

LETTER TO CIRA MEMBERS**My thoughts on CIRA's fiscal year 2017**

Dear Member,

With another fiscal year behind us, along with several notable successes, CIRA is moving forward with confidence. CIRA's annual report to members, which covers April 1, 2016 to March 31, 2017, showcases the year's highlights and how CIRA has progressed in this first year of its FY 2017–2020 strategic plan (cira.ca/FY17-20-strategic-plan). It also illustrates how the organization is progressing toward its primary goal to build a better online Canada.



To achieve this ambitious goal CIRA has three strategic pillars. The pillars reflect the need to operate, innovate and donate in order to meet our strategic plan objectives. All three of these pillars operate together toward the betterment of the Internet in Canada which is critical to Canada's global positioning from myriad of perspectives including education, health, business and entrepreneurship as well as the broad range of the social, legal and cultural norms that define our society.

Operational efforts focus on efficiency and excellence. As a leading country code top-level domain (ccTLD), I'm proud of CIRA's continued growth in .CA domain name registrations, along with its stewardship and commitment to a safe, secure and stable registry and underlying DNS.

Innovation ensures CIRA remains relevant in a changing global market. This has resulted in new products, stronger and more secure systems, as well as new opportunities to benefit the Internet ecosystem as a whole and Canada as a consequence. Innovation and new product development create opportunities for CIRA to ensure it has sufficient resources to maintain its mandate to steward .CA with the level of excellence it is known for.

Also important for stewarding the .CA domain and the Canadians who use it, CIRA enhances the Canadian Internet. The donate pillar of CIRA's strategic plan is a valuable contributor to building a better online Canada.

The Internet connects people across Canada; individuals, enterprise and government alike. CIRA works with both domestic and international communities to support social, economic and cultural change. Within this area of focus, I'd like to highlight CIRA's Community Investment Program.

In fiscal year 2017 CIRA announced its third round of funding. Grant recipients are Canadian not-for-profit organizations, charities and research institutions doing good things through and for the Internet. They are building infrastructure to get more Canadians online. They are growing digital literacy among Canadians of all ages. They are taking their services online for greater efficiency, impacting more lives than they could have otherwise. As of the end of fiscal year 2017, the program had affected the lives of over 400,000 Canadians. This is no small feat and every .CA registered contributes to this program and subsequent impact.

CIRA's success and impact cannot be achieved without its talented staff. On behalf of the CIRA board of directors, I'd like to thank the leadership team and all of the CIRA employees for their commitment and energy devoted to building a better online Canada.

I would also like to thank you, the CIRA Members. Your engagement and contribution to CIRA, particularly in supporting our governance, guides CIRA's future and influences the Canadian Internet. You play the dual role of representing the interests of our customers—all Canadians—while at the same time also representing CIRA itself. Your participation in our annual general meeting in particular, is invaluable to us. Thank you for your continued membership and support.

As I end my term as a CIRA board director, I would like to thank you, the members, for the opportunity to serve for these past six years. I would also like to sincerely thank my board colleagues over this time for their dedication to CIRA and the contribution of their diverse skills and attributes to the mission of building a better online Canada. It is with some regret that I step away from the board as CIRA is entering a period of significant and increasingly complex change, and evolving to meet the many new challenges that the developing global economic and political environments present. Canada is not isolated from these changes. This will be a challenging time but I have confidence that your board is strongly positioned to fulfill its role effectively into the future.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Mehinagic".

Susan Mehinagic
Chair, CIRA Board of Directors

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Dear Member,

Fiscal year 2017 has been a good year for the organization. Effective stewardship of .CA has been maintained and our innovation agenda has advanced.

Facing a continued maturation of the domain market, fiscal year 2017 began with a clear goal: implement programs to ensure .CA continues to grow, bucking the global market's declining rate of domain name growth. The domain market is transforming, with slowing demand and increased competition and we knew that we must find a way to retain CIRA's value and encourage more Canadians to choose .CA to brand themselves online and stake out their piece of digital real estate.



We have a responsibility to ensure CIRA's long-term sustainability as a key part of our mandate to operate the .CA domain on behalf of all Canadians. We are committed to providing a safe, secure and stable registry and we take this responsibility very seriously. We need adequate resources to deliver on this commitment with the level of excellence Canadians deserve and expect from us. I'm pleased to report that fiscal year 2017 was a success.

Alongside our partners, CIRA set out to register 460,000 new .CA domain names last year. As of March 31, 2017 we had 504,761 new registrations and surpassed the milestone of 2.5 million registered .CA domain names overall. This is only the second time in CIRA's history that we have exceeded 500,000 new registrations in a single year. It's proof that when we put our collective efforts toward something, we can achieve it.

In addition to building awareness among Canadians about .CA, a significant component of our strategy is to innovate and diversify the organization's revenue stream to mitigate the risk of relying solely on one product line.

On the innovation front, last year we completed the initial stage of work on our next generation registry platform called Fury. With higher quality and more robust functionality than our previous platform, Fury was built to enhance our ability to steward .CA. In fiscal year 2018 we began the process of transferring .CA to Fury.

Fury was also part of our product diversification efforts. We showcased it to our peers and the response has been universally positive. In fact, Fury caught the attention of the .kiwi team who became our first customer to use the platform to manage their registry.

In 2017 CIRA further exhibited its ability to identify market needs and stay ahead of them. Cybersecurity is a great example. Rarely a week goes by where issues related to digital security, online privacy and cyberattacks aren't in the media. And top of mind for us is the 2016 attack on U.S.-based Dyn and its DNS, a threat that CIRA is not immune to.

We've stayed on top of cyber threats to our systems, further exhibiting our commitment to a safe, secure and stable .CA registry and DNS. We are well-equipped to understand and respond to attacks and to support Canadians with technology and education on these issues. In fiscal year 2017 our customer base for D-Zone Anycast DNS grew, emphasizing its value in helping Canadian organizations and subsidiaries optimize and secure their DNS.

In fiscal year 2017 our innovation team, CIRA Labs, conceived of a new DNS firewall service to protect Canadian organizations from malware and ransomware. This service went into production in early fiscal year 2018 and the need for it couldn't be greater.

This builds on CIRA's continued work to support Canadians by investing in Internet Exchange Points (IXPs). These exchange points, when used by governments, telecommunications companies and businesses in Canada, can reduce costs, increase speed and help ensure that Canadian data stays in Canada.

Through our Internet Performance Test (IPT) and our City IPT program, we've worked with several municipalities, including Ottawa, Kitchener and Surrey to encourage citizens to test their Internet speeds. This data will help cities with their smart community strategies, support investments in infrastructure and attract business growth.

There have been many other successes at CIRA, outlined in our 2016–2017 report to members (cira.ca/2017). Our products and services add value for organizations in Canada and abroad, our investments in the Canadian Internet ecosystem are improving Internet access and reliability and our contributions to building a better online Canada, including through our Community Investment Program are positively affecting thousands of Canadians, consistent with the strategy and purpose of the organization. It's been an excellent year and I'm proud of the results.

As we move ahead in fiscal year 2018, and further along in our 2017–2020 corporate strategic plan (cira.ca/FY17-20-strategic-plan), we will continue to strive for greatness. At CIRA we celebrate our successes but we never stall in our efforts to remain a leader within the Internet community in Canada and in the global ccTLD community. Building a better online Canada and supporting the development of the Internet globally requires nothing less.

Sincerely,

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

Byron Holland, President and CEO,
Canadian Internet Registration Authority

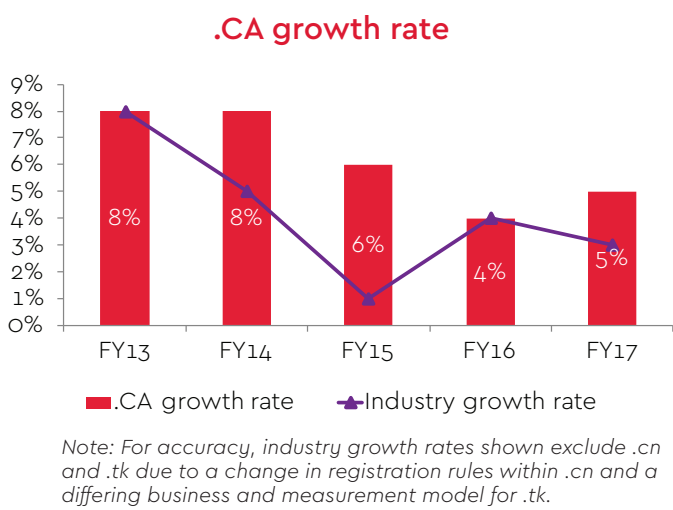
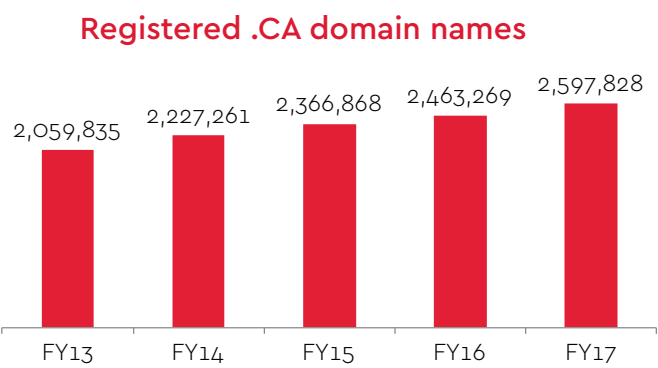
FISCAL YEAR 2017 ANNUAL REPORT TO MEMBERS

This report covers April 1, 2016 – March 31, 2017.

OPERATE – Efficiency and excellence

Outstanding .CA results

.CA domain registration outpaced CIRA's internal forecasts.



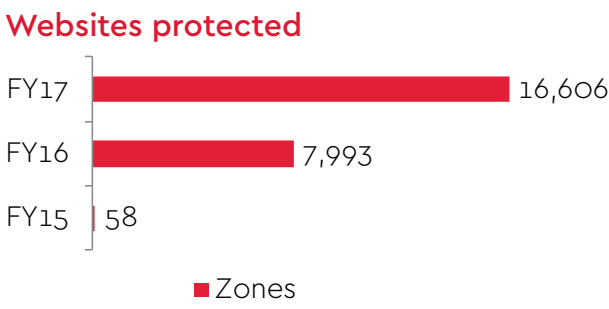
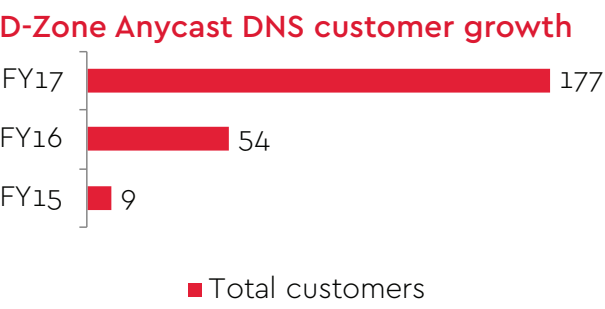
Customer satisfaction



INNOVATE – Creating new opportunities

Products and services

CIRA remains ahead of market trends with product and service offerings related to cybersecurity and smart communities. This includes CIRA's D-Zone Anycast DNS, which helps Canadian organizations and subsidiaries optimize and secure their DNS. Our D-Zone customer base is growing annually.



Working with Canadian municipalities

- CIRA presented .city workshops to municipalities to inform and enhance market acceptance.
- CIRA supported Smart Community initiatives through **12** City Internet Performance Test (IPT) partnerships.

CIRA Labs

In fiscal year 2017 CIRA Labs conceived of D-Zone DNS Firewall, a cloud-based cybersecurity solution that protects organizations from malware and ransomware, which launched in early fiscal year 2018. The

team also began looking at machine learning, a form of artificial intelligence, to collect big data for insight into how Canadians use their .CA domains. The hope is that this information improves stewardship and protection of .CA.



DONATE – Building a better online Canada

Community Investment Program

CIRA's Community Investment Program gives back to the Canadian Internet by funding innovative community projects to build a stronger, safer and more accessible Internet for all Canadians.



The Community Investment Program builds a better online Canada through these types of projects:

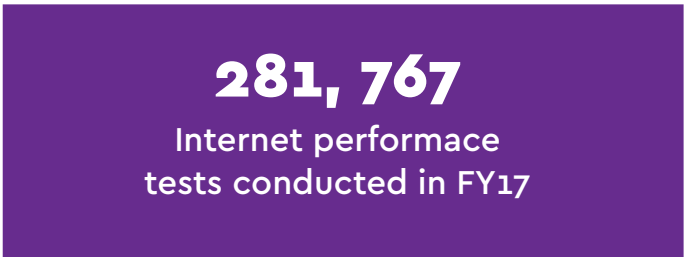
Research reports	Frameworks/educational content	Training course materials
Proof of concept prototypes	Devices distributed	Internet Exchange Points
Teacher training guides	Academic papers	Internet service/Infrastructure
Online tools/services	New apps	
Training sessions		

* Outcome statistics self-reported by grant recipients as of March, 2017

At CIRA we want to enhance Canadians' Internet experience where Canada is a global leader in access, speed, quality, and data sovereignty through programs such as these:

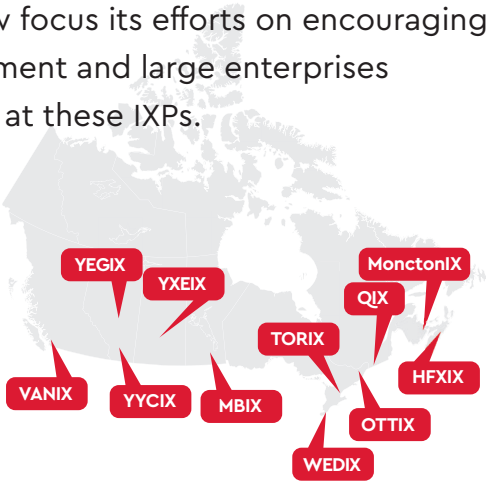
CIRA's Internet Performance Test

CIRA's IPT uses a global open-source platform called M-Lab in each of its Internet testing nodes. In addition to nodes in Calgary, Toronto and Montreal, planning began in fiscal year 2017 on adding nodes in Moncton, Vancouver and Winnipeg.



Internet Exchange Points (IXPs)

CIRA continued its investment in Canadian IXPs by working on establishing one in Moncton, which launched in early fiscal year 2018. CIRA will now focus its efforts on encouraging government and large enterprises to peer at these IXPs.



ORGANIZATIONAL FOUNDATIONS – A CIRA Built to Succeed

Building a better online Canada requires expertise. For three consecutive years CIRA has been recognized as an Aon Best Small and Medium Sized Employer and named top employer in the National Capital Region by Canada's Top Employers.



Employee quick facts

- 83** employees
- 399** training days
- \$9,000** raised by staff for Spin4Kids and Ottawa Food Bank

CIRA membership

- 80%** average annual Member satisfaction score
- 14,895** Members
- 10%** of Members actively participate in CIRA governance

Visit www.cira.ca/membership to join.

Our Top Vendors

- | | |
|---|--|
| <ul style="list-style-type: none">CDW Canada Inc.Canadian Broadcasting CorporationCompucomEclipsys SolutionsMinto | <ul style="list-style-type: none">Oracle Corporation Canada Inc.Puppet Labs Inc.Rogers Communications Canada Inc.Scalar Decisions Inc.Stratford Managers Corporation |
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