

LETTER TO MEMBERS

CIRA CORPORATE PLAN, FISCAL YEAR 2020



Dear Members,

As we enter the final year of our current four-year strategic plan, CIRA is on-target to meet our ambitious goal to build a better online Canada. At the same time, we're looking ahead with excitement to the development of our FY21-FY24 strategy, which will be a core focus for us this year.

The three pillars which have defined our success – innovate, operate and donate – have laid a strong foundation for our path forward in FY20.

DOMAINS REMAIN THE CORE OF OUR BUSINESS

The domain industry continues to mature and remains a low-growth environment for most legacy TLDs. Despite a global slowdown in growth of both gTLDs and country code top-level domains (ccTLDs), .CA remains one of the fastest-growing legacy domain names in the world. As the ccTLD market grew just 0.8 per cent on average, .CA experienced growth of 3.5 per cent in FY19.

The domain name market continues to evolve as registrars consolidate and expand their product offerings; users look to social media and voice-activated search to navigate the web; and new business models emerge in the development of websites. These trends all affect the prevalence of domains as the underpinning of internet real estate.

For the year ahead, CIRA will continue its efforts to promote the .CA domain as the domain of choice for Canadians in a highly competitive market. To keep pace, CIRA will be re-evaluating how it balances its investment in brand building, lead generation and channel programs to ensure optimal results and protect the long-term growth of the .CA domain space.

A NEW ROBUST DOMAIN PLATFORM

The migration of 2.8 million .CA domains onto the Fury Registry Platform in February 2019 was the culmination of many years' work to create a robust platform that can be marketed worldwide. The successful onboarding of .CA demonstrates to registries across the world that CIRA's safe, secure

and stable platform can support large registries, and the onboarding of .mls opens the door for new brand gTLDs. In addition, Fury offers a new suite of functionality that benefits registrars, including tools to improve marketing, pricing campaigns, emails and metrics. Future growth will focus on prospecting with ccTLD and gTLD registries, and channel marketing to registrars globally.

ADAPTING AND DIVERSIFYING

Innovation and the diversification of our product and service offerings remains one of the core elements of our strategy. As the domain market matures, CIRA's enterprise-grade cybersecurity products have created a promising new revenue stream. The expansion of our D-Zone Anycast DNS and D-Zone DNS Firewall products into municipalities, schools, universities and hospitals (MUSH sector) has positioned CIRA as a provider of robust security infrastructure to hundreds of public sector and not-for-profit clients.

There's more we can do. Our latest cybersecurity report tells us 40 per cent of small and medium-sized businesses in Canada were victims of a cyberattack in 2018. In the next 12 months, we will be expanding the services to include cyberawareness training, and exploring possibilities to develop our business-to-business (B2B) client base in the security space.

CREATING A STRONG AND STABLE CANADIAN INTERNET

The Community Investment Program (CIP) is an important aspect of CIRA's ongoing commitment to community support. CIRA has two core strategies: a granting program and projects that are led by management. During FY19, the organization entered its sixth round of grant funding in January 2019. Along with refreshed guidelines for funding, CIRA has slated \$1.25 million for new initiatives this year, including a single grant of up to \$250,000. To date, CIP grants have supported projects at more than 130 academic institutions and not-for-profit institutions. In the year ahead CIRA will focus on improvements to strengthen the program and broaden its impact on Canadians.

The CIP also houses our management-driven projects that support the creation and growth of internet infrastructure in Canada. Specifically, CIRA has been an integral player in the development of Canada's IXP network through the donation of funds, governance and infrastructure. Canada now has 11 IXPs. There are new developments underway, including an IXP in Iqaluit, Nunavut, which will bring greater equality of access to people in Canada's north. In the next 12 months, we'll be looking at ways to educate governments, internet service providers (ISPs), and large corporate entities on the benefits of peering, to solidify this domestic infrastructure for all Canadians. CIRA continues to be an active participant in CA-IX, Canada's IXP federation.

As we seek to align strategic pillars, CIRA is examining the creation of an innovation prize, in addition to the money we already invest toward a better Canadian internet.

A COMMITMENT TO OPERATIONAL EXCELLENCE

One reason CIRA has been able to outpace growth of other registries worldwide is our continual commitment to operational excellence. The .CA domain has a 99.999% uptime, which makes it the secure, safe and reliable choice for Canadian entities.

Following investments to upgrade our data stack last year, CIRA is moving its data back-up centre to an upgraded facility in Montreal, plugging into a different power grid from our other facilities, and creating additional resilience in the event of outages or natural disasters. CIRA will also continue to build on cybersecurity investments to ensure ongoing protection of its systems, including regular penetration testing of our external-facing systems against vulnerabilities that could compromise CIRA's security.

Finally, building on the success of the DNS collection and ingestion engine created by CIRA Labs in 2019, we will continue to find new ways to synthesize and analyse vast amounts of data CIRA collects to inform innovations in security and operational procedures.

CIRA'S PEOPLE

Our success would not be possible if it weren't for our continued commitment to be an employer of choice in a competitive job market. Innovation, growth and our new strategy rely on robust recruitment and retention that aligns brand, customer experience and employee satisfaction. Moreover, promoting and fostering a diverse and inclusive workplace underpins our human resources strategy, which we believe is central to our continued innovation and operational excellence.

CIRA has invested significant resources to refresh and re-launch its corporate culture, centered on the development of a new Employee Value Proposition (EVP). The EVP increases interaction between managers and direct reports and creates new channels of communication, while a combination of peer and formal training develops employees' soft and technical skills to help them meet their professional targets in an ever-changing work environment. Employees are also encouraged to represent and promote CIRA through their personal and professional networks, which makes employee satisfaction integral to the success of the CIRA brand.

CIRA'S EXPANDING STATEMENT OF PURPOSE

CIRA is driven by its commitment to members, and through participation in governance organizations like ICANN and the Internet Governance Forum. At the annual general meeting in September, you, our members, can vote on CIRA's revised statement of purpose put forward by the CIRA board of directors last year. Given the ever-expanding nature of what we do, it is timely to formalize this new reality. Our statement of purpose identifies that we are the registry for the .CA internet domain and

that we provide professional registry services for global gTLDs. Recommended revisions to the statement expand CIRA's purpose to offer "Domain Name System (DNS), and related services; and to develop, carry out and/or support internet-related activities that promote the good governance, development and use of the internet for Canada."

Providing safe, reliable and secure Canadian internet is what CIRA does. We are honoured and committed to do this on your behalf, and with your ongoing support.

Sincerely,

A handwritten signature in black ink, appearing to read "Byron Holland".

BYRON HOLLAND, PRESIDENT AND CEO,
CANADIAN INTERNET REGISTRATION AUTHORITY

CONTINUING TO BUILD A BETTER ONLINE CANADA

As CIRA enters the last year of its strategic plan, FY20 will be focused on achieving the final objectives of its current plan, and setting foundations for the FY21–25 strategy.

INNOVATE

- Implement an organizational cloud IT strategy
- Build a big data framework
- Continue development of the Secure Home Gateway in CIRALabs
- Continued enhancements to the Fury Registry Platform and pursuit of new market opportunities
- Launch new cybersecurity services in Canada for corporate and individual users

OPERATE

- Execute CIRA's back-up data centre move
- Ongoing security investments
- Implement infrastructure improvements, including new web and mailing tools
- Bolster member engagement

DONATE

- Launch round 7 of the Community Investment Program, and review the overarching strategy
- Continue CIRA's involvement in Internet Exchange Points, with a focus on expanding peering, and participation in CA-IX
- Maintain a leadership role in global and domestic internet governance, and continue support of the Canadian Internet Governance Forum

STRATEGIC ENABLERS

STEWARDSHIP

- Begin implementation of ISO27001 certification
- Optimize brand awareness, lead generation, and channel programs for .CA
- Implement changes to the corporate objects
- Finalize the FY21–25 strategic plan

PARTNERSHIPS

- Foster partnerships that extend the organization's reach
- Grow cybersecurity partnerships and exchange threat intelligence with municipal, provincial and federal governments

SUPERIOR TALENT

- Continue focus on intentional and inclusive culture and employee engagement
- Enhance employer branding to support recruitment