

## Attachment A

### IFFOR Policy Council and Policy Development Process

#### A. Policy Council

Scope of Delegated Authority. The role of the Policy Council is to (i) foster communication between the Sponsored Community and other Internet stakeholders, (ii) protect free expression rights as defined in the United Nations Declaration of Human Rights, and (iii) promote the development and adoption of responsible business practices designed to combat child pornography, facilitate user choice and parental control regarding access to online adult entertainment, and protect the privacy, security, and consumer rights of consenting adult consumers of online adult entertainment goods and services (the “Policy Goals”).

In addition, the Policy Council will be responsible for developing a program, including selection criteria and procedures, by which a portion of IFFOR’s revenues are distributed in furtherance of the Policy Goals (the “Grants Program”), and for selecting recipients for such funds.

Stakeholder Groups. IFFOR will have the following Stakeholder Groups (“SG”), which will be open, self-forming and self-administering groups from which designated members of the Policy Council will be selected and will provide input to the Policy Council within the SG’s relevant area of expertise.

- (i) Sponsored Community (SCSG)
- (ii) Free Expression (FESG)
- (iii) Child Advocacy (CASG)
- (iv) Privacy And Security (PASSG)

Membership. The IFFOR Policy Council will consist of the following members each appointed by their respective Appointing Body:

- 5 Members of the Sponsored Community, 2 selected by the IFFOR Board, and 3 selected by the SCSG;
- 1 Child safety expert, selected by the CASG;
- 1 Free expression expert, selected by the FESG;
- 1 Privacy and security expert, selected by the PSSG; and
- 1 ICM representative.

Selection. The initial Policy Council will consist of nominees appointed by the IFFOR Board, in accordance with the representation detailed above, and will serve for a term of one year. Each subsequent member of the Policy Council will serve for a term of 3 years in accordance with any rules established by each Appointing Body. Appointing Bodies will select persons of integrity,

objectivity, and intelligence, with reputations for sound judgment and open minds, and a capacity for thoughtful group decision-making.

Conflicts of Interest. Members of the Policy Council will comply with the IFFOR Conflicts of Interest Policy.

Removal. Any member of the Policy Council may be removed by the relevant Appointing Body in accordance with its rules. In addition, the IFFOR Board of Directors may remove a member of the Policy Council for material conflicts of interest, unlawful activity, failure to perform his or her duties, or, upon the recommendation of Council Members representing at least two-thirds of the Appointing Bodies for repeated failure to engage in the work of the Policy Council in a cooperative and constructive manner. Removal in accordance with these procedures will not be subject to appeal.

Vacancies. Any vacancy on the Policy Council will be filled by the relevant SG in accordance with its rules.

Operations. The Policy Council is responsible for managing its operations, consistent with the requirements of the Policy Development Process set forth below.

Voting and Quorum. Except as otherwise stated, the Policy Council may act by majority vote of no less than six members of the Council including at least two members from the CASG, FESG or PSSG, and at least three members from the SCSG.

Council Recommendations. The Council shall develop new policy within the scope of its delegated authority and in furtherance of the Policy Goals (each, a "Council Recommendation") in accordance with the provisions of the Policy Development Process (the "PDP") set forth in Section B below.

Board Objection. The IFFOR Board may object in writing ("Object" or file a "Board Objection") to any Council Recommendation that it determines is (i) not within the scope of authority delegated to the Policy Council in furtherance of the Policy Goals, (ii) not consistent with IFFOR's Charter and mission, (iii) would violate IFFOR's contract with ICM Registry

Council/Board Policy Reconciliation Process. In the event that the Board Objects to a Council Recommendation, the Board shall (i) articulate the reasons for its determination in a report to the Council (the "Board Statement"); and (ii) submit the Board Statement to the Council. The Council will review the Board Statement for discussion with the Board within twenty (20) calendar days after the Council's receipt of the Board Statement. The Board will determine the method (e.g., by teleconference, e-mail, or otherwise) by which the Council and Board will discuss the Board Statement.

At the conclusion of the Council and Board discussions, the Council will meet to affirm or modify its Recommendation or other action, and communicate that conclusion (the "Supplemental Recommendation") to the Board, including an explanation for its current recommendation. The Board shall adopt any Supplemental Recommendation supported by at least 75% of the Council including at least two members from the CASG, FESG or PSSG, and at least three members from the SCSG, unless the Board determines that such Council Recommendation is not consistent with IFFOR's Charter and mission or would violate IFFOR's contract with ICM

Registry, in which case it must publish its reasons for rejecting the Council Recommendation. The decision of the Board following Council/Board Reconciliation will be final.

ICM Objection. The IFFOR Board will notify ICM Registry of its intention to adopt a Council Recommendation as IFFOR Policy (a “Proposed Policy”). ICM may object in writing (“Object” or an “ICM Objection”) within fifteen (15) days of such notification.

ICM/IFFOR Policy Reconciliation Process. In the event that ICM Objects to the Proposed Policy, IFFOR will articulate and publish the reasons for ICM’s determination in a report which will be published on the IFFOR website. ICM Registry and the IFFOR Board will negotiate in good faith in accordance with the provisions of the contract between ICM Registry and IFFOR to modify the Proposed Policy to address any concerns identified by ICM.

Amendment. The Council may recommend modifications, supplements, or amendments to the PDP by a vote of 75% of the Council, including at least two members from the CASG, FESG or PSSG, and at least three members from the SCSG, which will become a Council Recommendation following a twenty-one (21) day comment period.

Other provisions of the Bylaws relating to the Policy Council may be suspended, modified, or amended (i) using the PDP or (ii) by the Board as necessary to comply with its obligations under its contract with ICM in accordance with the provisions of that contract.

IFFOR Baseline Policies. Certain policies have been adopted by the IFFOR Board as the organization’s “Baseline Policies.” (Attached) These Baseline Policies may be supplemented and/or modified only in furtherance of the Policy Goals, in accordance with the IFFOR Policy Development Process and the IFFOR Bylaws, and in compliance with the contract between ICM Registry and IFFOR. Any modification that materially diminishes the protections in the Baseline Policies designed to combat child pornography, facilitate user choice and parental control regarding access to online adult entertainment, and protect the privacy, security, and consumer rights of consenting adult consumers of online adult entertainment goods and services shall be rejected by the IFFOR Board as a violation of the Sponsoring Organization Agreement.

## **B. Policy Development**

### **Step 1. Raising an Issue**

An issue may be raised as a topic for policy development by (a) a vote of 3 or more of the members of the Policy Council; (b) an SG; (c) the IFFOR Board of Directors; or (d) ICM Registry.

### **Step 2. Issue Report**

Issues raised for policy development must be accompanied by an Issue Report prepared by the party proposing the PDP, which sets forth:

- a. The proposed issue raised for consideration;
- b. The identity of the party submitting the issue;

- c. How that party is affected by the issue;
- d. Support for the issue to initiate the PDP; and
- e. An explanation as to whether or not the issue implicates an IFFOR Baseline Policy and, if so, an explanation as to why policy development with respect to the proposed issue is (i) in furtherance of the Policy Goals or (ii) will not undermine achievement of the Policy Goals.

**Step 3. Charter Analysis.** The Executive Director of IFFOR, either directly, or by delegation, will provide a written response within thirty (30) days of receipt of an Issue Report that includes his or her determination as to (i) whether the issue is within the scope of the Policy Goals; (ii) whether it is broadly applicable to multiple situations or registrants; (iii) is likely to have lasting value or applicability, albeit with the need for occasional updates; (iv) will establish a guide or framework for future decision-making; and (v) implicates or affects an existing IFFOR policy, including any Baseline Policy, and, if so, an explanation as to why policy development with respect to the proposed issue is (a) in furtherance of the Policy Goals or (b) will not undermine achievement of the Policy Goals.

**Step 4. Initiation of PDP.** Following receipt of the Charter Analysis, a PDP will be initiated with the support of at least 3 members of the Council, at least one of which is a representative of the CASG, FESG or PSSG. The Council will establish a charter and timeline for the PDP, and appoint a PDP Task Force consisting of an equal number of representatives from each of the IFFOR SG's or, by a vote of 75% of the Council, some other specially designated grouping.

#### **Step 5. Public Notification of Initiation of the PDP**

Promptly following initiation of the PDP, the Manager of Public Participation will post a notification of such action to the IFFOR website. A public comment period will be commenced for the issue for a period of thirty (30) calendar days after initiation of the PDP.

Each IFFOR SG will be responsible for providing a written statement of the SG regarding the issue under consideration within the comment period.

The Manager of Public Participation will review the public comments and incorporate them into a report (the "Public Comment Report"), to be posted on the IFFOR website no more than thirty (30) days following the close of the public comment period.

#### **Step 6. Task Force Report**

The PDP Task Force, assisted by the Manager of Public Participation, will consult internally and with outside experts and stakeholders as it deems appropriate and, prepare a written report (the "Task Force Report") detailing its recommendations, including a clear statement of all positions espoused by task force members and the reasons underlying the position, an analysis of how the recommended approach would affect each SG or others (including any financial impact on SG), an analysis of the period of time that would likely be necessary to implement the policy; and the advice of any outside advisors appointed to the task force by the Council, accompanied by a detailed statement of the advisors' (i) qualifications and relevant experience; and (ii) potential conflicts of interest.

### **Step 7. Public Comments on the Task Force Report**

The Task Force Report will be published for thirty (30) days on the IFFOR website for public comment. The Director of Public Participation will post a summary of the public comments within thirty (30) days of the close of the comment period.

**Step 8. Final Report.** The Task Force will prepare a final report (the “Final Report”) and submit it to the Council chair within ten (10) calendar days after the end of the public comment period.

### **Step 9. Council Deliberation**

The Council will consider, at its next scheduled meeting, the Final Report from the PDP Task Force. The Council may, if it so chooses, solicit the opinions of outside advisors. The opinions of these advisors, if relied upon by the Council, will be (i) embodied in the Council's report to the Board, (ii) specifically identified as coming from an outside advisor; and (iii) be accompanied by a detailed statement of the advisor's qualifications, relevant experience, and potential conflicts of interest.

### **Step 10. Council Report to the Board**

Following its deliberations, the Council will vote on the Final Report. If the Final Report is supported by at least 66% of the Council, including at least two members from the CASG, FESG or PSSG, and at least three members from the SCSG, the Council will promptly submit its recommendations to the Board (the “Council Recommendation”), which must contain at least the following:

- a. A clear statement of any recommendation of the Council;
- b. A clear statement of all positions held by Council members, clearly indicating (i) the reasons underlying each position and (ii) the constituency(ies) or Stakeholder Group(s) that held the position;
- c. An analysis of how the issue would affect each SG, including any financial impact;
- d. An analysis of the period of time that would likely be necessary to implement the policy;
- e. The advice of any outside advisors relied upon, accompanied by a detailed statement of the advisor's qualifications, relevant experience, and potential conflicts of interest;
- f. A copy of the minutes of the Council deliberation on the policy issue, including all opinions expressed during such deliberation, accompanied by a description of who expressed such opinions.

### **Step 11. Board Vote**

The Board will meet to discuss the Council Recommendation as soon as feasible after receipt. The Board may adopt any Council Recommendation as IFFOR Policy if it was supported by at least 66% of the Council, including at least two members from the CASG, FESG or PSSG, and

at least three members from the SCSG, and shall adopt the Council Recommendation as IFFOR Policy if it was endorsed by 75% of the Council including at least two members from the CASG, FESG or PSSG, and at least three members from the SCSG, unless the Board Objects to the Council Recommendation, in which case the Council/Board Policy Reconciliation Process will be initiated

### **Step 12. ICM Registry Review**

Upon a final decision of the Board to recommend adoption of a Council Recommendation, the Board will notify ICM Registry of its intention to adopt the Council Recommendation as IFFOR Policy (a "Proposed Policy"). The Proposed Policy will become IFFOR Policy unless, within fifteen (15) days of its receipt, ICM Objects to the Proposed Policy, in which case the IFFOR/ICM Policy Reconciliation Process will be initiated.

### **Maintenance of Records**

Throughout the PDP, from policy suggestion to a final decision by the Board, IFFOR will maintain on the website, a status web page detailing the progress of each PDP, which will describe:

- a. The initial suggestion for a policy;
- b. A list of all suggestions that do not result in the creation of an Issue Report;
- c. The timeline to be followed for each PDP;
- d. All discussions among the Council regarding the PDP;
- e. All reports from the Manager of Public Participation, Task Forces, the Council and the Board;  
and
- f. All public comments submitted, along with the Manager of Public Participation's summary of such comments.