

Funding Agreement

This Funding Agreement (“Funding Agreement”) is entered into between IETF Administration LLC (“IETF LLC”), a Delaware limited liability company, and the Internet Society, a Washington, D.C. non-profit corporation (“ISOC”), effective as of November 16, 2020 (the “Effective Date”).

WHEREAS, IETF LLC was formed as a single member limited liability company on August 27, 2018 by the filing of a Certificate of Formation with the Secretary of State of the State of Delaware; and

WHEREAS, IETF LLC is a disregarded entity for federal tax purposes, treated as a Section 501(c)(3) organization based on the federal tax classification of ISOC, its sole member; and

WHEREAS, ISOC and IETF LLC entered into a Limited Liability Company Agreement (“LLC Agreement”) on August 27, 2018, under which ISOC agreed to provide certain funding to IETF LLC through December 2020; and

WHEREAS, the LLC Agreement requires the parties to undertake a “funding re-assessment effort” intended to establish funding amounts and a payment schedule for 2021 and beyond;

WHEREAS, this Funding Agreement reflects the results of the funding re-assessment effort required by the LLC Agreement;

NOW, THEREFORE, the parties agree as follows:

- 1. Annual contribution for operating expenses.** ISOC will convey to IETF LLC the following amounts on the following schedule:
 - a. \$6,250,000 for the 2021 calendar year, to be paid prior to March 31, 2021.
 - b. \$6,500,000 for the 2022 calendar year, to be paid prior to March 31, 2022.
 - c. \$6,750,000 for the 2023 calendar year, to be paid prior to March 31, 2023.
 - d. \$7,000,000 for the 2024 calendar year, to be paid prior to March 31, 2024.
 - e. \$7,300,000 for the 2025 calendar year, to be paid prior to March 31, 2025.
 - f. \$7,600,000 for the 2026 calendar year, to be paid prior to March 31, 2026.

2. Matching support for the IETF Endowment and special-purpose funds.

- a. Funds Matching Program.** In addition to the amounts described in Section 1 of this Funding Agreement, ISOC will participate in a funds matching program (“Funds Matching Program”). The program applies to contributions made by any third party to the IETF Endowment or to any Special Purpose Fund created by the IETF. A “Special Purpose Fund” means a fund dedicated to the support of a specific long-term (multi-year) strategic initiative. Together, funds contributed to the IETF Endowment or a Special Purpose Fund are “Program Funds.” For each dollar of Program Funds contributed by a third party and received by IETF LLC, ISOC will contribute two dollars of matching funds, until the total amount of Program Funds contributed by third parties and received by IETF equals \$12,000,000. Thereafter, ISOC will contribute one dollar of matching funds for each additional dollar of Program Funds contributed by third parties and received by IETF LLC until that amount equals an additional \$6,000,000 and the total amount of Program Funds contributed by third parties and received by IETF equals \$18,000,000. ISOC’s contributions are defined as “Matching Funds” and are to be capped at \$30,000,000 for the Matching Period (as defined below). For the avoidance of doubt, any amount pledged to IETF LLC by a third party shall not be matched by ISOC until the pledged amount is actually received by IETF LLC.
- b. Term.** This Funds Matching Program shall apply to Program Funds contributed to and received by IETF LLC between January 1, 2021 and December 31, 2026. (the “Matching Period.”)
- c. Reports and Tax Compliance.** In order for ISOC to comply with its obligations under the Internal Revenue Code, throughout the Matching Period, IETF LLC shall provide quarterly reports to ISOC of Program Funds received during the prior fiscal quarter within 30 days after the end of the quarter. Each quarterly report shall include the name, contact information and contribution amount of each donor to IETF LLC during the relevant period. Within 30 days after the end of each fiscal year during the Matching Period, IETF LLC shall also provide an annual report to ISOC of the Program Funds received during such fiscal year (the “Annual Report”). The Annual Report shall include the name, contact information and contribution amount of each donor to IETF LLC during that fiscal year. IETF shall provide donor acknowledgment letters to IETF LLC donors as required under Section 170 of the Internal Revenue Code and the related Treasury regulations using a template approved by ISOC.

- d. Matching Funds.** Matching Funds conveyed by ISOC to IETF LLC in a given fiscal year shall be calculated based on the IETF LLC's prior fiscal year fundraising as reflected in the Annual Report for such year. ISOC will pay Matching Funds to IETF LLC within 60 days of receiving each Annual Report; provided, however, that in any year in which the amount of Matching Funds exceeds \$10,000,000 ISOC may, in its sole discretion, pay the amount of Matching Funds in excess of \$10,000,000 to IETF in a subsequent year, such payments not to exceed \$10,000,000 of Matching Funds each year until the \$30,000,000 cap is reached.
- e. Recordkeeping.** IETF LLC shall maintain accurate and current books and records of all contributions received during the Matching Period and for a minimum of four years after the end of the Matching Period. Such books and records shall be available throughout such period for inspection, examination and/or audit by ISOC.
- f. Use of Matching Funds.** Matching Funds payments made in connection with contributions to the IETF Endowment will be managed as contributions to the IETF Endowment, in accordance with the IETF Endowment Policy. Matching Funds payments made in connection with contributions to a Special Purpose Fund may be managed either as contributions to the IETF Endowment or as contributions to that Special Purpose Fund, at the discretion of IETF LLC.
- g. Other IETF LLC Fundraising Programs.** The existence of this Funds Matching Program does not prevent the IETF LLC from establishing any other matching or similar fundraising program of any kind involving other parties; provided, however, that ISOC shall not be obligated to match contributions from another party with which IETF LLC has established such other matching or fundraising program (i.e., ISOC will not match another party's matching contributions). Third party contributions to IETF LLC that are not matched by ISOC in accordance with this Section 2(g) will be excluded from the definition of Program Funds for the purposes of calculating ISOC's payments to IETF LLC set forth in Section 2(a).

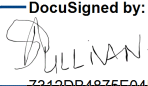
3. Funding re-assessment in 2026. The CFO of ISOC and the Chair of the Board of IETF LLC will be jointly responsible for preparing for and coordinating a funding re-assessment effort, to be completed by September 1, 2026. An expected outcome of this effort is mutual agreement between ISOC and IETF LLC, ratified by the respective boards of each organization, on funding amounts and schedule for subsequent years 2027 and later. ISOC and IETF LLC each agree to use reasonable good faith efforts to achieve this outcome.

4. Material financial changes at ISOC. In the event that ISOC or any other ISOC-related entities experience negative material changes to their financial condition which causes the ISOC Board of Trustees, in its sole discretion, to conclude that it is not in ISOC’s best interests to make payments described in this Funding Agreement, then ISOC will immediately notify IETF LLC of such determination. ISOC Board of Trustees, in its sole discretion, can either cease all payments under this Funding Agreement (provided, however, that it will not do so for two years subsequent to executing of this Funding Agreement) or enter into good faith discussions to explore potential amendment of the terms of this Funding Agreement to accommodate ISOC’s materially impaired financial circumstances.

5. Material changes in IETF’s financial needs. In the event that the IETF’s operating expenses decrease significantly or that IETF LLC finds alternative funding sources for such expenses, ISOC and IETF LLC each agree to enter into good faith discussions to explore potential amendment of the terms of this Funding Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Funding Agreement to be effective as of the Effective Date.

For ISOC:

DocuSigned by:

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Signature

Andrew Sullivan

Printed name

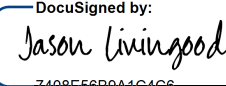
President and Chief Executive Officer

Title

11/23/2020

Date

For IETF LLC:

DocuSigned by:

7408E56B9A164C6...
Signature

Jason D. Livingood

Printed name

Chair, IETF LLC Board

Title

11/19/2020

Date