

# **Risk Committee Charter | As approved by the ICANN Board of Directors on 14 March 2025**

## **I. Purpose**

The Risk Committee of the ICANN Board is responsible for the assessment and oversight of policies implemented by ICANN designed to manage ICANN's risk profile, including the establishment and implementation of standards, controls, limits and guidelines related to risk assessment and risk management, including but not limited to financial, technical, legal and operational risks and other risks concerning ICANN's reputation and ethical standards.

In addition, the Risk Committee assists the Board in fulfilling its oversight responsibilities as it relates to the quality and integrity of ICANN's system of internal controls, internal audit function and its process, compliance with laws and regulations.

## **II. Scope of Responsibilities**

The following responsibilities are set forth as a guide for fulfilling the Committee's purposes. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee's purposes as may be assigned by the Board from time to time:

- A. Oversight of ICANN's Risk Management function, including the following activities:
  - 1. Reviewing and advising on the ICANN risk management framework and associated policies, plans, programs, and reporting relating to risk management;
  - 2. Monitoring the effectiveness of the risk management framework;
  - 3. Overseeing the identification, assessment, and prioritization of risks and their mitigation strategies;
  - 4. Staying informed on conditions at ICANN in order to identify potential future risks and advise on plans for addressing these risks as appropriate;
  - 5. Reviewing other areas of risk concentration as appropriate, including coordinating with other committees of the Board that review risk, as well risks identified arising from the work of the ICANN community;
  - 6. Ensuring alignment and compliance of the Risk Appetite Statement with ICANN's risk profile and Strategic Plan;

7. Reviewing and making recommendations to the Board on ICANN's overall risk appetite and tolerance levels, including the Risk Appetite Statement; and
  8. Promoting and ensuring the continuous improvement of risk management practices.
- B. Oversight of ICANN's Internal Audit function, including the following activities:
1. Recommending the selection of internal auditors to the Board with respect to the internal audit function's resources in accordance with best practices, including:
    - a. Providing input to the performance evaluation of ICANN's head of internal audit in coordination with this role's organization supervisor.
    - b. If an outsourced engagement is considered, periodically reviewing the performance, qualifications and independence of the internal audit third party service provider(s), and recommending to the Board any decisions regarding their retention or dismissal.
  2. Reviewing the independence and authority of the internal audit function's reporting obligations, the proposed internal audit scope, plans, and budgets for the upcoming year; and the coordination of such plans with ICANN's head of internal audit.
  3. Receiving findings from completed internal audits and a progress report on the proposed internal audit plan, with explanations of any significant deviations from the original plan.
  4. Promoting and ensuring the continuous improvement of the internal audit function.
- C. Informing and advising the Board on the outcomes of these oversight areas, the Committee recommendations and assessment of those outcomes, if any, as well as other reporting deemed appropriate by the Committee.

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 Board members, as determined and appointed annually by the Board, each of whom shall comply with the 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.

The Committee shall have a Chair and may have a co-Chair or vice-Chair. Unless a Committee Chair/co-Chair/vice-Chair is appointed by the full Board, the members of the Committee may designate its Chair/co-Chair/vice-Chair from among the 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 Committee shall meet at least three times per year, or more frequently as it deems necessary to carry out its responsibilities. The schedule of these meetings will be established at the beginning of the calendar year. The Committee's meetings may be held by telephone and/or other remote meeting technologies. Regularly scheduled meetings shall be noticed at least one week in advance, unless impracticable, in which case the notice shall be as soon as practicable.

##### **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 days unless the Chair changes that time period. However, the period must be a minimum of two days and a maximum of seven days.

## **V. Voting and Quorum**

A majority of the voting members 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. Recording 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 Risk 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.