

Charter of the Compensation Committee of the Board | As approved by the Board of Directors on 26 October 2023

I. Purpose

The Compensation Committee of the Board of Directors ("Board") of ICANN is responsible for:

- A. Assisting and advising the Board with regard to its responsibility for the oversight of the corporation's compensation framework, particularly the study and evaluation of appropriate compensation mechanisms and criteria;
- B. Recommending for approval by the full Board appropriate compensation levels and arrangements for officers of the corporation appointed in accordance with the Bylaws;
- C. Recommending for approval by the full Board appropriate base compensation levels, performance metrics and performance-based compensation levels for the President and Chief Executive Officer (CEO);
- D. Recommending for approval by the full Board appropriate base compensation levels, performance metrics and performance-based compensation levels for the Ombudsman; and
- E. Performing any other duties or responsibilities delegated to the Committee by the Board from time to time.

II. Scope of Responsibilities

- A. Assisting and advising the Board with regard to its responsibility for the oversight of the corporation's compensation framework, particularly the study and evaluation of appropriate compensation mechanisms and criteria.
 - 1. The Committee will seek advisement and counsel from professionals with expertise in compensation arrangements for U.S.-based nonprofit tax exempt corporations, including with respect to corporations possessing a global employee base.
 - 2. Based on expert advice, the Committee will recommend an overall compensation philosophy for the corporation consistent with ICANN's Bylaws, nonprofit public benefit status, global employee base, complexity and volume of activities, and overall mission.
 - 3. The Committee will advise the President and CEO to help ensure that the compensation structure of the corporation informs

appropriate performance targets for senior management and employees generally.

- B. Recommending for approval by the full Board appropriate compensation levels and arrangements for officers of the corporation appointed in accordance with the Bylaws.
1. The Committee shall seek advisement and counsel from professionals with expertise in compensation arrangements for U.S.-based nonprofit tax exempt corporations, including comparable compensation data, that takes into consideration corporations with nonprofit public benefit status, a global employee base, complexity and volume of activities similar to ICANN, and ICANN's overall mission, among other relevant factors.
 2. Based on expert advice, the Committee shall recommend to the full Board appropriate compensation levels for the President and CEO that is designed to qualify for the rebuttable presumption of reasonableness under laws and regulations applicable to ICANN as a non-profit public benefit corporation.
 3. Based on expert advice, and in consultation with the President and CEO, the Committee shall recommend to the full Board appropriate compensation levels for officers of the corporation other than the President and CEO appointed in accordance with the Bylaws that are designed to qualify for the rebuttable presumption of reasonableness under laws and regulations applicable to ICANN as a non-profit public benefit corporation.
 4. The Committee shall strategize upon, and recommend corporate goals and objectives relevant to the compensation of the President and CEO.
 5. The Committee shall review and advise the full Board on any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any officer of the corporation appointed in accordance with the Bylaws.
 6. The Committee shall review and advise with respect to any severance or other termination payments proposed to be made to any officer of the corporation appointed in accordance with the Bylaws.
 7. The Committee shall review and discuss with the Board plans for officer development and corporate succession plans for the President and CEO and other officers of the corporation appointed in accordance with the Bylaws.

- C. Recommending for approval by the full Board appropriate base compensation levels, performance metrics and performance-based compensation levels for the President and CEO.
 - 1. The Committee shall recommend target goals for performance based compensation of the President and CEO. In recommending performance based compensation targets each year for the President and CEO, the Committee will consider appropriate performance metrics in the furtherance of ICANN's mission and core values, as well as any specific management objectives set by the Board.
 - 2. The Committee will, at the end of each year, evaluate the performance of the President and CEO in light of those corporate goals and objectives and recommend the appropriate level of performance-based compensation. The Committee will document each year the basis for the Committee's recommendations and conclusions for Board consideration.
- D. Recommending for approval by the full Board appropriate base compensation levels, performance metrics and performance compensation levels for the Ombudsman.
- E. Performing any other duties or responsibilities delegated to the Committee by the Board from time to time.

III. Composition

The Committee shall be comprised of at least three, but not more than seven Board members as determined and appointed annually by the Board, each of whom shall comply with the current ICANN Conflicts of Interest Policy. The voting Directors on the Committee shall be the voting members of the Committee and the majority of the Committee members must be voting Directors. The members of the Committee shall serve at the discretion of the Board. In order to take advantage of the rebuttable presumption of reasonableness available under applicable law and regulations, each Committee member shall be independent and free from any relationships or conflicts of interest with respect to the corporation or ICANN staff that may impair, or appear to impair, the director's ability to make independent judgments regarding compensation policies. In addition, desirable qualifications for Committee members include experience in business management, executive compensation, employee benefits, and human resources, as well as the achievement of diversity in experience, culture and viewpoints among Committee members.

Unless a Committee Chair is appointed by the full Board, the members of the Committee may designate its Chair from among the voting members of the Committee by majority vote of the full Committee membership.

The Committee may choose to organize itself into subcommittees to facilitate the accomplishment of its work. The Committee may seek approval and budget from the Board for the appointment of consultants and advisers to assist in its work as deemed necessary, and such appointees may attend the relevant parts of the Committee meetings.

IV. Meetings

A. Regularly Scheduled Meetings.

The Compensation Committee shall meet at least quarterly, or more frequently as it deems necessary to carry out its responsibilities. The Committee's meetings may be held by telephone and/or other remote meeting technologies. Meetings may be called upon no less than forty-eight (48) hours notice by either (i) the Chair of the Committee or (ii) any two members of the Committee acting together, provided that regularly scheduled meetings generally shall be noticed at least one week in advance.

B. Special/Extraordinary Meetings.

Special/Extraordinary meetings may be called upon no less than forty-eight (48) hours notice by either (i) the Chair of the Committee or (ii) any two members of the Committee acting together. The purpose of the meeting must be included with the call for the meeting.

C. Action Without a Meeting

1. Making a Motion:

The Committee may take an action without a meeting for an individual item by using electronic means such as email. An action without a meeting shall only be taken if a motion is proposed by a member of the Committee, and seconded by another voting member of the Committee. All voting members of the Committee must vote electronically and in favor of the motion for it to be considered approved. The members proposing and seconding the motion will be assumed to have voted in the affirmative. The action without a meeting and its results will be noted in the next regularly scheduled Committee meeting and will be included in the minutes of that meeting.

2. Timing:

- a. Any motion for an action without a meeting must be seconded by another Committee member within 48 hours of its proposal.

- b. The period of voting on any motion for an action without a meeting will be seven (7) days unless the Chair changes that time period. However, the period must be a minimum of two days and a maximum of seven (7) days.

V. Voting and Quorum

A majority of the voting members of the Committee shall constitute a quorum. Voting on Committee matters shall be on a one vote per voting member basis. When a quorum is present, the vote of a majority of the voting Committee members present shall constitute the action or decision of the Committee. While only Directors can vote or constitute a quorum, the non-voting Board Liaisons on the Committee play an important role and their contributions and views on proposed motions are essential for informed decision-making.

VI. Records of Proceedings

A preliminary report with respect to actions taken at each meeting (whether electronic, telephonic or in-person) of the Committee shall be recorded and distributed to committee members within seven working days, to the extent feasible and appropriate, and meeting minutes may be posted following approval by the Committee.

A report of the activities of the Committee shall be prepared and published semi-annually.

VII. Committee Chair Alternate

The Committee Chair shall designate a Committee member to serve as an alternate for the Chair in the event that the Chair is unavailable for a meeting, or recuses themselves from presiding over a matter, or is otherwise unavailable to fulfill their role as Chair.

VIII. Review

The Board Compensation Committee shall conduct a self-evaluation of its activities on an annual basis and may recommend to the Board Governance Committee changes in membership, procedures, or responsibilities and authorities of the Committee if and when deemed appropriate. The performance of the Committee shall be reviewed annually and informally by the Board Governance Committee. The Board Governance Committee shall recommend to the full Board changes in membership, procedures, or responsibilities and authorities of the Committee if and when deemed appropriate. Performance of the Committee may also be reviewed as part of any independent review of the Board and its Committees.