MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN IDESG AND KIEF

This Memorandum of Understanding is entered into as of June 24, 2018, by and between the Identity Ecosystem Steering Group, Inc. ("IDESG"), a Virginia Nonprofit Corporation, Kantara Initiative Education Foundation, Inc., ("KIEF"), a Delaware nonprofit corporation and KIEF’s parent organization, Kantara Initiative, Inc. ("KI"), also a Delaware nonprofit corporation, and collectively sometimes referred to in this Memorandum of Understanding ("MOU") as the “Parties.

WHEREAS, IDESG and KIEF are entering into an Asset Transfer Agreement to transfer the assets and operations of IDESG to KIEF; and,

WHEREAS, The Parties desire to set forth their intent and expectations for the way the operations of IDESG will be integrated into the operation of KIEF;

NOW, THEREFORE, the Parties agree set forth their mutual understandings:

1. Use of Assets. KIEF proposes co-mingling the operations of IDESG, to create a single entity with two brands – KI and KIEF as the global brand and as the US domestic brand IDESG (with strapline as may be determined by the KI and KIEF Boards). The two brands would continue to co-exist until such time as it is deemed that the global/US 2 brand strategy is no longer needed. Back office would be KI and KIEF only – Virtual Management Inc. service, KI’s wiki (but former IDESG committees/groups branded IDESG). KIEF would migrate or recreate the IDESG website homepage and perhaps one further page deep. KI would recreate committees as needed on its confluence wiki. Migration and integration of committee artefacts would be undertaken on an essential/needed basis, with the remainder archived and transferred.

2. Transfer of Programs and Committees.

A. Working Group and Sub Group Requirements. All transferring IDESG Committees will contribute ideas, current work streams and IP to the new IDESG Working Group in compliance with the WG charter (as promulgated by the members of the said WG) as well as KI’s Bylaws, Ops. Procedures, all as set forth in §5.5 of the KI Bylaws and IPR. The IDESG Committees, set forth in subparagraph B of this section, shall be transferred and accepted by KI as “Sub Groups” of the single IDESG Working Group and continue to be chaired by paid up IDESG Members who transfer their membership to KI or become paid KI Members on or before the Effective Date. Working Groups and their Sub Groups shall be subject to the following ongoing requirements:

(1) specific area and scope of subject matter;

(2) target standard setting organizations for submission of any technical specification to be produced;
(3) task to be carried out;

(4) time-frame for the working group; and,

(5) market demand demonstrated by the Group’s success in sourcing external sponsorship/directed funding for a work item. Working groups and Discussion groups are autonomous, self-governing and self-funding (sponsored/directed funding shall be located by the Group for administrative support, such as editors or project managers.

B. Status of Current IDESG Committees. The following IDESG Committees shall be transferred and accepted by KI as sub-groups of the “IDEG Working Group” and shall continue to be chaired by an IDESG Members who transfer their membership to KI or become paid KI Members on or before the Effective Date:

(1) The Privacy Committee. KI shall open a new wiki space to retain and continue the functions of this committee.

(2) The Healthcare Committee. KI shall open a new wiki sub group space to retain and continue the functions of this committee. The Healthcare Committee may, at its discretion, also reacivate KI’s "Health Identity Assurance Working Group" and undertake non-IDSG asset related activity

(3) The Trust Framework Trust Mark Committee. KI shall open a new wiki sub group space to retain and continue the functions of this committee. IDESG WG shall continue developing and maintaining the IDEF scheme, just as the KI IAWG currently develops and maintains the IAF schemes.

(4) The User Experience Committee. KI shall open a new wiki sub group space to retain and continue the functions of this committee.

(a) The Security Committee. KI shall open a new wiki sub group space to retain and continue the functions of this committee.

(b) The International Committee. KI shall open a new wiki sub group space to retain and continue the functions of this committee.

KI does not budget for or centrally fund Working Groups or Discussion Groups. With the autonomy that IDESG seeks for its committee work, comes responsibility of the transferred committees to ensure the artefacts create business value for the wider KI community by virtue of market demand for them.
C. Transfer of Membership: General Understanding of the Parties.

KI, KIEF and IDESG adhere to the notion of maximizing public participation. KI shall continue to strive to retain reasonable dues levels for its members; especially those who represent small businesses or participate in an individual capacity. This ensures that the voice of the individual is always welcome and represented in the IDEF, as well as the actions and evolving mission of KI and KIEF. Moreover, KI shall maintain flexibility in the form of fee assistance and in-kind payments that offer high value individual participants the value of membership with an exchange of work value in lieu of payment. During the Transition Period a list of paid IDESG members and the KAVI roster of IDESG Members shall be forwarded to KI and KIEF.

(1) Paid IDESG Members. All current paid up IDESG members may join KI and, if so, shall agree to abide by KI’s Bylaws, Operating Procedures, Privacy & other policies, and Member and Group Participation Agreement, in order to transition into KI and obtain KI membership privileges, but not pay KI dues per its dues structure until their renewal anniversary would have eventuated at IDESG.

(2) Paid IDESG Members that are also paid KI Members. Paid IDESG Members that choose to transition to KI within six (6) months of formal notice of dissolution of IDESG, are entitled to seek a refund of the smaller sum of the unused benefit portion of either membership. If no refund is sought within six (6) months of dissolution of IDESG, the entitlement to seek a refund will lapse.

(3) IDESG Participants. IDESG participants who are not currently paid IDESG Members in good standing, may participate in existing KI Groups and/or new KI Groups by executing KI’s Group Participation Agreement for each applicable to cover IPR and other rules of operation of Groups per KI's policies. Non-member participants may vote and otherwise take part in Groups but shall not be entitled to serve as Chair nor the alternate officer position that represents Working Groups on the Leadership Council.

3. Corporate Governance. On or after July 16, 2018, the members of the “IDESG Working Group,” which shall include IDESG Members who transfer their membership to KI, shall select a representative of IDESG interests to serve on the KI Board of Directors from August 1, 2018 – December 31, 2019 ("IDESG Representative"). The KI Board of Directors has agreed to establish a position for an IDESG Representative as an At Large Director. The IDESG Representative shall facilitate the transition of the IDESG assets, programs and brand.

4. Cooperation of the Parties. Until the dissolution of IDESG, from time to time, as and when requested by KI, KIEF or by its successors or assigns, IDESG shall execute and deliver or cause to be executed and delivered all such instruments and shall
take or cause to be taken all such further or other actions as K1, KIEF or its successors or assigns may deem necessary or desirable in order to carry out the intent and purpose of this Agreement. If KIEF shall at any time deem that any further assignments or assurances of law or any other acts are necessary or desirable to vest, perfect, or confirm of record or otherwise title to any property of IDESG acquired by KIEF under this Agreement, then the proper officers of KIEF at the time are specifically authorized as attorneys in fact of IDESG (this appointment being irrevocable as one coupled with an interest) to execute and deliver any and all such proper deeds, assignments, and assurances of law and to do all such other acts in the name and on behalf of IDESG, following its dissolution, or otherwise as those officers shall deem necessary or appropriate.

5. Representations and Warranties of IDESG. IDESG represents as follows:

D. Organization; Good Standing. As of the date of this Agreement, IDESG is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia, and has full power and authority to carry on its operations as now conducted and to own the Assets and Programs as set forth in this Agreement and operates as a tax exempt organization under §501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any later federal tax laws.

E. Power and Authority. IDESG has the right, power, legal capacity, and authority to enter into, and perform its obligations under this Agreement. IDESG has duly and validly approved this Agreement by all necessary corporate action.

F. Authorization. No filing, authorization, consent, or approval, governmental or otherwise, or filing with any governmental authority or court, is necessary to enable IDESG to enter into, and to perform its obligations under, this Agreement.

G. Valid Agreement. This Agreement is being duly executed and delivered by IDESG. This Agreement constitutes a valid and binding obligation of IDESG enforceable against IDESG in accordance with its respective terms, subject only to the effect, if any, of (1) applicable bankruptcy and other similar laws affecting the rights of creditors generally and (2) rules of law governing specific performance, injunctive relief, and other equitable remedies.

H. Title: Rights. IDESG has good and marketable title to, and/or valid and enforceable licenses or other similar agreements granting IDESG the right to use and/or possess, the Assets. When transferred to KIEF the Assets shall be free and clear of all liens, charges, encumbrances, or restrictions.

I. No Violation. The execution and delivery of this Agreement will not conflict with or result in (1) a violation of any provision of the articles of incorporation or bylaws of IDESG, as currently in effect; (2) a material breach of
any material instrument, contract, or agreement to which IDESG is a party or by which IDESG is bound; or (3) a violation of any judgment, writ, decree, order, statute, rule, or regulation applicable to IDESG or the Assets.

J. No Litigation. There is no judgment, decree, injunction, rule, or order against IDESG with regard to any of the Assets or any of IDESG's obligations pursuant to this Agreement. There is no private or governmental action, suit, proceeding, claim, arbitration, mediation, or investigation pending before any governmental entity, or threatened against IDESG or any of the Assets, nor is there any reasonable basis for any such action, suit, proceeding, claim, arbitration, mediation, or investigation, with regard to any of the Assets. Notwithstanding the foregoing, there may claims from Sarah Schacht and Altruistic Partners for claimed services rendered which IDESG disputes.

6. Representations and Warranties of Kantara. KI represents, as follows:

C. Organization and Good Standing. KI is a nonprofit corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, which is qualified to operate as a business league within the meaning of §501(c) (3) of the Internal Revenue Code of 1986, as amended (or corresponding provisions of any subsequent federal tax laws) and is, as such, tax exempt.

D. Power and Authority. KI has the right, power, legal capacity, and authority to enter into and perform its obligations under this Agreement. KI has duly and validly approved this Agreement by all necessary corporate action.

E. Authorization. No filing, authorization, consent, or approval, governmental or otherwise, or filing with any governmental authority or court is necessary to enable KI to enter into, and to perform its obligations under, this Agreement

F. Valid Agreement. This Agreement is being duly executed and delivered by KI. This Agreement constitutes a valid and binding obligation of KI enforceable against KI in accordance with its respective terms, subject only to the effect, if any, of (1) applicable bankruptcy and other similar laws affecting the rights of creditors generally, and (2) rules of law governing specific performance, injunctive relief, and other equitable remedies.

G. No Violation. The execution and delivery of this Agreement will not conflict with or result in (1) a violation of any provision of the articles of incorporation or bylaws of KI, as currently in effect, or (2) a violation of any judgment, writ, decree, order, statute, rule, or regulation applicable to KI.

7. Representations and Warranties of Kantara Initiative Education Foundation. KIEF represents, as follows:

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C. Organization and Good Standing. KIEF is a nonprofit public benefit corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, which has applied to operate as a tax exempt organization within the meaning of §501(c)(3) of the Internal Revenue Code of 1986, as amended (or corresponding provisions of any subsequent federal tax laws) and is, as such, will be tax exempt.

D. Power and Authority. KIEF has the right, power, legal capacity, and authority to enter into and perform its obligations under this Agreement and will be able to obtain the Assets upon attaining it tax-exempt status. KIEF has duly and validly approved this Agreement by all necessary corporate action.

E. Authorization. No filing, authorization, consent, or approval, governmental or otherwise, or filing with any governmental authority or court is necessary to enable KIEF to enter into, and to perform its obligations under, this Agreement.

F. Valid Agreement. This Agreement is being duly executed and delivered by KIEF. This Agreement constitutes a valid and binding obligation of KIEF enforceable against KIEF in accordance with its respective terms, subject only to the effect, if any, of (1) applicable bankruptcy and other similar laws affecting the rights of creditors generally, and (2) rules of law governing specific performance, injunctive relief, and other equitable remedies.

G. No Violation. The execution and delivery of this Agreement will not conflict with or result in (1) a violation of any provision of the articles of incorporation or bylaws of KIEF, as currently in effect, or (2) a violation of any judgment, writ, decree, order, statute, rule, or regulation applicable to KIEF.

8. Approval by Board of Directors. This Agreement has been approved and adopted by the Board of Directors of each of the Parties. The officers of each of the Parties shall execute all such other documents and shall take all other actions as may be necessary or advisable to effectuate this Agreement.

9. Amendments to this Agreement. This Agreement may be amended at any time prior to, but not after the Effective Date of this Agreement by written agreement of the parties. Anything in this Agreement or elsewhere to the contrary notwithstanding, this Agreement may be terminated and abandoned at any time before the Effective Date by mutual consent of the Parties, expressed by appropriate resolutions of their respective Boards of Directors.

10. Governing Law. This Agreement shall be construed and enforced pursuant to the laws of the Commonwealth of Virginia without reference to conflicts of laws principles.

11. Entire Agreement. This Agreement contains the entire agreement of the parties regarding the subject matter hereof and supersedes all prior negotiations,
correspondence, understandings, letters of intent and agreements between or among the parties regarding the same.

12. **Jurisdiction and Venue.** The parties irrevocably and unconditionally

   C. agree that any suit or legal proceeding with respect to or in connection with this Agreement may be brought in any competent court of the Commonwealth of Virginia in Arlington County or any Federal District Court in the City of Arlington, Virginia, as the party bringing such proceeding may elect;

   D. agree to submit to the nonexclusive jurisdiction of such courts,

   E. waive, to the fullest extent permitted by law, any objection that each party may now or hereafter have to the laying of venue in any such proceeding in any such court or any objection that any such proceeding has been brought in an inconvenient forum,

   F. agree to be bound by any judgment rendered or order granted by any of such court without any right of appeal, and

   G. consent to the removal and change of venue to any of the aforesaid courts, as the party bringing such proceeding may elect, of any legal proceeding brought by such party in any other court other than that elected by the parties.

13. **Notices.** Any notice, consent, demand or other communication required or permitted to be given hereunder shall be in writing and shall be deemed duly given when delivered personally, or three days after being deposited with the United States Postal Service, or one day after being sent by Federal Express or other comparable nationally recognized overnight delivery service, all charges or first-class postage prepaid, properly addressed, as follows:

   **If to IDESG:**
   Mark DeFraia, President
   10 Marriott Place
   Billerica, MA 01821

   Kay Chopard Cohen, Executive Director
   6809 Groveton Road
   Manassas, VA 20109

   **If to KI/KIEF:**
   Allan Foster, President
   201 N.E. Park Plaza Dr.
   Vancouver, WA 98684

Any of the above addresses may be changed by the appropriate party giving notice of such change to the other parties hereto.
14. **Mediation.** Both parties agree to utilize a mediator to resolve all disputes which may arise under this Agreement before resorting to any court proceeding.

15. **Severability.** If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

16. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement is being executed on behalf of the parties hereto on the date(s) opposite their respective signatures.

**IN WITNESS WHEREOF,** this Agreement has been executed by the duly authorized officers of parties as of the day and year first above written.

**IDENTITY ECOSYSTEM STEERING GROUP, INC.**

By: 
Mark DeFraia 
Its President

**KANTARA INITIATIVE EDUCATION FOUNDATION, INC**

By: 
Allan Foster 
Its President

**KANTARA INITIATIVE, INC**

By: 
Allan Foster 
Its President