

ICANN BOARD SUBMISSION NO. 2020.10.07.C1a

TITLE: PRESIDENT AND CEO EXECUTIVE SERVICES AGREEMENT – TWO YEAR EXTENSION

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

The Board has been considering extending the Executive Services Agreement (Agreement) of the current President and CEO, Göran Marby, so that it would expire in May 2024 rather than May 2022, as it does currently. The discussion originated in the Compensation Committee and they agreed that the matter should be discussed with the full Board, which it has been. If the extension is approved, this would lead to a total of eight years of continual ICANN organization leadership at the President and CEO level.

The President and CEO has clearly shown his dedication to ICANN's mission, including supporting the ICANN Community in its policy development work, and has expressed his desire to continue to help ensure and solidify ICANN's role within the Internet community.

More specifically, just last year ICANN adopted its first ever Five-Year Operating and Financial Plan covering FY21-FY25, which describes how ICANN organization will implement the FY21–FY25 Strategic Plan, which was created with significant input from the Community and adopted by the ICANN Board in June 2019. An extension to the Agreement will provide continuity in leadership over the initial implementation of the FY21-FY25 Operating and Financial Plan, as well as the ongoing work over the Plan's first several years of operation.

Further, in support of the overarching FY21-FY25 Operating and Financial Plan, there are some specific work tracks that have recently been concluded or are currently being pursued by the Community, implementation of which will go beyond May 2022. An extension to May 2024 will allow the President and CEO to see such initiatives through the implementation stage and possibly beyond. Such work includes, among many other things, Community discussions on DNS Abuse that could lead to policy

recommendations, the ongoing policy development process and upcoming implementation work relating to the next round of new gTLDs, the recent and soon to be delivered recommendations from Community groups, including those from numerous organizational and specific reviews, and the ultimate decision on how ICANN can best support Community policies while complying with data protection and privacy laws, such as the European Union's General Data Protection Regulation.

In light of these ongoing activities, the Board is being asked to consider approving an amendment of the Agreement that provides for a two-year contract extension through May 2024 of the current President and CEO's Agreement.

Further, in 2019, the ICANN Board approved an equity adjustment to the President and CEO's compensation established in his Agreement, consistent with a standard annual equity/cost of living adjustment review of the President and CEO's compensation. The President and CEO is entitled to an annual equity/cost of living adjustment review (consistent with all other ICANN personnel) to determine whether a salary adjustment is warranted. The amendment to the Agreement would also clarify that salary increases can be made from time to time without requiring any further amendments to the Agreement.

PROPOSED RESOLUTION:

Whereas, maintaining continuity in leadership at a time where there are so many initiatives underway is important to successfully ensuring ICANN's mission is fulfilled through the work of the Community, the Board and the organization.

Whereas, the President and CEO's Executive Services Agreement (Agreement) has a term of 23 May 2016 through 23 May 2022.

Whereas, the Board has considered and discussed extending the President and CEO's Agreement by an additional two years so that it will run through 23 May 2024.

Whereas, the President and CEO is entitled to an annual equity/cost of living adjustment review and increase if warranted (consistent with all other ICANN personnel).

Whereas, all members of the Board have determined that they have no conflict in relation to making this decision.

Resolved (2020.10.07.xx), for the reasons set forth in the attached rationale, the Board hereby approves a two-year extension to the President and CEO's Executive Services Agreement term, which as extended will now expire on 23 May 2024.

Resolved (2020.10.07.xx), as the President and CEO is entitled to an annual equity/cost of living adjustment review, and increase if warranted, but such increases should not require annual contract amendments. Accordingly, the amendment to the Agreement shall make clear that the Board can approve salary increases from time to time without requiring any further amendments to the Agreement.

Resolved (2020.10.07.xx), the Board hereby authorizes the General Counsel and Secretary, working with the Chairman, to take all steps necessary to amend the President and CEO's Executive Services Agreement term in accordance with and limited to the amendment provisions approved through these resolutions.

PROPOSED RATIONALE:

The Board discussed and considered extending the President and CEO's Executive Services Agreement (Agreement) so that it would expire in May 2024 rather than May 2022, as it does currently. The discussion originated in the Compensation Committee and they agreed that the matter should be discussed with the full Board, which it has been. After careful consideration and lengthy discussions with the entire Board, the Board has approved a two-year extension of the President and CEO's Agreement to 23 May 2024.

There is no question that the President and CEO is dedicated to ICANN's mission, including supporting the ICANN Community in its policy development work, and is very committed to continuing help ensure and solidify the understanding of ICANN's role within the Internet community.

The President and CEO has shown his commitment over the past four years in many ways, including overseeing the successful implementation of the IANA Stewardship transition and all that came with that transition. He has also been at the helm while the

organization has adjusted and improved the budget processes and developed a regional office strategy that clarifies the role and purpose of those offices that provide comprehensive services to stakeholders in all time zones around the globe. Also impressive is the President and CEO's commitment to supporting the Community in its policy development work to address the impacts of European Union's General Data Protection Regulation (GDPR), including diligently seeking out guidance from the relevant Data Protection Agencies responsible for enforcement of the GDPR. These are just a few of the many activities that have revealed the current President and CEO's commitment to ICANN's success.

Notably, ICANN recently adopted its first ever Five-Year Operating and Financial Plan covering FY21-FY25. This Operating and Financial Plan defines and demonstrates how ICANN organization will implement the Five-Year Strategic Plan for FY21-25 that was adopted by the ICANN Board in June 2019. The Strategic Plan has five objectives that will require consideration and implementation over several years. These objectives include:

- Strengthen the security of the Domain Name System and the DNS Root Server System.
- Improve the effectiveness of ICANN's multistakeholder model of governance.
- Evolve the unique identifier systems in coordination and collaboration with relevant parties to continue to serve the needs of the global Internet user base.
- Address geopolitical issues impacting ICANN's mission to ensure a single and globally interoperable Internet.
- Ensure ICANN's long-term financial sustainability.

The President and CEO has expressed interest in remaining in his role for an additional two years, through May 2024, which will provide continuity in leadership over initial implementation of the FY21-FY25 Operating and Financial Plan, as well as the ongoing work over its first several years of operation.

Moreover, in support of the overarching FY21-FY25 Operating and Financial Plan, there is some specific work that has recently been concluded or is currently being pursued by the Community, implementation of which will go beyond May 2022. An extension to May 2024 will allow the President and CEO to see such initiatives through the implementation stage and possibly beyond. Such work includes, among many other things, Community discussions on DNS Abuse that could lead to policy

recommendations, the current policy development process and upcoming implementation relating to the next round of new gTLDs, the recent and soon to be delivered recommendations from Community groups, including those from the numerous organizational and specific reviews, and the ongoing work to determine how ICANN can best support to Community policies while complying with data protection and privacy laws, such as the GDPR.

The Board notes that ICANN org has been served well over many years by the continuity of leadership at the senior Executive level, as several current members of the President and CEO's Executive Team have been with the organization for many years.

In addition, the Board recognizes that making this decision now, will provide a sense of calm within the organization, which would not be disrupted by a search for a new President and CEO in the near future that would necessarily be a long process and would require vital resources at a critical time for the organization.

The Board does recognize that in 2018 it approved a one-year extension of the Agreement, to May 2022, noting that the short extension would help align the expiration of the Agreement with the President and CEO's the Visa renewal which, when obtained, had a three-year term and was set to expire in 2022. Since then, following two additional years at ICANN, the President and CEO has begun the application process that would allow him to remain in the United States as long as he chooses. Accordingly, there will be no issue with him remaining in the U.S. to continue performing his role while based at the ICANN org headquarters in Los Angeles, California.

Providing ongoing continuity in the leadership of ICANN org will without doubt be in the public interest as the current President and CEO is dedicated to ensuring that ICANN fulfills its mission.

While the decision to extend the current President and CEO's Agreement, including potential annual equity/cost of living adjustments to his base salary, will have a fiscal impact on ICANN, payment of compensation to any President and CEO will be accounted for in all future budget development processes. 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: John O. Jeffrey, General Counsel and Secretary
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