operator is not required to give notice of <b><u>need only provide thirty (30) calendar days notice of any price increase if the resulting price is less than or equal to a price for which Registry Operator provided notice within that past twelve (12) months, and need not provide any notice of any price increase for</u></b> the imposition of the Variable Registry-Level Fee set forth in Section 6.46.3. <del>Registry Operator shall ensure through its Registry Registrar Agreement that each ICANN-accredited registrar authorized to sell names in the TLD will clearly display</del> <b><u>offer all domain registration renewals at the same price, unless the registrant agrees to a higher price</u></b> at the time of <b><u>the initial</u></b> registration a link to an ICANN designated web page that ICANN will develop describing registrant rights and responsibilities. <del>[Note: subject to continuing community discussion.]</del> <b><u>of the domain name following clear and conspicuous disclosure of such renewal price by Registry Operator.]</u></b> <b><u>Registry Operator shall provide public query-based DNS lookup service for the TLD at its sole expense.]</u></b></p>	<p>In order to protect registrants, the revisions also provide that Registry Operator must offer a uniform price for renewals, unless the registrant agreed to different pricing at the time of initial registration.</p> <p>The final revision to this Section also requires Registry Operator to provide DNS lookup service at its expense, as is currently customary.</p>
2.11	<p><b><u>Contractual and Operational Compliance Audits.</u></b> <del>In addition to those audit rights set forth in Sections 2.3 and 2.6,</del> ICANN may from time to time, at its expense, <b><u>(not to exceed once per calendar quarter)</u></b> conduct contractual compliance audits to assess compliance by Registry Operator with its covenants contained in Section 2 of this Agreement. <b><u>Such audits shall be tailored to achieve the purpose of assessing compliance, and ICANN shall give reasonable advance notice of any such audit, which notice shall specify in reasonable detail the categories of documents, data and other information requested by ICANN.</u></b> <del>As part of any contractual compliance</del> <b><u>such</u></b> audit and upon request by ICANN, Registry Operator shall timely provide all responsive documents, data and any other information necessary to demonstrate Registry Operator's compliance with this Agreement. Upon no less than five <b><u>(5) calendar</u></b> days notice (unless otherwise agreed to by Registry Operator), ICANN may, as part of any</p>	<p>This change was made in response to community comments. The changes are meant to provide Registry Operator with appropriate notice of compliance audits and to focus such audits on relevant compliance issues.</p> <p>The last change in this section incorporates the audit provisions that were deleted earlier in the agreement that relate to fee disputes.</p>

Section	Change to Text	Comments and Rationale
	<p>contractual compliance audit, conduct site visits during regular business hours to assess compliance by Registry Operator with its covenants contained in Section 2 of this Agreement. <u>Any such audit will be at ICANN's expense, unless such audit is related to a discrepancy in the fees paid by Registry Operator hereunder in excess of 5% to ICANN's detriment. In the latter event, Registry Operator shall reimburse ICANN for all reasonable costs and expenses associated with such audit, which reimbursement will be paid together with the next Registry-Level Fee payment due following the date of transmittal of the cost statement for such audit.</u></p>	
2.12	<p><u>Continued Operations Instrument. Registry operator shall comply with the terms and conditions relating to the Continued Operations Instrument set forth at [see specification 8].</u></p>	<p>This addition was made to address the requirement that Registry Operator obtain a financial instrument ensuring the resources necessary to operate the TLD for a specified period of time following the termination of the agreement. The required terms and conditions of such instrument are set forth in Specification 8 to be posted on ICANN's website, which sets forth several covenants that govern the renewal, amendment and termination of the instrument. This requirement is being implemented to ensure sufficient funding for the orderly winding down of any registries that cease operations, thus ensuring the stability of the registry and protecting registrants in the TLD. See the Applicant Guidebook for further discussion of the required Continued Operations Instrument.</p>
2.13 (community based)	<p><i>[Note: <del>for</del>For Community-Based TLDs Only]</i> <b>Obligations of Registry Operator to TLD Community.</b> Registry Operator shall establish registration policies in conformity with the application submitted with respect to the TLD for: (i) naming conventions within the TLD, (ii) requirements for registration by members of the TLD community, and (iii) use of registered domain names in conformity with the stated purpose of the community-based TLD. Registry Operator shall operate the TLD in a manner that allows the TLD community to discuss and participate in the development and modification of policies and practices for the TLD. Registry Operator shall establish procedures for the enforcement of registration policies for the TLD, and resolution of disputes concerning compliance with TLD registration policies, and shall enforce such registration policies. <u>Registry Operator agrees to be bound by the Registry Restrictions Dispute Resolution</u></p>	<p>This provision, which applies only to community-based TLDs was modified to make clear that any disputes that arise with respect to the purpose of the community-based TLD will be subject to the Registry Restrictions Dispute Resolution Procedure (RRDRP) currently under development. See explanatory memorandum at <a href="http://www.icann.org/en/topics/new-gtlds/rrdrp-30may09-en.pdf">http://www.icann.org/en/topics/new-gtlds/rrdrp-30may09-en.pdf</a></p>



Section	Change to Text	Comments and Rationale
	<b><u>Procedure as set forth at [insert applicable URL] with respect to disputes arising pursuant to this Section 2.13]</u></b>	
3.1	<b>Open and Transparent.</b>	No change
3.2	<b>Equitable Treatment.</b>	No change
3.3	<b><u>TLD Nameservers.</u></b> ICANN will use commercially reasonable efforts to ensure that any changes to the TLD nameserver designations submitted to ICANN by Registry Operator (in a format and with required technical elements specified by ICANN at <a href="http://www.iana.org/domains/root/">http://www.iana.org/domains/root/</a> will be implemented by ICANN within seven <b><u>(7) calendar</u></b> days or as promptly as feasible following technical verifications. <b><u>In the event and to the extent that ICANN is authorized to set policy with regard to an authoritative root server system, it will ensure that the authoritative root will point to the TLD nameservers designated by Registry Operator for the TLD throughout the Term of this Agreement, unless earlier terminated pursuant to Section 4.3 or 4.4.</u></b>	The last sentence of this section was added in response to comments from the community. Community comments indicated this obligation was critical to potential registry operators.
3.4	<b>Root-zone Information Publication.</b>	No change
4.1	<b><u>Term.</u></b> The term of this Agreement will be ten years from the Effective Date <b><u>(as such term may be extended pursuant to Section 4.2, the “Term”).</u></b>	The creation of the defined terms is simply for clarity purposes.
4.2	<del><b><u>Renewal.</u></b> This Agreement will be renewed upon the expiration of the term set forth in Section 4.1 above and each successive term, unless an arbitrator or court has determined that Registry Operator has been in fundamental and material breach of its covenants set forth in Article 2 of this Agreement, or in default of its payment obligations under Article 6, and such breach or breaches remain uncured following notice by ICANN to Registry Operator.</del>  <b><u>Renewal. This Agreement will be renewed for successive periods of ten years upon the expiration of the initial Term set forth in Section 4.1 and each successive Term, unless:</u></b>  <b><u>(a) Following notice by ICANN to Registry Operator of a fundamental and material breach of Registry Operator’s covenants set forth in Article 2 or default of its payment obligations under Article 6 of</u></b>	This renewal provisions has been enhanced in response to community comments. Under this provision, the agreement will not be renewed only if Registry Operator is found to be in fundamental and material breach of certain operational and payment obligations, and fails to cure such breach following an arbitrator’s decision in favor of ICANN, or if Registry Operator has been found by an arbitrator to be in fundamental and material breach of the agreement on three separate occasions during the current Term.  This provision is designed to give ICANN flexibility in not renewing agreements with non-compliant registry operators, while ensuring that registry operators that remain in compliance with the agreement will not suffer an interruption or termination

Section	Change to Text	Comments and Rationale
	<p><u>this Agreement, which notice shall include with specificity the details of the alleged breach or default and such breach or default has not been cured within thirty (30) calendar days of such notice, (i) an arbitrator or court has finally determined that Registry Operator has been in fundamental and material breach of such covenant(s) or in default of its payment obligations, and (ii) Registry Operator has failed to comply with such determination and cure such breach or default within ten (10) calendar days or such other time period as may be determined by the arbitrator or court; or</u></p> <p><u>(b) During the then current Term, Registry Operator shall have been found by an arbitrator (pursuant to Section 5.2 of this Agreement) on at least three (3) separate occasions to have been in fundamental and material breach (whether or not cured) of Registry Operator’s covenants set forth in Article 2 or default of its payment obligations under Article 6 of this Agreement.</u></p> <p><u>(c) Upon the occurrence of the events set forth in Section 4.2(a) or (b), the Agreement shall terminate at the expiration of the then current Term.</u></p>	<p>of their business based on non-renewal.</p>
4.3	<p>(a) ICANN may terminate this Agreement if: <u>(i) Registry Operator fails to cure any fundamental and material breach of Registry Operator’s covenants set forth in Article 2 or default of its payment obligations set forth in Article 6 of this Agreement, each within thirty (30) calendar days after ICANN gives Registry Operator written notice of the such breach or default, which notice will include with specificity the details of the alleged breach and or default, (ii) an arbitrator or court has finally determined that Registry Operator is, in fundamental and material breach and has failed to of such covenant(s) or in default of its payment obligations, and (iii) Registry Operator fails to comply with such determination and cure such breach or default within ten (10) calendar days or such other time period as may be determined by the arbitrator or court.</u> Failure of</p> <p><u>(b) ICANN may, upon notice to Registry Operator, terminate this Agreement, if Registry Operator fails to complete all testing and procedures necessary for delegation of the TLD into the root zone within 12 months of the Effective Date shall be considered a material and fundamental</u></p>	<p>This provision was modified in response to comments from the community in order to give registry operators more assurance that the contract will not be terminated by ICANN without procedural protections, which will allow Registry Operator to cure material breaches prior to termination. The deletion of “written” was made because written notice is automatically required by the general notices provision (see Section 8.8).</p> <p>The change to Section 4.3(b) was made to clarify that ICANN may terminate the agreement if Registry Operator fails to timely complete all preparation for delegation of the TLD. The change also provides that ICANN must be satisfied with the demonstration provided by Registry Operator for ICANN’s termination right to be vacated in the event that Registry Operator asks for an extension.</p> <p>Section 4.3(c) was added to ensure that Registry Operator complies with its obligations related to the Continued Operations</p>

Section	Change to Text	Comments and Rationale
	<p><del>breach of Registry Operator's obligations hereunder and shall entitle ICANN, in its sole discretion, to terminate the Agreement with no further obligations of either party. Registry Operator may request an extension for up to additional 12 months for delegation if it can demonstrate, <u>to ICANN's reasonable satisfaction</u>, that Registry Operator is working diligently and in good faith toward successfully completing the steps necessary for delegation of the TLD. Any fees paid by Registry Operator to ICANN prior to such termination date shall be retained by ICANN in full.</del></p> <p><u>(c) ICANN may, upon notice to Registry Operator, terminate this agreement if Registry Operator fails to cure a breach of Registry Operator's obligations set forth in Section 2.12 of this Agreement within thirty (30) calendar days of delivery of notice of such breach by ICANN, or if the Continued Operations Instrument is not in effect for greater than sixty (60) consecutive calendar days at any time following the Effective Date.</u></p>	<p>Instrument (see Section 2.12), and to ensure that ICANN has an appropriate remedy in the event that Registry Operator fails to provide for sufficient resources to allow for the orderly winding down of the registry and to protect registrants in the TLD in the event that Registry Operator can not maintain its business.</p>
4.4	<p><u>Termination by Registry Operator.</u></p> <p><u>(a) Registry Operator may terminate this Agreement upon notice to ICANN if, (i) ICANN fails to cure any fundamental and material breach of ICANN's covenants set forth in Article 3, within thirty (30) calendar days after Registry Operator gives ICANN notice of such breach, which notice will include with specificity the details of the alleged breach, (ii) an arbitrator or court has finally determined that ICANN is in fundamental and material breach, and (iii) ICANN fails to comply with such determination and cure such breach within ten (10) calendar days or such other time period as may be determined by the arbitrator or court.</u></p> <p><u>(b) Registry Operator may terminate this Agreement upon notice to ICANN if, (i) within the notice period provided for in Section 7.2(d), Registry Operator provides ICANN notice of its objection to a proposed material amendment of this Agreement pursuant to Article 7, which notice will include with specificity the details of such objection, and (ii) such amendment thereafter becomes effective in the form objected to by Registry Operator; provided, however, that Registry Operator may only terminate this Agreement pursuant to this Section 4.4(b) if the required</u></p>	<p>This provision was added in response to community comments suggesting that Registry Operator should have certain basic rights to terminate the agreement. This provision would allow Registry Operator to terminate if it could show a fundamental and material breach by ICANN that was affirmed by a court or arbitrator decision (mirroring the breach termination rights of ICANN in the previous section).</p> <p>This provision would also allow Registry Operator to terminate if ICANN made a unilateral change to the agreement through the provisions of Article 7. This termination right was added in response to community comments that it is unfair to require a registry operator to continue under a contract that has been amended without its consent.</p> <p>Finally, Registry Operator can terminate the agreement for any reason upon 6 months notice to ICANN. This gives Registry Operator flexibility in the event that it decides to discontinue its business.</p>

Section	Change to Text	Comments and Rationale
	<p><u>notice of termination has been provided to ICANN within thirty (30) calendar days following the effective date of such amendment; provided, further, that the termination of this Agreement pursuant to this Section 4.4(b) shall be effective on the date that is the one hundred twenty (120) calendar day following the date upon which Registry Operator delivered the notice of termination to ICANN.</u></p> <p><u>(c) Registry Operator may terminate this Agreement for any reason upon one hundred eighty (180) calendar day advance notice to ICANN.</u></p>	
4.5	<p><b>Transition of Registry upon Termination of Agreement.</b> Upon <u>expiration of the Term and</u> any termination of this Agreement, Registry Operator shall agree to provide ICANN or any successor registry authority that may be designated <u>by ICANN</u> for the TLD with all data <u>(including that data escrowed in accordance with Section 2.3)</u> regarding operations of the registry for the TLD necessary to maintain operations and registry functions that may be reasonably requested <u>in addition to that data escrowed in accordance with Section 2.2, by ICANN or such successor registry authority. After consultation with Registry Operator, ICANN shall determine whether or not to transition operation of the TLD to a successor registry authority in its sole discretion and in conformance with the ICANN gTLD Registry Continuity Plan, dated April 25, 2009, as the same may be amended from time to time. In addition, ICANN or its designee shall retain and may enforce its rights under the Continued Operations Instrument and Alternative Instrument, as applicable, regardless of the reason for termination or expiration of this Agreement.</u></p>	<p>These changes clarify the process that would follow a termination in order to have an orderly succession of the TLD, including the use and operation of the Continued Operations Instrument.</p> <p>In response to community comment that single purpose corporate TLDs should not be delegated by ICANN upon termination of the registry agreement with the original registry operator, a provision was added to provide that ICANN will consult with the registry operator prior to determining whether to re-delegate the TLD, but ultimately ICANN must have discretion with respect to re-delegation in order to fulfill its mandate to maintain a secure DNS and protect registrants in the TLD.</p>
4.6	<p><u>Survival. Expiration or termination of this Agreement shall not relieve the parties of any obligation or breach of this Agreement accruing prior to such expiration or termination, including, without limitation, all accrued payment obligations arising under Article 6. In addition Article 5 and Article 8, Section 2.12, Section 4.5, and this Section 4.6 shall survive the expiration or termination of this Agreement.</u></p>	<p>This provision was added to clarify that certain obligations in the agreement will survive termination.</p>
5.1	Cooperative Engagement.	No change

Section	Change to Text	Comments and Rationale
5.2	<p><b>Arbitration.</b> Disputes arising under or in connection with this Agreement, including requests for specific performance, will be resolved through binding arbitration conducted pursuant to the rules of the International Court of Arbitration of the International Chamber of Commerce (“ICC”). The arbitration will be conducted in the English language in front of a single arbitrator and will occur in Los Angeles County, California, USA. The prevailing party in the arbitration will have the right to recover its costs and reasonable attorneys’ fees, which the <del>arbitrators</del><u>arbitrator</u> shall include in <del>their</del><u>its</u> awards. In any proceeding, ICANN may request the appointed arbitrator award punitive or exemplary damages, or operational sanctions (including without limitation an order temporarily restricting Registry Operator’s right to sell new registrations) in the event <u>the arbitrator determines that</u> Registry Operator <del>shall be shown to have</del><u>has</u> been repeatedly and willfully in fundamental and material breach <u>of its obligations set forth in Article 2, Article 6 and Section 5.4</u> of this Agreement. In any litigation involving ICANN concerning this Agreement, jurisdiction and exclusive venue for such litigation will be in a court located in Los Angeles County, California, USA; however, the parties will also have the right to enforce a judgment of such a court in any court of competent jurisdiction.</p>	<p>In response to community comment, this revision narrows the circumstances under which ICANN may seek extraordinary remedies to fundamental and material breaches of Registry Operators covenants, payment obligations or any specific performance ordered by a prior arbitration. ICANN acknowledges that extraordinary remedies should be available only in rare cases of malfeasance.</p>
5.3	<p><b>Limitation of Liability.</b> ICANN’s aggregate monetary liability for violations of this Agreement will not exceed the amount of Registry-Level Fees paid by Registry Operator to ICANN within the preceding twelve-month period pursuant to this Agreement (excluding the Variable Registry-Level Fee set forth in Section <del>6.46.3</del>, if any). Registry Operator’s aggregate monetary liability to ICANN for violations of this Agreement will be limited to the amount of fees paid to ICANN during the preceding twelve-month period (excluding the Variable Registry-Level Fee set forth in Section <del>6.46.3</del>, if any), and punitive and exemplary damages, if any, <u>awarded</u> in accordance with Section 5.2. <u>In no event shall either party be liable for special, punitive, exemplary or consequential damages arising out of or in connection with this Agreement or the performance or nonperformance of obligations undertaken in this Agreement, except as provided in Section 5.2.</u></p>	<p>The new text is inserted in response to community comments and merely restates that such extraordinary damages may be awarded only pursuant to Section 5.2 (see immediately above).</p>
5.4	<p><u><b>Specific Performance. Registry Operator and ICANN agree that</b></u></p>	<p>This provision was added upon further review of prior gTLD</p>

Section	Change to Text	Comments and Rationale
	<p><b><u>irreparable damage could occur if any of the provisions of this Agreement was not performed in accordance with its specific terms. Accordingly, the parties agree that they each shall be entitled to seek from the arbitrators specific performance of the terms of this Agreement (in addition to any other remedy to which each party is entitled).</u></b></p>	<p>agreements and is necessary to ensure security and stability of the DNS and the Internet in the event of non-compliance by Registry Operator with its obligations under the agreement. It will also allow Registry Operators to require ICANN to fulfill its obligations under the agreement.</p>
6.1	<p><b>Registry-Level Fees.</b> Registry Operator shall pay ICANN a Registry-Level Fee equal to (i) the Registry Fixed Fee of US\$6,250 per calendar quarter and (ii) the Registry-Level Transaction Fee. The Registry-Level Transaction Fee will be equal to the number of annual increments of an initial or renewal domain name registration (at one or more levels, and including renewals associated with transfers from one ICANN-accredited registrar to another, each a “Transaction”), during the applicable calendar quarter multiplied by US\$0.25, provided, however that the Registry-Level Transaction Fee shall not apply until and unless more than 50,000 domain names are registered in the TLD and shall apply thereafter to each Transaction. <b><u>Registry Operator shall pay the Registry-Level Fees on a quarterly basis comprised of four equal payments by the 20th day following the end of each calendar quarter (i.e., on April 20, July 20, October 20 and January 20 for the calendar quarters ending March 31, June 30, September 30 and December 31) of the year to an account designated by ICANN.</u></b></p>	<p>This text was moved from a different section to clarify the timing and mechanics of payments from Registry Operator to ICANN.</p>
6.2	<p><b><u>[Cost Recovery for RSTEP.</u></b> Requests by Registry Operator for the approval of <del>new or modifications to existing registry services are reviewed</del><b><u>Additional Services pursuant to Section 2.1 may be referred</u></b> by ICANN and referred as appropriate to the registry services <del>to the Registry Services</del> Technical Evaluation Panel (“RSTEP”) pursuant to that process at <a href="http://www.icann.org/en/registries/rsep/">http://www.icann.org/en/registries/rsep/</a>. <b><u>In the event that such requests are referred to RSTEP,</u></b> Registry Operator shall remit to ICANN the invoiced cost of the RSTEP review <del>for new or modified registry services that are referred to the RSTEP</del> within ten (10) business days of receipt of a copy of the RSTEP invoice from ICANN, <b><u>unless ICANN determines, in its sole and absolute discretion, to pay all or any portion of the invoiced cost of such RSTEP review.</u></b></p>	<p>The revisions to this section clarify Registry Operator’s obligation to pay the costs of RSTEP, unless ICANN determines to pay a portion of such costs. The substance of the provision is unchanged.</p>
6.3	<p><b><u>Variable Registry-Level Fee.</u></b> <del>Variable Registry Level Fee. For fiscal quarters in which ICANN does not</del></p>	<p>The proposed changes are: – meant to provide additional details around the purpose and</p>

Section	Change to Text	Comments and Rationale
	<p><del>collect a</del> <b><u>(a) If the ICANN accredited registrars (as a group) do not approve pursuant to the terms of their registrar accreditation agreements with ICANN the variable accreditation fee from all registrars fees established by the ICANN Board of Directors for any ICANN fiscal year, upon receipt/delivery of written notice from ICANN, Registry Operator shall pay to ICANN a Variable Registry-Level Fee, which shall be paid on a fiscal quarter basis, and shall accrue as of the beginning of the first fiscal quarter of such ICANN fiscal year. The fee will be calculated and invoiced by ICANN, on a quarterly basis, and shall be paid to ICANN by the Registry Operator in accordance with the Payment Schedule in Section 6.2, and the within sixty (60) calendar days with respect to the first quarter of such ICANN fiscal year and within twenty (20) calendar days with respect to each remaining quarter of such ICANN fiscal year, of receipt of the invoiced amount by ICANN. The Registry Operator will may invoice and collect the fees Variable Registry-Level Fees from the registrars who are party to a Registry-Registrar Agreement with Registry Operator. The fee will, provided that the fees shall be required/invoiced to be collected from all ICANN accredited registrars if collected from invoiced to any. The Variable Registry-Level Fee, if collectible by ICANN, shall be an obligation of Registry Operator and shall be due and payable as provided in this Section 6.3 irrespective of Registry Operator’s ability to seek and obtain reimbursement of such fee from registrars. In the event ICANN later collects variable accreditation fees for which Registry Operator has paid ICANN a Variable Registry-Level Fee, ICANN shall reimburse the Registry Operator an appropriate amount of the Variable Registry-Level Fee, as reasonably determined by ICANN. If the ICANN accredited registrars (as a group) do approve pursuant to the terms of their registrar accreditation agreements with ICANN the variable accreditation fees established by the ICANN Board of Directors for a fiscal year, ICANN shall not be entitled to a Variable-Level Fee hereunder for such fiscal year, irrespective of whether the ICANN accredited registrars comply with their payment obligations to ICANN during such fiscal year.</u></b></p> <p><b><u>(b) The amount of the Variable Registry-Level Fee will be specified for each registrar, and may include both a per-registrar component and a transactional component. The per-registrar component of the Variable Registry-Level Fee shall be specified by ICANN in accordance</u></b></p>	<p>the timing of payment of the variable fee;</p> <ul style="list-style-type: none"> <li>– to clarify that the fee is payable irrespective of the Registry Operator’s ability to recoup the fees from registrars (Note: Registry Operator will have flexibility in negotiating its registry-registrar agreements to ensure collection of such fees if necessary);</li> <li>– to allow Registry Operator more time to collect the initial installment of the fee, if necessary;</li> <li>– to provide that ICANN will reimburse the Registry Operator if ICANN collects fees from registrars that were previously billed to and paid by the Registry Operator;</li> <li>– to place a cap on the “per-registrar” component of the fee to give Registry Operators greater assurances with respect to the level of fees that will be charged;</li> <li>– to clarify that such fees will not be applicable in the event the registrars approved the accreditation fees requested by ICANN, irrespective of whether such fees are later paid by the registrars; and</li> <li>– to clarify that the transaction component of the fee relates to each registration, each year.</li> </ul>

Section	Change to Text	Comments and Rationale
	<p><u>with the budget adopted by the ICANN Board of Directors for each ICANN fiscal year.</u> The transactional component of the Variable Registry-Level Fee shall be specified by ICANN in accordance with the budget adopted by the ICANN Board <u>of Directors</u> for each ICANN fiscal year but shall not exceed US\$0.25 <u>per domain name registration (including renewals associated with transfers from one ICANN-accredited registrar to another) per year.</u></p>	
6.4	<p><u>Adjustments to Fees. Notwithstanding any of the fee limitations set forth in this Article 6, commencing upon the expiration of the first year of this Agreement, and upon the expiration of each year thereafter during the Term, the then current fees set forth in Section 6.1 and Section 6.3 may be increased, at ICANN’s discretion, by a percentage equal to the percentage increase, if any, in (i) the Consumer Price Index for All Urban Consumers, U.S. City Average (1982-1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics, or any successor index (the “CPI”) for the month which is one (1) month prior to the commencement of the applicable year, over (ii) the CPI published for the month which is one (1) month prior to the commencement of the immediately prior year. In the event of any such increase, ICANN shall provided notice to Registry Operator specifying the amount of such increase. Any fee increase under this Section 6.4 shall be effective as of the first day of the year in which the above calculation is made.</u></p>	<p>This provision has been added to take into account the possibility of inflation during the term of the agreement. Because of the long term nature of each registry agreement (including successive 10-year renewal periods), ICANN needs the flexibility to adjust registry level fees consistent with inflation without requesting a formal amendment. Any such increase would be tied to an objective index and thus would not be subject to arbitrary application.</p>
6.5	<p><u>Additional Fee on Late Payments.</u> For any payments thirty <u>(30) calendar</u> days or more overdue <del>pursuant to Section 6.2</del> <u>under this Agreement,</u> Registry Operator shall pay an additional fee on late payments at the rate of 1.5% per month or, if less, the maximum rate permitted by applicable law.</p>	<p>The changes to this section are meant to clarify the application of this section to any fees due from Registry Operator under the agreement.</p>
7.1	<p><del>Evolution</del> <u>Amendment of Terms and Specifications.</u> During the term of this Agreement, <del>certain provisions of the Agreement and</del> <u>Article 2 (including the specifications incorporated into this Agreement pursuant to Article 2), Article 6 and Article 8</u> may be amended, <del>modified, supplemented or updated</del> <u>by ICANN</u> in accordance with changing standards, policies and requirements pursuant to the process set forth in this Article 7; <del>provided,</del> however, that <u>(i) ICANN may not utilize this Article 7 to implement changes, modifications or amendments to</u> <u>increase the amount of fees payable</u></p>	<p>In response to community comments, these modifications are intended to limit the scope of the Article 7 by limiting its application to specified areas of the agreement and prohibiting retroactive effectiveness of any amendment adopted pursuant to this process.</p>



Section	Change to Text	Comments and Rationale
	<p><del>hereunder unless ICANN demonstrates a financial need for any such increase, (ii) no amendment shall be applied retrospectively, and (iii) ICANN may not utilize this Article 3 or 7 to amend Section 2.1 of the agreement or specification 1, or to change, Section 2.2 or the process set forth at [see specification 1] for adoption and implementation of new or modified Consensus Policies or Temporary Policies generally.</del></p>	
7.2.	<p><b>Process for Changes.</b> The process for any changes, modifications or amendments to this form of registry agreement permitted by <u>amendment to this Agreement pursuant to</u> Section 7.1 shall be as follows:</p> <p>(a) <del>i.</del> <u>Prior to formally proposing any amendment,</u> ICANN will provide an opportunity of no less than thirty (30) <u>calendar</u> days for consultation with and consideration of input from <u>all</u> registry operators that would be subject to <del>the changes</del> <u>such amendment</u>;</p> <p>(b) <del>ii.</del> <u>Following such consultation and consideration,</u> ICANN will publicly post on its <del>web site</del> <u>website</u> for no less than thirty (30) <u>calendar</u> days formal notice of any proposed changes, modifications or amendments to this form of registry agreement: <u>amendment to this Agreement, including the text of the amendment (including any amendment to the specifications incorporated into this Agreement), during which Registry Operator may submit comments to the amendment</u>;</p> <p>(c) <del>iii.</del> <u>Following such public notice period and approval of the amendment by the</u> ICANN Board <del>approval with respect to material changes to the Agreement,</del> <u>of Directors, ICANN shall provide</u> Registry Operator <del>will be provided notice of the final terms of any changes, modifications or amendments to the terms of this Agreement, and/or the requirements,</del> <u>the amendment (including any amendment to the specifications, or processes incorporated into this Agreement)</u> at least ninety (90) <u>calendar</u> days prior to the effectiveness thereof by the posting of a notice of effectiveness on ICANN’s web site;</p> <p><del>iv. Any such proposed changes, modifications or amendments may be disapproved within sixty (60) days from the date of notice of effectiveness of the change by a vote of more than half of the registry operators subject to</del></p>	<p>The revisions to this Section are meant to provide additional safeguards against arbitrary and detrimental amendments to the agreement through the unilateral amendment process.</p> <p>ICANN believes that it requires the flexibility to amend the agreement through this process but realizes that registry operators need certainty with respect to contract provisions in order to implement business plans.</p> <p>This compromise approach gives registry operators the opportunity to object to amendments, while preserving the necessary flexibility for ICANN to fulfill its mandate to ensure the safety and security of the DNS and the Internet. The revision also clarifies the timing of effectiveness of the proposed amendment following the ICANN board of directors overriding the objections of the applicable registry community.</p> <p>These revisions, along with the new termination right granted to registry operators in the event of an objectionable amendment (see Section 4.4(c) above), give registry operators additional safeguards against unilateral ICANN action.</p>

Section	Change to Text	Comments and Rationale
	<p>the change;</p> <p><b><u>(d) From the date of such public notice of the approved amendment, Registry Operator shall have sixty (60) calendar days to provide notice to ICANN of its disapproval of such amendment;</u></b></p> <p><b><u>(e) If, within such sixty (60) calendar day period, the registry operators of a majority of the top-level domains subject to the amendment (i.e. Registry Operator and any other registry operator party to a registry agreement with ICANN containing a provision similar to this Article 7) provide notice to ICANN of their disapproval of the amendment, it shall be deemed disapproved by the affected registry operators; and</u></b></p> <p><b><u>(f) In the event that such change, modification or the amendment is disapproved by the affected registry operators pursuant to the process set forth herein <u>in clause (e) above</u>, the ICANN Board of Directors by a two-thirds vote shall have thirty (30) calendar days to override such disapproval if the modification or: (i) in the case of any amendment relating to the fees payable to ICANN hereunder, the amendment is justified by a financial need of ICANN and (ii) in the case of any other amendment, the amendment is justified by a substantial and compelling need related to the security or stability Security or Stability (as such terms are defined in Section 8.3) of the Internet or the Domain Name System, in which case, the proposed amendment shall be effective immediately upon expiration of such thirty (30) calendar day period. If the ICANN Board of Directors does not override such disapproval, the proposed amendment shall have no force or effect.</u></b></p>	
8.1(a)	<p>Registry Operator shall indemnify and defend ICANN and its directors, officers, employees, and agents (collectively, “Indemnitees”) from and against any and all third-party claims, damages, liabilities, costs, and expenses, including legal fees and expenses, arising out of or relating to Registry Operator’s operation of the registry for the TLD or Registry Operator’s provision of <del>registry services</del> <b>Registry Services</b>; provided that Registry Operator shall not be obligated to indemnify or defend any Indemnitee to the extent the claim, damage, liability, cost, or expense arose due to a breach by ICANN of any obligation contained in this Agreement <del>or</del></p>	<p>The added text was inserted in response to community comment and provides that ICANN will not be indemnified for matters that arise due to its breach or willful misconduct.</p> <p>The final insert was added in response to community comment and is contained in existing registry agreements. The language clarifies the inapplicability of the provision to certain specified matters, which are not intended to be captured by the provision.</p>

Section	Change to Text	Comments and Rationale
	<p><del><b>any willful misconduct by ICANN.</b> This section will not apply to any request for attorneys’ fees in connection with any litigation or arbitration between or among the parties. <u>This section shall not be deemed to require Registry Operator to reimburse or otherwise indemnify ICANN for costs associated with the negotiation or execution of this Agreement, or with monitoring or management of the parties’ respective obligations hereunder. Further, this Section shall not apply to any request for attorney’s fees in connection with any litigation or arbitration between or among the parties, which shall be governed by Article 5 or otherwise awarded by a court or arbitrator.</u></del></p>	
8.1(b)	<p><b><u>For any claims by ICANN for indemnification whereby multiple registry operators (including Registry Operator) have engaged in the same actions or omissions that gave rise to the claim, Registry Operator’s aggregate liability to indemnify ICANN with respect to such claim shall be limited to a percentage of ICANN’s total claim, calculated by dividing the number of total domain names under registration with Registry Operator within the TLD (which names under registration shall be calculated consistently with Article 6 hereof for any applicable quarter) by the total number of domain names under registration within all top level domains for which the registry operators thereof that are engaging in the same acts or omissions giving rise to such claim. For the purposes of reducing Registry Operator’s liability under Section 8.1(a) pursuant to this Section 8.1(b), Registry Operator shall have the burden of identifying the other registry operators that are engaged in the same actions or omissions that gave rise to the claim, and demonstrating, to ICANN’s reasonable satisfaction, such other registry operators’ culpability for such actions or omissions. For the avoidance of doubt, in the event that a registry operator is engaged in the same acts or omissions giving rise to the claims, but such registry operator(s) do not have the same or similar indemnification obligations to ICANN as set forth in Section 8.1(a) above, the number of domains under management by such registry operator(s) shall nonetheless be included in the calculation in the preceding sentence.]</u></b></p>	<p>This provision was inserted in response to community comment and provides that registry operators that are engaged in similar behavior that gives rise to damages to ICANN will indemnify ICANN in proportion to their size. Because of the difficulty in assigning responsibility in a situation involving multiple registry operators, the obligation to demonstrate culpability for bad acts will fall to the registry operator that is attempting to limit its indemnification obligations through this provision.</p>
8.2	<p><b>Indemnification Procedures.</b> If any third-party claim is commenced that is indemnified under Section 8.1 above, <del>the party against which such claim is commenced</del><b>ICANN</b> shall provide <del>written</del> notice thereof to <del>the other</del></p>	<p>Technical change to make clear that ICANN is the only indemnified party to the agreement.</p>

Section	Change to Text	Comments and Rationale
	party <u>Registry Operator</u> as promptly as practicable...	
8.3	<p><b><u>Defined Terms. For purposes of this Agreement, Security and Stability shall be defined as follows:</u></b></p> <p><b><u>(a) For the purposes of this Agreement, an effect on “Security” shall mean (1) the unauthorized disclosure, alteration, insertion or destruction of registry data, or (2) the unauthorized access to or disclosure of information or resources on the Internet by systems operating in accordance with all applicable standards.</u></b></p> <p><b><u>(b) For purposes of this Agreement, an effect on “Stability” shall refer to (1) lack of compliance with applicable relevant standards that are authoritative and published by a well-established and recognized Internet standards body, such as the relevant Standards-Track or Best Current Practice Requests for Comments (“RFCs”) sponsored by the Internet Engineering Task Force; or (2) the creation of a condition that adversely affects the throughput, response time, consistency or coherence of responses to Internet servers or end systems operating in accordance with applicable relevant standards that are authoritative and published by a well-established and recognized Internet standards body, such as the relevant Standards-Track or Best Current Practice RFCs, and relying on Registry Operator’s delegated information or provisioning of services.</u></b></p>	<p>This provision has been added to make clear that the defined terms “Security” and “Stability” are being used in the agreement. Those definitions are derived from the Registry Services Evaluation Policy at <a href="http://www.icann.org/en/registries/rsep/rsep.html">http://www.icann.org/en/registries/rsep/rsep.html</a>.</p>
8.4	No Offset.	No change
8.5	<p><b><u>Change in Control; Assignment and Subcontracting.</u></b> <del>Registry Operator</del> will provide no less than ten (10) days advance notice to ICANN in accordance with Section 8.8 of any event or change of circumstance anticipated to result in a direct or indirect change of ownership or control of Registry Operator. Neither party may assign this Agreement without the prior written approval of the other party, which approval will not be unreasonably withheld. Notwithstanding the foregoing, ICANN may assign this Agreement in conjunction with a reorganization or re-incorporation of ICANN; to another nonprofit corporation <b><u>or similar entity</u></b> organized for the same or substantially the same purposes. Registry Operator must provide <b><u>no less than thirty (30) calendar days advance</u></b> notice to ICANN of any</p>	<p>This change was made to make clear that only the closing of a transaction will require the notice to ICANN. The previous language could have a negative impact on securities law compliance for SEC reporting registry operators.</p> <p>Many commentators strongly contend that the agreement should provide that ICANN’s consent is required upon a change of control of the registry operator. ICANN had determined that this is inappropriate for numerous reasons, including (i) there are other contractual protections (i.e. compliance covenants and associated termination rights) associated with operation of the</p>

Section	Change to Text	Comments and Rationale
	<p>material subcontracting arrangements, and any agreement to subcontract portions of the operations of the TLD must mandate compliance with all covenants, obligations and agreements by Registry Operator hereunder. <b><u>Registry Operator will provide no less than ten (10) calendar days advance notice to ICANN prior to the consummation of any transaction anticipated to result in a direct or indirect change of ownership or control of Registry Operator. Such change of ownership or control notification shall include a statement that affirms that the ultimate parent entity of the party acquiring such ownership or control meets the ICANN-adopted specification or policy on registry operator criteria then in effect, and affirms that Registry Operator is in compliance with its obligations under this Agreement. Within thirty (30) calendar days of such notification, ICANN may request additional information from Registry Operator establishing compliance with this Agreement, in which case Registry Operator must supply the requested information within fifteen (15) calendar days.</u></b></p>	<p>registry and (ii) ICANN ought not be in position to block corporate transactions.</p> <p>The revisions do not require consent but do require certain minimum thresholds be met by an acquiring company and certain information be provided to ICANN to ensure appropriate continuity of the registry, which are consistent with the recently revised accredited registrar agreement.</p>
8.6	<b>Amendments and Waivers.</b>	No change
8.7	<b>No Third-Party Beneficiaries.</b>	No change
8.8	<p><b>General Notices.</b> <del>All</del> <b><u>Except for notices pursuant to Article 7, all</u></b> notices to be given under or in relation to this Agreement will be given either (i) in writing at the address of the appropriate party as set forth below or (ii) via facsimile or electronic mail as provided below, unless that party has given a notice of change of postal or email address, or facsimile number, as provided in this agreement. <b><u>All notices under Article 7 shall be given by both posting of the applicable information on ICANN's web site and transmission of such information to Registry Operator by electronic mail.</u></b> Any change in the contact information for notice below will be given by the party within <b><u>thirty (30) calendar</u></b> days of such change. Notices, designations, determinations, and specifications made under this Agreement will be in the English language. <del>Any</del> <b><u>Other than notices under Article 7, any</u></b> notice required by this Agreement will be deemed to have been properly given (i) if in paper form, when delivered in person or via courier service with confirmation of receipt or (ii) if via facsimile or by electronic mail, upon confirmation of receipt by the recipient's facsimile machine or email server. <del>Whenever this Agreement specifies a URL address for certain information or</del></p>	<p>The revisions to this section are meant to clarify the means and effectiveness of delivered notices under the agreement and to coordinate the notice section with the different notice standards for amendments effected through Article 7.</p>

Section	Change to Text	Comments and Rationale
	<p><del>notice provided by ICANN, Registry Operator,</del> <b><u>provided, that such notice via facsimile or electronic mail shall be followed by a copy sent by regular postal mail service within two (2) business days. Any notice required by Article 7</u></b> will be deemed to have been given <del>notice of any such information when electronically posted at the designated URL on ICANN's</del> <b><u>website and upon confirmation of receipt by the email server.</u></b> In the event other means of notice become practically achievable, such as notice via a secure website, the parties will work together to implement such notice means under this Agreement.</p>	
8.9	<b>Entire Agreement.</b>	No change
8.10	<b>English Language Controls.</b>	No change