

Audit Committee Charter | As Approved by the Board of Directors on 26 October 2023

I. Purpose

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

- A. Recommending the selection of independent auditors to the Board.
- B. Receiving and reviewing status reports from independent auditors as required and recommended.
- C. Receiving, reviewing and forwarding to the Board the annual financial report of ICANN's operations and financial position, the related footnotes, and the accompanying independent auditors' report.
- D. Overseeing ICANN's internal financial and accounting controls and procedures, which are designed to promote compliance with accounting standards, and applicable laws and regulations.

II. Scope of Responsibilities

- A. Recommending the selection of independent auditors to the Board.
 - 1. The Committee will recommend to the Board of Directors the selection of ICANN's independent auditors and the annual fees to be paid for services rendered by the independent auditors.
 - 2. The Committee will review the proposed audit plan(s) developed by the independent auditors.
 - 3. The Committee will periodically review the performance, qualifications and independence of the independent auditors, and recommend to the Board any proposed retention or discharge of the independent auditors.
- B. Receiving and reviewing status reports from independent auditors as required and recommended.
- C. Receiving, reviewing and forwarding to the Board the annual financial report of the independent auditors.
 - 1. The Committee will review ICANN's annual financial statements and reports as required by law and ICANN's Bylaws.

2. The Committee will review and discuss the required communication from the independent auditor in relationship to the reliance on internal controls and the comments on those internal controls, if any.
 3. The Committee will forward to the Board and recommend acceptance of ICANN's audited annual financial statements and reports and the annual financial management letter of the independent auditors, including Committee comments, if any.
- D. Overseeing ICANN's internal financial and accounting controls and procedures designed to promote compliance with accounting standards, and applicable laws and regulations.
1. The Committee will periodically review ICANN's system of internal financial and accounting controls, including its financial risk assessment and financial risk management policies, including any relevant insurance coverage, and make recommendations for changes, if any.
 2. The Committee will monitor the performance of ICANN's accounting and financial reporting process, internal financial controls and financial audits.
 3. The Committee will oversee ICANN's compliance with generally accepted accounting principles for nonprofit organizations, and with any legal or regulatory requirements related to: (i) ICANN's accounting and financial management systems; and (ii) ICANN's financial reports.
 4. The Committee will oversee investigations resulting from reports of questionable accounting or financial matters or financially-related fraud concerns, including receiving management reports about calls made to the anonymous reporting hotline pursuant to the ICANN whistleblower policy, as those calls relate to the reporting of concerns as enumerated above.

In addition, the Committee may perform other duties or responsibilities, if any 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 voting Board members, as determined and appointed annually by the Board, each of whom shall comply with the Conflicts of Interest Policy. All Committee members must be voting Directors. The Committee may be comprised of members who serve on the Finance Committee but members who serve on the

Finance Committee shall not comprise 50 percent or more of the Audit Committee. The Committee members shall not include the President and Chief Executive Officer of ICANN organization. The members of the Committee shall serve at the discretion of the Board.

The Committee shall have access to financial expertise, preferably through the inclusion on the Committee of at least one voting Director with the requisite level of financial expertise as deemed acceptable by the Board.

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 Chair may not be a member of the Finance Committee.

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 Committee shall meet at least four times per year, 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 (2) 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.

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 shall be posted promptly 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 Audit Committee shall also 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.