

ICANN BOARD PAPER NO. 2020.06.18.C3a

**TITLE: PRESIDENT AND CEO AT-RISK COMPENSATION
FOR SECOND HALF OF FY20**

PROPOSED ACTION: For Board Approval

Confidential Employment Matter

PROPOSED PUBLIC RESOLUTION:

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 FY20 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 FY20 SR2 at-risk compensation.

Resolved (2020.06.18.xx), the Board hereby approves a payment to the President and CEO for his annual at-risk compensation component for the second half of FY20.

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 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 end-of-year achievements towards his FY20 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 FY20. 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.

While the decision to pay the President and CEO his at risk compensation for the second half of FY20 will have a fiscal impact on ICANN, it is an impact that was contemplated in the FY20 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: 12 June 2020
Email: amy.stathos@icann.org

ICANN BOARD SUBMISSION NO. 2020.06.18.C3a

TITLE:

Officer Compensation

PROPOSED ACTION:

For Board Consideration and Approval

Confidential Employment Matter

PROPOSED RESOLUTION:

Whereas, the reduction of two positions on the ICANN org executive team have been restructured.

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 total compensation amounts for the General Counsel and Secretary, the SVP, Planning and Chief Financial Officer (CFO), and the SVP, GDD and Strategy are below 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 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.

Resolution Text Superseded

PROPOSED RATIONALE:

The Board has been asked to look at proposed compensation increases for some of the current Officers to which the President and CEO has assigned new responsibilities due to the recent departure of the SVP, Global Domains Division (GDD) and impending departure of the Chief Operating Officer (COO)

GDD is one of ICANN's fundamental departments and provides important services to the community and policy implementation process. The responsibilities under the COO have included operational planning, Board operations, risk management and security

operations. Rather than backfilling the vacancies of the SVP, GDD and SVP, COO positions, and thereby eliminating two executive-level salaries and benefit costs, the President and CEO is reallocating the responsibilities covered in these roles to several executive team members. The departments overseen by the executives that are assuming the responsibilities previously covered by the SVP, GDD and COO have sufficiently matured over the past several years such that the broader responsibilities assigned to these executives will not diminish their ongoing success. In addition, by making some of these changes, ICANN org will centralize and improve the support to the ICANN community and its stakeholders. In particular, both GDD and Multistakeholder Strategy and Strategic Initiatives (MSSI) serve the community and address subject areas that bridge policy, review recommendations, strategy, and specific initiatives impacting stakeholders. Accordingly, one of the changes made by the President and CEO is to allocate responsibility over GDD to the Theresa Swinehart, who is also the SVP, MSSI (or strategy).

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.

Based upon the recent market compensation data, considering the additional responsibilities taken on by the three Officers mentioned in the resolution, it is appropriate for these Officers' compensation to be reviewed and aligned with the market and ICANN compensation philosophy.

Rationale Text Superseded

The President and CEO has also informed the Board that he intends to exercise the same discretion with respect to other members of ICANN's Executive Team who are also taking on more responsibilities due to this org change, but who are not Officers (which does not require Board approval). The requested increases for each of the Officers listed here are commensurate with the volume of additional responsibilities

being assigned, and still fall below 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, and help ensure continuity in leadership of the organization.

There will be some fiscal benefits to the organization, and that impact will be felt within the FY21 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: 12 June 2020

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