1. Consent Agenda:

a. Approval of Board Meeting Minutes

Resolved (2013.02.02.xx), the Board approves the minutes of the 20 December 2012 Special Meeting of the ICANN Board.

b. Registry Stakeholder Group Charter Amendments

Whereas, The ICANN Bylaws (Article X, Section 5.3) state, "Each [GNSO] Stakeholder Group shall maintain recognition with the ICANN Board."

Whereas, the GNSO Registry Stakeholder Group (RySG) has alerted ICANN Staff and the Board to a set of changes to its Charter including expanding the activities of its internal Observers Group, simplifying the process for assessment of annual dues and adding the immediate past Chair of the RySG to its Executive Committee.

Whereas, the community had the opportunity to review and comment on the RySG Charter amendments and there were no objections to the changes.

Whereas, the Structural Improvements Committee recommends the Board approve the RySG Charter changes as presented.

Resolved (2013.02.02.xx) the proposed amendments to the Registry Stakeholder Group Charter are approved by the Board.

Rationale for Resolution 2013.02.02.xx

In July 2009, as part of the comprehensive GNSO Improvements program, the ICANN Board approved the formal Charters of four new GNSO Stakeholder Groups (see ICANN Board Resolution 2009.30.07.09).

The ICANN Bylaws (Article X, Section 5.3) state, "Each Stakeholder Group shall maintain recognition with the ICANN Board." The review of SG charter changes is an important part of ICANN's obligation to maintain recognition of the GNSO Stakeholder Groups and Constituencies and to preserve the operating principles articulated in the ICANN Bylaws. Community review and comments on SG charter changes can assist the Board in its evaluation process. This process is key to ICANN's accountability and transparency efforts. During the comment on this process, there were no comments received in objection to the proposed changes. Comments were received noting how the proposed amendments could be incorporated into other Stakeholder Group charters, and that will be considered as a more formalized evaluation process is developed.

This action will have a limited impact on ICANN's resources. Increased activities by RySG Observer Groups require meetings and secretariat support, but so far that support is within the parameters of existing ICANN Budgets and staff resources. This action is not expected to have any impact on the security, stability or resiliency of the DNS.

This action is an Organizational Administrative Function for which public comment was received.

2. Main Agenda:

a. Multi-Stakeholder Meeting Strategy Working Group

Whereas, ICANN has committed to identifying ICANN Meeting locations two years in advance.

Whereas, after consideration that adoption of a prior Consolidated Meetings Strategy proposal was not timely, the Public Participation Committee (PPC) initiated work to create a working group to address the meeting location strategy.

Whereas, the PPC has developed a proposed charter for a multistakeholder Meetings Strategy Working Group (MSWG) and recommends that the Board adopt the charter and approve the creation of the MSWG.

Resolved (2013.02.02.xx), the Board approves of the creation of the MSWG and adopts the Charter of the MSWG. The MSWG is expected to provide its report to the Board no later than ICANN's 2013 Annual General Meeting.

Resolved (2013.02.02.xx), the original members of the MSWG from the ICANN Board are: Sébastien Bachollet, Chair and Chris Disspain.

Resolved (2013.02.02.xx), the MSWG, working with the PPC, is directed to proceed with the identification of community members pursuant to the Charter. Community member appointments do not require the approval of the full Board.

Resolved (2013.02.02.xx), the President and CEO is directed to provide the MSWG with the staff support necessary to enable the MSWG to undertake and complete its work.

Rationale for Resolution 2013.02.02.xx

The successful operation of ICANN's public meetings in all of the geographic regions is an important part of ICANN's accountability and transparency efforts. The action today will allow community members to serve alongside Board members in helping to develop a meetings strategy that will align with community needs, while taking into account the fiscal and facility requirements for these meetings. The creation of this MSWG is expected to have a minimum fiscal impact on ICANN, mostly in the resources to support the new WG. The development of the MSWG is anticipated to have a positive impact on the public interest, as ICANN is working to meet its goals for long-term planning of the meeting while considering community input.

This resolution is not expected to have any impact on the security or the stability of the DNS.

This is an Operational Administrative Function of ICANN for which public comment was not required prior to decision. The work of the MSWG is likely to be subject to public comment.

2013-12-20-Board-Minutes.docx

A Special Meeting of the ICANN Board of Directors was held telephonically on 20 December 2012 at 22:00 UTC.

Steve Crocker promptly called the meeting to order.

In addition to the Chair the following Directors participated in all or part of the meeting: Sébastien Bachollet, Fadi Chehadé (President and CEO), Bertrand de La Chapelle, Chris Disspain, Bill Graham, Olga Madruga-Forti, Erika Mann, Gonzalo Navarro, Ray Plzak, George Sadowsky, Mike Silber, Bruce Tonkin (Vice Chair), and Kuo-Wei Wu. Judith Vazquez sent apologies.

The following Board Liaisons participated in all or part of the meeting: Francisco da Silva (TLG Liaison), Ram Mohan (SSAC Liaison); Thomas Narten (IETF Liaison); and Suzanne Woolf (RSSAC Liaison). Heather Dryden (GAC Liaison) sent apologies.

The following staff were present for all or part of the meeting: Akram Atallah, John Jeffrey, David Olive, Xavier Calvez, Amy Stathos, Samantha Eisner, Diane Schroeder, Michelle Bright, Megan Bishop.

1. Consent Agenda:

The Chair introduced the items on the consent agenda and called for a vote. The Board then took the following action:

Resolved, the following resolutions in this Consent Agenda are approved:

a. Approval of Board Meeting Minutes

Resolved (2012.12.20.01), the Board approves the minutes of the 13 October 2012 Regular Meeting of the ICANN Board.

Resolved (2012.12.20.02), the Board approves the minutes of the 18 October 2012 Regular Meeting of the ICANN Board.

Resolved (2012.12.20.03), the Board approves the minutes of the 18 October 2012 Organizational Meeting of the ICANN Board.

Resolved (2012.12.20.04), the Board approves the minutes of the 8 November 2012 Special Meeting of the ICANN Board.

b. SSAC Thank You to Departing Members

Whereas, Frederico Neves was appointed to the ICANN Security and Stability Advisory Committee on 17 May 2002 and reappointed on 10 August 2010 for a 2-year term ending on 31 December 2012.

Whereas, ICANN wishes to acknowledge and thank Frederico Neves for his service to the community by his membership on the Security and Stability Advisory Committee.

Whereas, Rick Wilhelm was appointed to the ICANN Security and Stability Advisory Committee on 26 June 2009 and reappointed on 10 August 2010 for a 2-year term ending on 31 December 2012.

Whereas, ICANN wishes to acknowledge and thank Rick Wilhelm for his service to the community by his membership on the Security and Stability Advisory Committee.

Resolved (2012.12.20.05), Rick Wilhelm has earned the deep appreciation of the Board for his service to ICANN by his membership on the Security and Stability Advisory Committee, and that the Board wishes Mr. Wilhelm well in all future endeavours.

Resolved (2012.12.20.06), Frederico Neves has earned the deep appreciation of the Board for his service to ICANN by his membership on the Security and Stability Advisory Committee, and that the Board wishes Mr. Neves well in all future endeavours.

Rationale for Resolutions 2012.12.20.05 – 2012.12.20.06

It is the practice of the SSAC to seek Board recognition of the service of Committee members upon their departure.

This is an Organizational Administrative Function not requiring public comment.

c. SSAC Member Reappointments

Whereas, Article XI, Section 2, Subsection 2 of the Bylaws governs the Security and Stability Advisory Committee (SSAC).

Whereas, the Board, at Resolution 2010.08.05.07 approved Bylaws revisions that create three-year terms for SSAC members, require staggering of terms, and obligate the SSAC chair to recommend the reappointment of all current SSAC members to full or partial terms to implement the Bylaws revisions.

Whereas, the Board, at Resolution 2010.08.05.08 appointed SSAC members to terms of one, two, and three years beginning on 01 January 2011 and ending on 31 December 2011, 31 December 2012, and 31 December 2013.

Whereas, in July 2011 the SSAC Membership Committee initiated an annual review of SSAC members whose terms are ending 31 December 2012 and submitted to the SSAC its recommendations for reappointments.

Whereas, on 12 October 2012, the SSAC members approved the reappointments.

Whereas, the SSAC recommends that the Board reappoint the following SSAC members to three-year terms: Alain Aina, Jaap Akkerhuis, Patrik Fältström, Jim Galvin, Doug Maughan, Ram Mohan, Doron Shikmoni, Rick Wesson, and Suzanne Woolf.

Resolved (2012.12.20.07), the Board accepts the recommendation of the SSAC and reappoints the following SSAC members to three-year terms beginning 01 January 2013 and ending 31 December 2015: Alain Aina, Jaap Akkerhuis, Patrik Fältström, Jim Galvin, Doug Maughan, Ram Mohan, Doron Shikmoni, Rick Wesson, and Suzanne Woolf.

Rationale for Resolution 2012.12.20.07

The SSAC is a diverse group of individuals whose expertise in specific subject matters enables the SSAC to fulfill its charter and execute its mission. Since its inception, the SSAC has invited individuals with deep knowledge and experience in technical and security areas that are critical to the security and stability of the Internet's domain name system. The above-mentioned individuals provide the SSAC with the expertise and experience required for the Committee to fulfill its charter and executive its mission.

This is an Organizational Administrative Function not requiring public comment.

d. Root Server System Advisory Committee (RSSAC) Bylaws Amendments Posting for Public Comment

Whereas, in Resolution 2011.01.25.10, the Board approved the RSSAC review final report implementation steps and instructed the Structural Improvements Committee (SIC), in coordination with staff, to provide

the Board with a final implementation plan to address the RSSAC review final recommendations and conclusions.

Whereas, in July and August 2012, a working group of RSSAC and SIC members was formed to draft a revised RSSAC charter in order to meet the requirements of the final RSSAC review recommendations. The RSSAC Charter is set forth within the ICANN Bylaws at Article XI, Section 2.3.

Whereas, on 4 December 2012, the SIC reviewed the proposed Bylaws revisions and recommended that the suggested changes to Article XI, Section 2.3 be posted for public comment.

Resolved (2012.12.20.08), the Board directs the ICANN President and CEO to post for public comment the proposed changes to Article XI, Section 2.3 of the ICANN Bylaws that are necessary to modify the charter for the RSSAC in line with the recommendations arising out of the organizational review of the RSSAC.

Rationale for Resolution 2012.12.20.08

These ICANN Bylaws amendments will clarify the continuing purpose of the Root Server Advisory Committee (RSSAC). They were recommended by the joint RSSAC-SIC Working Group formed to conclude the implementation of the RSSAC review WG final report: implementation steps [PDF, 448 KB], approved by the Board on 25 January 2011. The posting of the proposed amendments for public comment will have no budgetary impact, nor will it require additional staff resources.

The approval of posting of Bylaws for public comment is an Organizational Administrative Function not requiring public comment in advance.

e. Location of November 2013 ICANN Public Meeting 48

Whereas, ICANN intends to hold its third Meeting for 2013 in the Latin America/Caribbean region as per its policy,

Whereas, no viable proposals to serve as host for the ICANN 2013 Latin America/Caribbean Meeting were received.

Whereas, ICANN staff performed a thorough search to identify available facilities in Latin America/Caribbean that meet the Meeting Selection Criteria.

Whereas, the Board Finance Committee reviewed and recommended the budget for the ICANN 2013 Latin America/Caribbean Meeting as proposed.

Whereas the Board Public Participation Committee reviewed the staff proposal and supports the proposition for the location of the ICANN 2013 Latin America/Caribbean Meeting.

Resolved (2012.12.20.09), the Board accepts the proposal of the staff, and approves that the ICANN 2013 Latin America/Caribbean Meeting shall be held in Buenos Aires, Argentina from 17-21 November 2013, with a budget not to exceed US$2.37M, and that the Buenos Aires meeting be designated as ICANN's 2013 Annual General Meeting.

Rationale for Resolution 2012.12.20.09

As part of ICANN's public meeting schedule, three times a year ICANN hosts a meeting in a different geographic region (as defined in the ICANN Bylaws) of the world. Meeting Number 48, scheduled for 17-21 November 2013, is to occur in the Latin America/Caribbean geographic region. A call for recommendations for the location of the meeting in Latin America/Caribbean was posted on 25 April 2011. One proposal was received, but that location did not have all of the facilities needed to host an ICANN Meeting.

The Staff performed a thorough search to identify available facilities in Latin America/Caribbean that meet the Meeting Selection Criteria.

Based on that analysis, the Staff has recommended that ICANN 48 be held in Buenos Aires, Argentina.

The Board reviewed Staff's recommendation for hosting the meeting in Buenos Aires, Argentina and the determination that the proposal met the significant factors of the Meeting Selection Criteria used to guide site selection work. Outside of the call for recommendations, the process for selection of sites does not call for public consultation, as the staff assessment of the feasibility of any site is the primary consideration.

There will be a financial impact on ICANN in hosting the meeting and providing travel support as necessary, as well as on the community in incurring costs to travel to the meeting. But such impact would be faced regardless of the location of the meeting. There is no impact on the security or the stability of the DNS due to the hosting of the meeting.

The Board thanks those who recommended sites for ICANN Meeting Number 48.

This is an Organizational Administrative Function not requiring public comment.

Fifteen members of the Board voted in favor of Resolutions 2012.12.20.01, 2012.12.20.02, 2012.12.20.03, 2012.12.20.04, 2012.12.20.05, 2012.12.20.06, 2012.12.20.07, 2012.12.20.07, and 2012.12.20.09. Judith Vazquez was available to vote on the resolutions. The resolutions carried.

2. Main Agenda:

a. GNSO Council Recommendations IRTP Part C

After the Chair introduced the resolution, Bertrand de La Chapelle provided explanation for a proposal to change the wording of the resolution, and the Board accepted that friendly amendment.

Bertrand then raised the issue that the policy development procedure is strange in that it requires public comment after the vote of the counsel, noting that it is a unique sequence of events.

David Olive reminded the Board that it was presented with a decisional checklist identifying all of the opportunities for public comment during the PDP, including at the time of issuance of the Preliminary Issue Report and again at the issuance of the Final Issue Report. The third comment process is immediately before the Board takes its decision, and is aimed at capturing any lingering objections or additional comment for the Board.

Bruce Tonkin added that the final comment period is actually for the Board, not for the GNSO Council. Further, the Board could receive comment from the GAC or another advisory committee that it would need to take into account; it's a way of assuring that the Board is listening to any additional stakeholders that might have a view prior to the Board taking its decision.

Bertrand noted that this is an item the Board may want to consider, as the addition of this additional layer after a supermajority vote of the council could be unnecessary.

Ray Plzak seconded Bertrand's comment, noting that this timing has the potential to disrupt the governance process.

The Chair noted that this issue may be appropriate for discussion within the Board Governance Committee, and Bruce confirmed that the committee would pick up this work.

The Board then took the following action:

> Whereas on 22 September 2011, the GNSO Council launched a Policy Development Process (PDP) on the Inter-Registrar Transfer Procedure Part C (IRTP Part C) addressing three charter questions, set forth at https://community.icann.org/display/gnsoirtppdpwg/3.+WG+Charter;

> Whereas the PDP followed the prescribed PDP steps as stated in the Bylaws, resulting in a Final Report delivered on 9 October 2012;

Whereas the IRTP Part C Working Group (WG) reached full consensus on the recommendations in relation to each of the three issues outlined in the Charter;

Whereas the GNSO Council reviewed, and discussed the recommendations of the IRTP Part C WG, and adopted the Recommendations on 17 October 2012 by a unanimous vote (see: http://gnso.icann.org/en/resolutions#20121017-4);

Whereas the GNSO Council vote met and exceeded the required supermajority voting threshold to impose new obligations on ICANN contracted parties.

Whereas after the GNSO Council vote, a public comment period was held on the approved recommendations, and the comments have been summarized and considered (http://www.icann.org/en/news/public-comment/irtp-c-recommendations-22oct12-en.htm).

Resolved (2012.20.12.10) the Board adopts the GNSO Council Policy Recommendations amending the Inter-Registrar Transfer Policy set forth at http://www.icann.org/en/transfers/policy-en.htm.

Resolved (2012.20.12.11) the CEO is to develop and complete an implementation plan for these Recommendations and continue communication with the community on such work.

Fifteen members of the Board voted in favor of Resolutions 2012.12.20.10 and 2012.12.20.11. Judith Vazquez member of the Board was unavailable to vote on the resolutions. The resolutions carried.

Rationale for Resolutions 2012.12.20.10 – 2012.12.20.11

Why the Board is addressing the issue now?

The Inter-Registrar Transfer Policy (IRTP) is a consensus policy that was adopted in 2004 which provides for a straightforward process for registrants to transfer domain names between registrars. The GNSO

Council established a series of five Working Groups (Parts A through E) to review and consider various revisions to this policy.

The IRTP Part C PDP is the third in a series of five scheduled PDPs addressing areas for improvements in the existing policy. The IRTP Part C Working Group has addressed three issues focusing on change of registrant; time-limiting FOAs, and; IANA Registrar IDs. The IRTP Part C PDP Final Report received unanimous consensus support from the IRTP Part C Working Group as well as the GNSO Council. Following the closing of the public comment period, the next step as outlined in Annex A of the ICANN Bylaws is consideration by the ICANN Board of the recommendations.

What is the proposal being considered?

The following recommendations are being considered:

• Recommendation #1 – The adoption of change of registrant consensus policy, which outlines the rules and requirements for a change of registrant of a domain name registration. Such a policy should follow the requirements and steps as outlined in the section 'proposed change of registrant process for gTLDs' in the IRTP Part C Final Report.

• Recommendation #2: Forms of Authorization (FOAs), once obtained by a registrar, should be valid for no longer than 60 days. Following expiration of the FOA, the registrar must re-authorize (via new FOA) the transfer request. Registrars should be permitted to allow registrants to opt-into an automatic renewal of FOAs, if desired.

In addition to the 60-day maximum validity restriction, FOAs should expire if there is a change of registrant, or if the domain name expires, or if the transfer is executed, or if there is a dispute filed for the domain name. In order to preserve the integrity of the FOA, there cannot be any opt-in or opt-out provisions for these reasons for expiration of the FOA.

As recommended and approved as a result of the IRTP Part B PDP, Losing Registrars under IRTP-B are now required to send an FOA to a Prior Registrant. It is advised that Losing Registrars have the option to send a modified version of this FOA to a Prior Registrant in the event that the transfer is automated where the FOA would be advisory in nature.

• Recommendation #3: All gTLD Registry Operators be required to publish the Registrar of Record's IANA ID in the TLD's WHOIS. Existing gTLD Registry operators that currently use proprietary IDs can continue to do so, but they must also publish the Registrar of Record's IANA ID. This recommendation should not prevent the use of proprietary IDs by gTLD Registry Operators for other purposes, as long as the Registrar of Record's IANA ID is also published in the TLD's Whois.

Which stakeholders or others were consulted?

Public comment forums were held on the initiation of the PDP, the Initial Report, and the recommendations subject to Board Consideration, in additional to regular updates to the GNSO Council as well as workshops to inform and solicit the input from the ICANN Community at ICANN meetings (see for example, Prague Meeting and Costa Rica Meeting). Constituency / Stakeholder Group Statements were requested, and one submission was received from the gTLD Registries Stakeholder Group (see https://community.icann.org/x/_ovbAQ). All comments received were reviewed and considered by the IRTP Part C PDP WG (see section 6 of the IRTP Part C Final Report).

What concerns or issues were raised by the community?

No Community concerns have been raised in relation to the Final Report and its recommendations.

What significant materials did the Board review?

The Board reviewed the GNSO Council Report to the Board, as well as the summary of public comments and Staff's response to those comments.

What factors the Board found to be significant?

The recommendations were developed following the GNSO Policy Development Process as outlined in Annex A of the ICANN Bylaws and have received the unanimous support from the GNSO Council. As outlined in the ICANN Bylaws, the Council's unanimous (supermajority) support for the motion obligates the Board to adopt the recommendation unless by a vote of more than 66%, the Board determines that the policy is not in the best interests of the ICANN community or ICANN. In addition, transfer related issues are the number one area of complaint according to data from ICANN Compliance. Improvements to the IRTP have the potential to reduce the number of complaints, in addition to providing clarity and predictability to registrants as well as registrars.

Are there positive or negative community impacts?

Improvements to the IRTP have the potential to reduce the number of complaints, in addition to providing clarity and predictability to registrants as well as registrars. Adoption of the recommendations will require significant changes in processes for registrars as well as registrars and therefore it is expected that the implementation of these recommendations will require time and resources, but these are considered necessary in order to address the issues that are part of this Policy Development Process. The recommendations, if implemented, are expected to usefully clarify and enhance the IRTP, to the advantage of all parties concerned.

Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

In addition to those changes required in process for registrars as outlined above, there will likely be fiscal impacts related to

implementation of the policy, but these costs are anticipated to be within the current budget.

Are there any security, stability or resiliency issues relating to the DNS?

There are no security, stability, or resiliency issues related to the DNS if the Board approves the proposed recommendations.

This action arises out of the GNSO's defined policy development process in Annex A of the ICANN Bylaws.

b. Board Term Alignment

The Chair introduced the item, noting that the Bylaws change will require an affirmative vote of over 2/3 of the members of the Board. The resolutions are therefore arranged in a manner that if any director so chooses, he or she may abstain from voting on the portion of the resolution that directly relates to his or her term.

Erika Mann then moved and Kuo-Wei Wu seconded the proposed resolutions.

Ray Plzak requested that the Board be informed of each of the Board members referenced by seat number in the resolutions.

Bruce Tonkin inquired about the ability to abstain on only one of the clauses of the resolution, and the Chair confirmed that as the purpose for dividing up the resolutions.

Sébastien Bachollet commented that this is an awkward situation, as there is a potential that there may not be a supermajority vote of the Board for any one of the resolutions presented, and that could raise an interesting situation. Sébastien confirmed that he prefers a single resolution, and that he will vote in favor of all resolutions, including the one related to the term of the seat he holds currently.

The Chair described the challenge in running this process to allow Board members to abstain as a matter of conscience, though abstention is not clearly necessary. The supermajority requirement poses some challenges, though he is sympathetic to the point raised by Sébastien.

Bertrand de La Chapelle noted that this situation is caused in part by the fact that abstentions effectively serve as "no" votes, which is an issue that must be addressed.

The Chair responded that though he is empathetic on that point, the supermajority requirement makes resort to any other process – such as requesting Board members to leave the room for a particular discussion or vote, impractical in this case.

Sébastien then raised the issue that the Board needs to identify a solution to the practice of constant changes to the Bylaws.

The Board then took the following actions:

> Whereas, there are currently two induction periods to the ICANN Board each year, one at or around the Mid-Year Meeting for members appointed by the Supporting Organizations and the At-Large Community, and the other at the conclusion of the Annual General Meeting for members selected by the Nominating Committee (NomCom).

> Whereas, the ICANN Board has long considered the issue of timing of Board member transition one of Board effectiveness, as each transition period raises the obligation to consider changes to Board committee composition, as well as introduction of new members to Board processes.

> Whereas, the Board Governance Committee (BGC) considered how Board terms could be aligned to allow all Board members selected in any year to begin their terms at the same time, while still preserving

the ability for the NomCom to consider the geographic diversity of the Board over the coming year.

Whereas, proposed revisions to the ICANN Bylaws were drafted to achieve alignment of Board terms while preserving the ability for the NomCom to consider the geographic diversity of the Board, and those Bylaws revisions were posted for public comment and considered by the Board.

Resolved (2012.12.20.12), the Board approves the amendments to Article VI, Section 8.1.d of the ICANN Bylaws as posted for public comment, addressing the terms of Seats 9 and 12.

Thirteen Board members voted in favor of Resolution 2012.12.20.12. Ray Plzak and Mike Silber abstained from voting on the resolution. Judith Vazquez was unavailable to vote on the resolution. The resolution carried.

Resolved (2012.12.20.13), the Board approves the amendments to Article VI, Section 8.1.e of the ICANN Bylaws as posted for public comment, addressing the terms of Seats 10 and 13.

Thirteen Board members voted in favor of Resolution 2012.12.20.13. Bruce Tonkin and Kuo-Wei Wu abstained from voting on the resolution. Judith Vazquez was unavailable to vote on the resolution. The resolution carried.

Resolved (2012.12.20.14), the Board approves the amendments to Article VI, Section 8.1.f of the ICANN Bylaws as posted for public comment, addressing the terms of Seats 11 and 14.

Thirteen Board members voted in favor of Resolution 2012.12.20.14. Chris Disspain and Bill Graham abstained from voting on the resolution. Judith Vazquez was unavailable to vote on the resolution. The resolution carried.

Resolved (2012.12.20.15), the Board approves the amendments to Article VI, Section 8.1.g of the ICANN Bylaws as posted for public comment, addressing the terms of Seat 15.

Fifteen Board members voted in favor of Resolution 2012.12.20.15. Judith Vazquez was unavailable to vote on the resolution. The resolution carried.

> Resolved (2012.12.20.16) the Board directs the President and CEO and the General Counsel and Secretary to take all necessary steps to inform the Supporting Organizations and At-Large Community of the revised deadlines within which they are required to complete selections for the Board of Directors.

Fifteen Board members voted in favor of Resolution 2012.12.20.16. Judith Vazquez was unavailable to vote on the resolution. The resolution carried.

The Chair noted that ICANN will formally notify the supporting organizations and the At-Large Community that the seating has been modified, but the time for selection of the directors remains largely the same to allow for the consideration of diversity by the Nominating Committee.

> ### *Rationale for Resolutions 2012.12.20.12 – 2012.12.20.16*
>
> The Board's action in approving these Bylaws revisions is part of an effort to improve the effectiveness of the Board, addressing a concept raised by the Board Review Working Group in its January 2010 Final Report. The adoption of the revised schedule is not expected to have any negative impact on the resources of the community or ICANN, and indeed may have a positive impact in reducing the Board's obligations upon term transition to one time per year, as opposed to two, and will streamline Board induction efforts.
>
> The proposed Bylaws changes were posted for public comment prior to the Board's adoption, with two submissions. Though no commenters spoke against the adoption of the Bylaws revisions, one commenter cautioned that changes to the Bylaws should not be taken lightly, and requested that ICANN take heed in evaluating whether a change to the Bylaws is the required mechanism for undertaking any specific change. The commenter also noted some clarifications and

additional information that may be helpful when posting these types of items for comment. One comment supported the changes. As a result, it does not appear that any changes to the proposed Bylaws revisions are necessary prior to the Board taking this action.

This decision is not expected to have any fiscal impact on ICANN, or on the security, stability or resiliency of the DNS.

For ease of reference, the following table identifies the current Directors on the Board and when their terms will now conclude:

Conclusion of:	Board Member Term Concluding:
AGM 2013	Cherine Chalaby (Seat 6), Bertrand de La Chapelle (Seat 4), Erika Mann (Seat 5), Bruce Tonkin (Seat 13), Kuo Wei-Wu (Seat 10)
AGM 2014	Sébastien Bachollet (Seat 15), Steve Crocker (Seat 7), Chris Disspain (Seat 11), Bill Graham (Seat 14), and Judith Vazquez (Seat 8)
AGM 2015	George Sadowsky (Seat 3), Gonzalo Navarro (Seat 1), Olga Madruga-Forti, (Seat 2), Ray Plzak (Seat 9) and Mike Silber (Seat 12)

This is an Organizational Administrative Function of the Board for which the Board received public comment, at http://www.icann.org/en/news/public-comment/bylaws-amend-align-board-terms-18sep12-en.htm.

c. Accountability Structures Expert Panel Recommendations

Ray Plzak moved and Mike Silber seconded the proposed resolution.

Bruce Tonkin introduced the work of the the Accountability Structures Expert Panel (ASEP) in reviewing ICANN's accountability structures as called

for in the Accountability and Transparency Review Team's Recommendations 23 and 25. Bruce noted that the expert team, comprised of Graham McDonald, Mervyn King and Rich Moran, provided expertise from around the world. The initial findings were presented in Toronto, and then the findings were posted for public comment. One of the areas of concern raised was the creation of a standing panel to hear requests for independent review and how that would be implemented. The rationale for the recommendation is to build experience dealing with ICANN. Looking towards the future, with the numbers of applications in the New gTLD Program, ICANN is likely to face one or more IRPs in the near future. There could be some benefit to a standing panel. However, some in the community are uncomfortable in paying a standing panel that may never meet, so ICANN is currently considering a no-retainer model, just an identification of people who could serve on an independent review panel.

Mike Silber noted that though he'd raised prior concerns with the idea of the standing panel, the initial retainer being at or near zero dollars at the outset addresses his concerns. Once there is further experience with the panels, there may be a need to revisit the retainer issue.

Bertrand de La Chapelle commented that here a group of outside experts provided a report to the Board with a lot of recommendations. Bertrand noted that the more general issue of ICANN's accountability framework requires even further detailed review, and would like more detailed, in-depth discussion on that broader issue.

Bruce confirmed that there are a couple of significant matters in front of the community that have garnered very little interest, including the ASEP work and the policy/implementation workshop hosted in Toronto. When these efforts are measured against the issues where people are more deeply engaged, there appears to be a bandwidth issue that in no way means that people are not interested in it. More attention has to go into scheduling.

Bertrand agreed with Bruce, and then continued that the accountability issues raised need to be part of a broader strategic discussion about the evolution of ICANN.

The Board discussed how the improvements to the accountability structures are but a portion of the broader structural evolution of ICANN.

The Board then took the following action:

Whereas, the Accountability and Transparency Review Team's Recommendations 23 and 25 recommended that ICANN retain independent experts to review ICANN's accountability structures and the historical work performed on those structures.

Whereas, under the guidance of the Board Governance Committee (BGC), ICANN convened the Accountability Structures Expert Panel (ASEP), comprised of three international experts on issues of corporate governance, accountability and international dispute resolution.

Whereas, after research and review of ICANN's Reconsideration and Independent Review processes, as well as multiple opportunities for public input, the ASEP produced a report in October 2012.

Whereas, the report was posted for public comment, along with proposed Bylaws revisions to address the recommendations within the report.

Whereas, after review and consideration of the public comment received, including consideration by the ASEP, the Board has determined that it is appropriate to proceed to implementation of the ASEP's recommendations.

Whereas, additional implementation work is required prior to launching ICANN's revised Independent Review and Reconsideration processes as recommended by the ASEP.

Resolved (2012.12.20.17) the Board accepts the report by Accountability Structures Expert Panel issued in October 2012 in

fulfillment of Recommendations 23 and 25 of the Accountability and Transparency Review Team.

Resolved (2012.12.20.18), the Board approves the Bylaws amendments to Article IV, Section 2 (Reconsideration) and Article VI, Section 3 (Independent Review) as posted for public comment, with an effective date to be determined by the Board after receiving a report from the President and CEO on the status of implementation.

Resolved (2012.12.20.19), the Board directs the President and CEO to develop and execute implementation plans necessary to implement the ASEP recommendations and report to the Board in Beijing on the status of the implementation work, including a recommended effective date for the Bylaws. In the event that, during implementation, the President and CEO determine that issues raised during the public comment regarding the creation of a standing panel for the IRP require modification to the Bylaws, those limited modifications are to be provided to the Board for adoption prior to the recommended effective date for the Bylaws revisions.

Fifteen Board members voted in favor of Resolutions 2012.12.20.17, 2012.12.20.18, and 2012.12.20.19. Judith Vazquez was unavailable to vote on the resolutions. The resolutions carried.

Rationale for Resolutions 2012.12.20.17 – 2012.12.20.19

The Board's action in accepting the report of the Accountability Structures Expert Panel (ASEP) and approving the attendant Bylaws revisions is in furtherance of the Board's commitment to act on the recommendations of the Accountability and Transparency Review Team (ATRT). The ASEP's work was called for in ATRT Recommendations 23 and 25, and the work performed, including a review of the recommendations arising out of the President's Strategy Committee's work on Improving Institutional Confident, is directly aligned with the review requested by the ATRT.

The adoption of the ASEP's work represents a great stride in ICANN's commitment to accountability to its community. The revised mechanisms adopted today will bring easier access to the Reconsideration and Independent Review Processes through the implementation of forms, the institution of defined terms to eliminate vagueness, and the ability to bring collective requests. A new grounds for Reconsideration is being added, which will enhance the ability for the community to seek to hold the Board accountable for its decisions. The revisions are geared towards instituting more predictability into the processes, and certainty in ICANN's decision making, while at the same time making it clearer when a decision is capable of being reviewed.

The Board is adopting the Bylaws revisions today to allow for certainty as the President and CEO moves forward with implementation work to effectuate the ASEP's recommendations. Because additional documentation and processes must be developed and finalized, the Bylaws revisions to Article VI, Sections 2 and 3 will not go into effect until the implementation work has proceeded sufficiently. The President and CEO is therefore tasked with a report to the Board on the status of implementation, and a date for the Bylaws to go into effect, by the ICANN meeting in Beijing, China in April 2013. The Board expects that the President and CEO will consider the issues raised in public comment to determine if they need to be or can be addressed in implementation. In the event limited revisions of the Bylaws are necessary to address public comment addressing the creation of a standing panel for the IRP, the Board expects those revisions to be provided to the Board for approval in advance of the identified effective date. The potential for limited modification of the Bylaws prior to the effective date is appropriate in this instance because of the concerns raised in public comment as well as the past challenges faced when trying to create a standing panel for independent reviews.

The adoption of these recommendations will have a fiscal impact on ICANN, in that additional work is required for implementation,

including the development of new documentation and the identification of a standing panel to hear requests for independent review. The outcomes of this work are expected to have positive impacts on ICANN and the community in enhanced availability of accountability mechanisms. This decision is not expected to have any impact on the security, stability or resiliency of the DNS.

This is an Organizational Administrative Function for which the Board received public comment at http://www.icann.org/en/news/public-comment/asep-recommendations-26oct12-en.htm.

d. Proposal on the location of ICANN Meetings in 2014

Chris Disspain moved and George Sadowsky seconded the proposed resolution.

The Chair introduced the item, noting that the resolution originally included the creation of a Meetings Strategy Working Group, though the definition of the charter of that proposed Working Group is still underway. Therefore that item is removed from consideration.

Sébastien Bachollet presented the item to the Board, noting that the Consolidated Meetings Strategy Proposal received a lot of negative comments on the full three-year plan. Therefore, the Public Participation Committess is suggesting that the Board consider only the first year of the proposal, to set the schedule and location of the ICANN meetings in 2014, which will include the rotation through all geographic regions that are to be visited in that year. Work on further years will be address though the proposed Working Group, and hopefully allow ICANN to announce meeting locations two years in advance.

Olga Madruga-Forti noted how delighted she is to have the ICANN meeting in Buenos Aires, Argentina. The work of the working group needs to keep in mind the value of holding meetings in places were ICANN is not so well known, and where the Internet space is not as prominent, as that raises the

profile of ICANN. There is often benefit in sacrificing some creature comforts in return for the goodwill gained.

Mike Silber commented that there were no objections to the Consolidated Meeting Strategy arising from the African region. Though there was significant opposition from the Latin American region, no host has been identified for the Buenos Aires meeting and facilities are hard to locate. The dearth of volunteers to host in these regions is interesting.

Kuo-Wei Wu encouraged the Board to continue working to raise ICANN's profile in Africa and Latin America.

The Chair noted that these issues are more appropriate for the Working Group that has not yet been formed.

Kuo then confirmed that the rotation of the 2014 meetings has been shifted, even though all the appropriate regions have been identified. ICANN will be in the same locations, just in a different order than previously expected.

Gonzalo Navarro addressed Mike's concern on the host issues. The regions need to evolve the way that ICANN is evolving, which may help address the issues. Also, in a matter of years we may not face the same issues that we face today in terms of locations and hosting opportunities.

Sébastien thanked the Board members for their inputs that will be raised with the Meeting Strategy Working Group. The discussion will be open to all stakeholders.

Olga commented on Mike's point of a lack of a host for the meeting. That could be a factor in future selection. Working towards globalization will grow ICANN's presence internationally and will grow the interested community. However, it could be worth ICANN's while to consider investing in holding meetings where there is not a ready host.

The Board then took the following action:

Whereas, ICANN posted a Consolidated Meetings Strategy proposal for public comment, and community comments did not evidence great support of the proposal;

Whereas, ICANN has committed to identifying ICANN Meeting locations two years in advance;

Whereas, ICANN intends to hold its 2014 Meetings in the Asia Pacific, Europe and North America regions as per its policy;

Whereas, ICANN staff performed a thorough analysis of meeting venues in Singapore and London to ensure they meet the Meeting Selection Criteria, and will complete an assessment of available North America locations;

Resolved (2012.12.20.20), the Board directs the President and CEO to make the necessary arrangements to conduct the 2014 ICANN Meetings in Singapore, London (England) and a city to be identified in North America.

Fifteen Board members voted in favor of Resolution 2012.12.20.20. Judith Vazquez was unavailable to vote on the resolution. The resolution carried.

Rationale for Resolution 2012.12.20.20

In response to comments received on the ICANN Consolidated Meetings Strategy proposal, the Public Participation Committee, under its charter to increase public awareness of, and participation in the affairs of ICANN, will oversee the creation and activities of a Multistakeholder Meeting Strategy Working Group that will examine the design, frequency and regional rotation of meetings and conferences to be held in 2015 and beyond.

As part of ICANN's public meeting schedule, three times a year ICANN hosts a meeting in a different geographic region (as defined in the

ICANN Bylaws) of the world. Meetings in 2014 are to occur in the Asia Pacific, Europe and North America geographic regions.

The staff performed a thorough analysis of venues in Singapore and London, and will complete an analysis of available locations in North America, to ensure they meet the Meeting Selection Criteria.

Based on that analysis, the Public Participation Committee has recommended that the 2014 ICANN Meetings be held in Singapore, London and a city in North America.

The process for selection of sites does not always call for public consultation, as the staff assessment of the feasibility of any site is the primary consideration.

There will be a financial impact on ICANN in hosting the meetings and providing travel support as necessary, as well as on the community in incurring costs to travel to the meetings. But such impact would be faced regardless of the location of the meetings. There is no impact on the security or the stability of the DNS due to the hosting of the meeting.

This is an Organizational Administrative Function of the Board for which the Board received public comment at http://www.icann.org/en/news/public-comment/meetings-proposal-2012-02oct12-en.htm.

e. New gTLD Funds Investment Policy

Chris Disspain moved and George Sadowsky seconded the proposed resolution.

The Board discussed some of the particulars of the investment policy under consideration. The Board discussed the need to be clear that the primary goal of the investment policy is to take measures to preserve the capital while having the funds remain liquid.

Bertrand de La Chapelle acknowledged the considerable work of the Finance Committee on this issue, and noted his confidence in the CEO and the CFO to implement the strategy cautiously. Bertrand continued that he still had some questions about the particulars of the investment policy strategy, and requested information on the need for an immediate resolution.

Xavier Calvez reviewed the objectives with the Board, including preservation of capital, liquidity and a reasonable rate of return. Xavier also confirmed that a change in the US bank insurance limits that is expected to take place on 31 December 2012 drives the need for a timely resolution.

Olga Madruga-Forti thanked Xavier for his work on this. Olga requested further information on the process used to identify the fund managers to assure that there transparency around the process. Olga also identified some of the additional questions she had regarding options in the face of the expiring insurance provision, as well as some specific items on the scope of the investment policy. Olga noted that her questions are geared not towards getting involved in the management of the funds, but instead focused on making sure that here are safeguards in place as the investment policy was built.

Cherine Chalaby explained some of the safeguards in place, including the use of a group of managers to diversify risk.

George Sadowsky inquired of the Finance Committee if it had recommended the approval of the investment policy.

The Board then identified some revisions to the resolution, and took the following action:

> Whereas, ICANN wants to take measures so that the new gTLD funds remain first and foremost safeguarded and liquid during the period of implementation of the program.

Whereas, ICANN has solicited external advice to design an investment policy that adheres to these objectives, while taking measures towards achieving a reasonable return.

Whereas, the Board Finance Committee has reviewed the New gTLD Funds Investment Policy suggested, has met with the advisor (by phone), and has recommended to the Board that the policy be adopted.

Resolved (2012.12.20.21), the Board adopts the New gTLD Funds Investment Policy.

Fourteen Board members voted in favor of Resolution 2012.12.20.21. Judith Vazquez and Kuo-Wei Wu were unavailable to vote on the resolution. The resolution carried.

Rationale for Resolution 2012.12.20.21

ICANN has collected approximately US$355 million of application fees from applicants for generic top-level domains (gTLDs) in the New gTLD Program (net from pre-reveal withdrawals). The purpose of these application fees is to cover the costs of implementing the GNSO's Policy on new gTLDs through the New gTLD Program. Because of this specific usage of the funds, as well as the specific timeframe associated with such usage, a specific investment policy is called for to support the adequate investment of such funds for the time they will be held.

ICANN selected Bridgebay Investment Consultant Services to assist in the design of a specific investment policy for management the funds held for the New gTLD Program. The New gTLD Fund Investment Policy has been designed to enabling safeguarding, liquidity, and a reasonable return on investment during the period of time the funds are invested.

The Board Finance Committee reviewed the proposed New gTLD Funds Investment Policy and has met with the advisor, and concluded that the proposed policy does satisfy its stated goals. Accordingly, the Board Finance Committee recommended that the Board approve the proposed New gTLD Funds Investment Policy. The Board agrees with the BFC's conclusions and recommendation.

The suggested policy is not expected to have any direct effect on the public, except that the Applicants and the ICANN community may have a better understanding and transparency into how the New gTLD funds are being managed. The New gTLD Funds Investment Policy is expected to have a fiscal impact to the extent that the funds will be earning some return on investment during the period of time that the funds are invested. The creation of the New gTLD Funds Investment Policy will not have any impact on the security, stability and resiliency of the domain name system.

This is an Organizational Administrative Function not requiring public comment.

f. Review of the Nominating Committee

The Board had a brief discussion about the Structural Improvements Committee's efforts to initiate a Bylaws-mandated review of the Nominating Committee.

Ray Plzak noted that the SIC was seeking Board approval to initiate the review, as the last review called for the composition structure to be considered in 2013. The SIC recommends that this be a full review, and there seems to be agreement that the review should be concluded by the Annual General Meeting in 2013. To delay action to initiate that review would put the timing in jeopardy.

The Chair confirmed that the initiation of the review is entirely within the purview of the SIC, and formal direction from the Board is not required at this point. If a resolution is needed later, it can be requested.

Ram Mohan supported Steve's suggestion.

Ray confirmed that the SIC will start working on it, with a goal to proceed with urgency to meet the stated goal of completion at the AGM.

g. Any Other Business

The Board discussed the process for consideration of a request from the GAC for funding a meeting just before the Beijing meeting, to allow for work on the GAC advice on New gTLDs. The request would require the use of funds within the existing FY13 budget contingency line item for FY13 operating expenses, and confirmed that management should provide the Board with a recommendation on the use of funds, once it is confirmed that the funds are available.

Bertrand de La Chapelle began a discussion on the "closed" use of generic strings within the New gTLD Program, requesting discussion at the full Board level.

Chris Disspain confirmed that any further conversation of this topic at the full Board level would have to proceed with caution regarding potential conflicts of interests and after advice on who may participate in the conversation. The Board also noted that this topic would benefit from discussion within committee prior to reaching the full Board.

3. Executive Session

a. Approval of Compensation Supplement for Akram Atllah's Service as ICANN's President and CEO

Whereas, on 31 May 2012, the Board appointed Akram Atallah to serve as ICANN's President and Chief Executive Officer ("CEO") until Fadi Chehadé was available to take his seat as ICANN's President and CEO.

Whereas, Akram Atallah served as both ICANN's Chief Operating Officer ("COO") and ICANN's President and CEO from 1 July 2012 through 13 September 2012.

Whereas, when the Board appointed Akram Atallah to serve as ICANN's President and CEO, the Board agreed that rather than increase Mr. Atallah's base salaray, they would pay him a compensation supplement for his service.

Whereas, as a not for profit California public benefit corporation that is exempt from Federal income taxes because it is an organization described in § 501(c)(3) of the Internal Revenue Code of 1986, as amended, ICANN may not pay more than "reasonable compensation" for services rendered to ICANN.

Whereas, when both Mr. Atallah and Mr. Chehadé were appointed as President and CEO of ICANN, the Compensation Committee and the full Board sought advice from independent professionals with appropriate expertise in compensation arrangements for U.S.-based, non profit, tax-exempt organizations possessing a global employee base.

Whereas, Towers Watson, an international consulting firm, assisted the Compensation Committee and the full Board in compiling and analyzing appropriate data as to comparability with respect to compensation for the President and CEO position for ICANN, and recommended a reasonable salary and at-risk compensation range for ICANN's President and CEO.

Whereas, both the Compensation Committee and the Board reviewed and considered the comparable compensation data for officer-level positions like the President and CEO position compiled by Towers Watson, as well as the Towers Watson recommendations, which took into account size, geographic considerations, international presence, complexity and other relevant factors.

Whereas, upon consideration of all information, including Towers Watson's recommendations, the Board set an at-risk component for Mr. Chehadé's service as President and CEO at $240,000 annually.

Whereas, Mr. Atallah served as both ICANN's COO and President and CEO for approximately two and one half months, or 21 percent, of 2012 and did not receive any base compensation during that time for his service as President and CEO.

Whereas, under ICANN's Articles of Incorporation and California law, the Board is the authorized body of ICANN vested with the authority to determine whether to pay Mr. Atallah a compensation supplement, and the amount of such a compensation supplement, for his service as ICANN's President and CEO.

Whereas, in setting a compensation supplement for Mr. Atallah's service as ICANN's President and CEO, the Board has followed the process set forth in U.S. Treasury Regulation § 53.4958-6, which is intended to enable the Board to establish the presumption that the compensation to be paid to Mr. Atallah for his service as ICANN's President and CEO is reasonable compensation for Federal income tax purposes.

Whereas, upon due inquiry of its members, the Board has concluded that no member of the Board has a conflict of interest with respect to the compensation supplement to be paid to Mr. Atallah for his service as ICANN's President and CEO.

Whereas, after consideration of all the relevant facts and circumstances, including the data and recommendations provided by Towers Watson, the Board has concluded that a compensation supplement of $45,000 for Mr. Atallah's service as ICANN's President and CEO is reasonable.

Resolved (2012.12.20.22), as follows:

1. It was in the best interests of ICANN to appoint Akram Atallah as the President and CEO of ICANN for a period of time before Fadi Chehadé

was available to take his seat as ICANN's President and CEO.

2. It is reasonable to pay to Akram Atallah a compensation supplement of US$45,000 for his additional duties of his service as President and CEO from 1 July 2012 through 13 September 2012.

3. ICANN's President and CEO and its General Counsel are authorized to facilitate payment of $45,000 to Akram Atallah for his service as ICANN's President and CEO.

RATIONALE FOR RESOLUTION 2012.12.20.22

Attracting and retaining high calibre staff by providing a competitive compensation package is crucial to the organization. An improving job market will make more opportunities available for high calibre performers outside of ICANN. ICANN has consulted with independent compensation experts to obtain comparable market data.

ICANN is in a critical phase that calls for continuity of certain skill and expertise, particularly with ongoing key projects including new gTLDs, Affirmation of Commitments reviews, expanding contractual compliance, and globalization, among many others. Each of these projects requires knowledgeable and skilled executives to ensure ICANN's operational goals and objectives are met while ensuring that risk is mitigated to the greatest extent possible. Adhering to ICANN's employment philosophy and providing competitive compensation will help ensure these goals are achieved.

Continuity and retention of key personnel during key organization phases is beneficial to all aspects of the organization. Thus, the compensation called for in this resolution likely will have a positive impact on the organization and its effort to serve the public interest, as well as on the transparency and accountability of the organization. There will be some fiscal impact to the organization, but that impact will not have an effect on the overall current fiscal year budget. This resolution will not have any direct impact on the security, stability and resiliency of the domain name system.