

ICANN BOARD SUBMISSION NO. 2022.07.13.C2a

TITLE: **Appointment of 2023 Nominating Committee Chair and Chair-Elect**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

The Board is being asked to consider the Board Governance Committee's (BGC) recommendation with respect to the 2023 Nominating Committee (NomCom) Chair and Chair-Elect.

Following the call for expressions of interest (EOI), as input into the selection of the 2023 NomCom leadership positions, the BGC reviewed and discussed the EOIs and materials submitted by the candidates and interviewed the candidates. Following the above actions and further discussion, the BGC agreed on recommendations to the Board for the 2023 NomCom Chair and Chair-Elect.

BOARD GOVERNANCE COMMITTEE (BGC) RECOMMENDATION:

The BGC recommends that the Board appoint Vanda Scartezini as the 2023 NomCom Chair and Amir Qayyum as the 2023 NomCom Chair-Elect.

PROPOSED RESOLUTIONS:

Whereas, the Board Governance Committee (BGC) reviewed the Expressions of Interest and other materials submitted by candidates for the 2023 Nominating Committee ("NomCom") Chair and Chair-Elect and conducted interviews of the candidates.

Whereas, following lengthy discussions, the BGC has recommended that Vanda Scartezini be appointed as the 2023 NomCom Chair and Amir Qayyum be appointed as the 2023 NomCom Chair-Elect.

Resolved (2022.07.13.XX), the Board hereby appoints Vanda Scartezini as the 2023 Nominating Committee Chair and Amir Qayyum as the 2023 Nominating Committee Chair-Elect.

PROPOSED RATIONALE:

ICANN's Bylaws require the Board to appoint the Nominating Committee (NomCom) Chair and NomCom Chair-Elect. See ICANN Bylaws, [Article 8, Section 8.1](#). The Board has delegated the responsibility for recommending the NomCom Chair and Chair-Elect for Board

approval to the Board Governance Committee (BGC). (See [BGC Charter, Section II.G.](#)) The BGC oversaw the posting of a call for expressions of interest (EOI) on 12 April 2022 seeking EOIs by 9 May 2022. (See <https://www.icann.org/en/announcements/details/call-for-expressions-of-interest-icann-2023-nomcom-chair-and-chair-elect-12-04-2022-en>).

As input into the selection of 2023 the NomCom leadership positions, the BGC reviewed and discussed the received EOIs and other materials submitted by the candidates and interviewed the candidates. Following the above actions and further discussion, the BGC agreed on recommendations to the Board for the 2023 NomCom Chair and Chair-Elect.

The Board has considered and agrees with the BGC's recommendation for the 2023 NomCom Chair and Chair-Elect. The Board also would like to thank all who expressed interest in becoming part of the 2023 NomCom leadership.

Appointing a NomCom Chair and Chair-Elect identified through a public EOI process, including interviews of the candidates, is in the public interest as it positively affects the transparency and accountability of ICANN. It is also fully consistent with ICANN's mission.

Adopting the BGC's recommendation has no financial impact on ICANN that was not otherwise anticipated, and will not negatively impact the security, stability and resiliency of the domain name system.

This is an Organizational Administrative Function that does not require Public Comment.

Submitted By: Amy A. Stathos
Date: 6 July 2022
Email: amy.stathos@icann.org

ICANN BOARD SUBMISSION NO. 2022.07.13.C2b

TITLE: **Officer Compensation**

PROPOSED ACTION: **For Board Consideration and Approval**

Confidential Employment Matter

COMPENSATION COMMITTEE RECOMMENDATION:

The Compensation Committee recommends that the Board approve the proposed Board resolutions set out below.

PROPOSED RESOLUTION:

Whereas, it is essential to ICANN's operations that ICANN offer competitive compensation packages for its personnel.

Whereas, independent market data provided by outside expert compensation consultants indicates that current and proposed increases to compensation amounts for: (i) John Jeffrey, General Counsel and Secretary; (ii) Theresa Swinehart, SVP, Global Domains & Strategy; (iii) David Olive, SVP, Policy Development Support and Managing Director -Washington, D.C., and (iv) Ashwin Rangan, SVP, Engineering and Chief Information Officer (CIO); and (v) Xavier Calvez, SVP, Planning and Chief Financial Officer (CFO) are either below or within ICANN's target of the 50th to 75th percentile for total cash compensation based on comparable market data for the respective positions.

Whereas, the Compensation Committee has recommended that that the Board approve the proposed Board resolutions set out below.

Whereas, each Board member has confirmed that they are not conflicted with respect to compensation packages for any of ICANN's Officers.

Resolved (2022.07.13.xx), the Board grants the President and CEO discretion to adjust the compensation for FY23, effective 1 July 2022, of: (i) John Jeffrey, General Counsel and Secretary; (ii) Theresa Swinehart, SVP, Global Domains and Strategy; (iii) David Olive, SVP, Policy Development Support and Managing Director - Washington, D.C., and (iv) Ashwin Rangan, SVP, Engineering and Chief Information Officer (CIO), in accordance with the independent study on comparable compensation, subject to a limitation that their annual base salaries shall not increase by more than 4% per annum from their current rates. The Board also grants the President and CEO discretion to adjust the compensation for FY23, effective 1 July 2022, of: (v) Xavier Calvez, SVP, Planning and Chief Financial Officer (CFO) in accordance with the independent study on comparable compensation, subject to a limitation that his annual base salary shall not increase by more than 4.5% per annum from his current rate.

PROPOSED RATIONALE:

The goal of the organization's compensation program is to provide a competitive compensation package. The organization's general compensation philosophy is to pay base salaries within a range of the 50th – 75th percentile of the market for a particular position.

Each of the Officers at issue in this resolution resides in the United States, with four residing in the greater Los Angeles area and another one in the District of Columbia. As of April 2022, the [U.S. inflation rate](#) was reported as 8.3%, while the Consumer Price Index (CPI), the commonly accepted metric for cost-of-living increases, increased in the [greater Los Angeles](#) area by 7.9% and increased in the [District of Columbia](#) by 7.3%.

Compensation survey data¹ indicated that the general market 50th percentile of merit budget for 2022 is 4.0%. ICANN's FY23 (1 July 2022 to 30 June 2023) budget for all ICANN personnel Annual Compensation Merit Review is 4%. In addition, actual merit and salary increase results data shows that in general, companies and organizations have provided a 4% merit increase and overall 4.5% salary increase in 2021.

Based upon the above economic and compensation data, considering the quality performances of the Officers, and all of the activities and initiatives set out in the Five-Year Strategic and Operating plan calling for continued quality senior leadership, it is necessary for the Officers' compensation to be reviewed and aligned with the market.

ICANN's President and CEO has requested that he be granted the discretion to increase the FY23 base salaries of: (i) John Jeffrey, General Counsel and Secretary; (ii) Theresa Swinehart, SVP, Global Domains and Strategy; (iii) David Olive, SVP, Policy Development Support and Managing Director -Washington, D.C.; and (iv) Ashwin Rangan, SVP, Engineering and Chief Information Officer (CIO), by up to 4% of their current base salaries; and (v) Xavier Calvez, SVP, Planning and Chief Financial Officer (CFO) by up to 4.5% of his current base salary. The President and CEO has also informed the Board that he intends to also exercise the same discretion with respect to the other members of ICANN's Executive Team who are not Officers (which does not require Board approval). As set forth in the comparable information provided by ICANN's expert compensation consultants, the requested increases for each of the Officers listed here, fall slightly below or within or the established remuneration practices of the Organization. The Board agrees with the President and CEO's Recommendations.

The salary adjustments provided under this resolution will assist these Officers and the organization in fulfilling its mission and in ensuring ICANN acts in the public interest.

¹ Data source: Aon 2021 Salary Increase and Turnover Study- Global

There will be some fiscal impact to the organization, but that impact has been anticipated within the FY23 budget. This resolution will not have any direct impact on the security, stability and resiliency of the domain name system.

This is an Organizational Administrative function that does not require public comment.

Submitted by: Amy Stathos; Gina Villavicencio

Positions: Deputy General Counsel; SVP, Global Human Resources

Date Noted: 5 July 2022

Emails: Amy.Stathos@icann.org; Gina.Villavicencio@icann.org

REFERENCE MATERIALS - BOARD PAPER NO. 2022-07-13-C2b

TITLE:

Confidential Employment Matter

Officer Compensation

Confidential Employment Matter

Confidential Employment Matter

Submitted by: Amy Stathos; Gina Villavicencio

Positions: Deputy General Counsel; SVP, Global Human Resources

Date Noted: 5 July 2022

Emails: Amy.Stathos@icann.org; Gina.Villavicencio@icann.org

REFERENCE MATERIALS - BOARD SUBMISSION NO. 2022-07-xx-CXX ATTACHMENT A

Confidential Employment Matter

Confidential Employment Matter

ICANN BOARD PAPER NO. 2022.07.13.C2c

**TITLE: PRESIDENT AND CEO AT-RISK COMPENSATION FOR
SECOND HALF OF FY22**

PROPOSED ACTION: For Board Consideration and Approval

Confidential Employment Matter

Whereas, each Board member has confirmed that he/she does not have a conflict of interest with respect to establishing the amount of payment to the President and CEO for the second half of FY22 at-risk compensation component.

Whereas, the Compensation Committee recommended that the Board approve payment to the President and CEO for the second half of his FY22 at-risk compensation.

Resolved (2022.07.13.xx), the Board hereby approves a payment to the President and CEO for his annual at-risk compensation component for the second half of FY22.

Resolved (2022.07.13.xx), specific items within this resolution shall remain confidential as an action "relating to personnel or employment matters", pursuant to Article 3, section 3.5.b of the ICANN Bylaws.

PROPOSED RATIONALE:

When the President and CEO was hired, he was offered a base salary, plus an at-risk component of his compensation package. This same structure exists today. Consistent with all personnel with the ICANN organization, the President and CEO is to be evaluated against specific goals, which the President and CEO sets in coordination with the Compensation Committee and the Board.

The President and CEO provided to the Compensation Committee his self-assessment of his achievements towards his FY22 goals. After reviewing, the Compensation Committee discussed and agreed with the President and CEO's self-assessment. Following discussion, the Compensation Committee recommended that the Board approve payment to the President and CEO for his at-risk compensation for the second half of FY22. The Board agrees with the Compensation Committee's recommendation.

Taking this decision is in furtherance of ICANN's Mission and is in the public interest in that it helps ensure that President and CEO is sufficiently compensated in line with his performance in furtherance of the Mission, and which reflects that his goals are consistent with ICANN's Strategic and Operating plans.

While the decision to pay the President and CEO his at-risk compensation for the second half of FY22 will have a fiscal impact on ICANN, it is an impact that was contemplated in the FY22 budget. This decision will not have an impact on the security, stability or resiliency of the domain name system.

This is an Organizational Administrative Function that does not require public comment.

Submitted By:	Amy A. Stathos, Deputy General Counsel
Date Noted:	5 July 2022
Email:	amy.stathos@icann.org

ICANN BOARD SUBMISSION NO. 2022.07.13.C2d

TITLE: **President and CEO Compensation**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

Confidential Employment Matter

COMPENSATION COMMITTEE RECOMMENDATION:

The Compensation Committee recommends that the Board approve the proposed Board resolutions set out below.

PROPOSED RESOLUTION:

Whereas, it is essential to ICANN's operations that ICANN org offer competitive compensation packages for its personnel.

Whereas, independent market data provided by outside expert compensation consultants indicates that current compensation for the President and CEO, is below or within ICANN's target of the 50th to 75th percentile for total cash compensation based on comparable market data.

Whereas, the Compensation Committee has recommended that that the Board approve the proposed Board resolution set out below.

Whereas, each Board member has confirmed that they are not conflicted with respect to compensation packages for the President and CEO.

Resolved (2022.07.13.Cxx), the Board approves an increase in the President and CEO's base salary in the amount of 4% effective 1 July 2022, which pursuant to resolution 2020.10.07.02, does not require an amendment to the President and CEO's Executive Services Agreement.

PROPOSED RATIONALE:

A key goal of ICANN organization's compensation program is to provide a competitive compensation package. The organization's general compensation philosophy is to pay base salaries within a range of the 50th – 75th percentile of the market for a particular position. Every year all ICANN org staff are evaluated for job performance and other criteria that could result in a potential adjustment in base salary.

The President and CEO was engaged effective May 2016. At that time, he was offered a base salary and eligibility for an additional 30% of At-Risk compensation. In the over six years since he began his term at ICANN, the Board has only reviewed the President and CEO's salary three times (even though the rest of ICANN org staff, including Officers', salaries are reviewed every year). In furtherance of those three reviews, the Board approved one increase of the President and CEO's base salary of 3% per annum effective 1 July 2019, one increase of 5% per annum effective 1 July 2020, and one increase of 3% per annum effective 1 July 2021, with no change to his potential At-Risk compensation percentage.

In approving the increase to the President and CEO's base salary effective 1 July 2021, the Board noted that:

The comparable compensation data of this most recent independent compensation expert report indicate that, even with the most recent 5% increase in base salary effective 1 July 2020, the President and CEO's potential total annual cash compensation is still significantly below the upper target of the 75th percentile of market regardless of what blend of the three relevant sources identified above is used, and is well below the lower target of the 50th percentile of market in many of the possible blends. Accordingly, the Board has determined that an adjustment to bring the President and CEO's base compensation closer to even the low end of ICANN's target compensation target is reasonable and necessary. (See <https://www.icann.org/resources/board-material/resolutions-2021-07-29-en#1.b>)

In accordance with the above, the Compensation Committee asked for and received an updated market data report by independent compensation experts, which described the processes used, and rationale for, scoping and benchmarking of the President and CEO position along with the most recent data available or published.

The Compensation Committee was comfortable with and understood the independent compensation experts' processes for scoping and benchmarking positions. In particular, why the market comparable data for the President and CEO position consists of a blend from one or more of three sources – Non-Profits, General Industry (as reported in Willis Towers Watson and Mercer surveys), and High Technology (as reported in Radford surveys).

The comparable compensation data of this most recent independent compensation expert report indicate that, even with the 4% increase in base salary (which is consistent with the average for all ICANN org staff) effective 1 July 2022, the President and CEO's potential total annual cash compensation is still significantly below the upper target of the 75th percentile of market regardless of what blend of the three relevant sources identified above is used, and is well below the lower target of the 50th percentile of market in many of the possible blends. Accordingly, the Board has determined that an adjustment to bring the President and CEO's base compensation closer to even the low end of ICANN's target compensation target is reasonable and appropriate.

Based upon the above information and a proper blend of the data sources, and considering the quality performance of the President and CEO, as well as all of the

activities and initiatives set out in the Five-Year Strategic and Operating plan that make clear the need for continued quality senior leadership, it is necessary for the President and CEO's compensation to be reviewed and aligned with the market. Accordingly, the Board has approved a 4% increase to the President and CEO's current base salary, effective 1 July 2022, which the Board has determined is entirely reasonable given all of the above, including the comparable market study provided by the independent compensation experts. Even with this increase, the President and CEO's total cash compensation will still be below ICANN's lowest percentage of its 50th to 75th percentile target range for compensation in all, except one, of the potential blends of source data, and well below the upper percentage of that target range in all potential blends.

The salary adjustment provided under this resolution will assist the organization in fulfilling its mission and in ensuring ICANN acts in the public interest by ensuring the continuity of leadership and that the organization's President and CEO is fairly and reasonably compensated.

There will be some fiscal impact to the organization, but that impact can be absorbed in the FY23 budget. This resolution will not have any direct impact on the security, stability and resiliency of the domain name system.

This is an Organizational Administrative function that does not require public comment.

Submitted by:	Amy Stathos; Gina Villavicencio
Positions:	Deputy General Counsel; SVP, Global Human Resources
Date Noted:	5 July 2022
Emails:	Amy.Stathos@icann.org ; Gina.Villavicencio@icann.org

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