

# ARTICLE I: MISSION AND CORE VALUES

## Section 1. MISSION

Since ICANN's creation in 1998, the Internet community has vigorously discussed and reviewed the mission and values that guide its actions. This extensive, inclusive and bottom up discussion has been encapsulated in ICANN's bylaws, its mission and its core values.

The limited and distinct mission of ICANN is clearly set out in Article I of its bylaws:

The mission of the Internet Corporation for Assigned Names and Numbers (ICANN) is to coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet's unique identifier systems. In particular, ICANN:

1. Coordinates the allocation and assignment of the three sets of unique identifiers for the Internet, which are:
  - a. Domain names (forming a system referred to as DNS)
  - b. Internet protocol (IP) addresses and autonomous system (AS) numbers, and
  - c. Protocol port and parameter numbers
2. Coordinates the operation and evolution of the DNS root name server system
3. Coordinates policy development reasonably and appropriately related to these technical functions

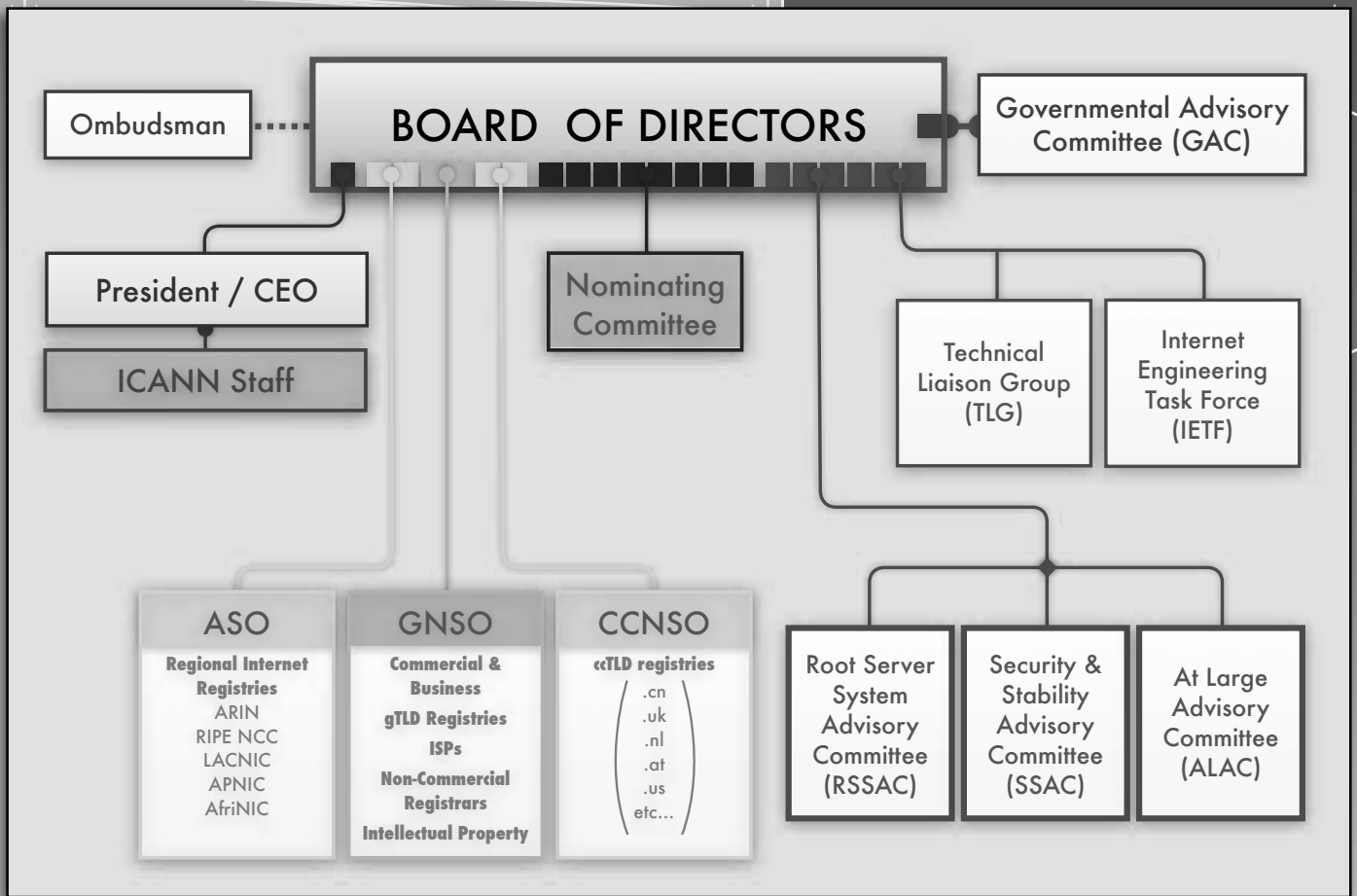
## Section 2. CORE VALUES

In performing ICANN's mission, the following core values guides its decisions and actions.

1. Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet.
2. Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to those matters within ICANN's mission requiring or significantly benefiting from global coordination.
3. To the extent feasible and appropriate, delegating coordination functions to or recognising the policy role of other responsible entities that reflect the interests of affected parties.
4. Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.
5. Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment.
6. Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.
7. Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.
8. Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.
9. Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.
10. Remaining accountable to the Internet community through mechanisms that enhance ICANN's effectiveness.
11. While remaining rooted in the private sector, recognizing that governments and public authorities are responsible for public policy and duly taking into account governments' or public authorities' recommendations.

These core values are deliberately expressed in very general terms, so that they may provide useful and relevant guidance in the broadest possible range of circumstances. Because they are not narrowly prescriptive, the specific way in which they apply, individually and collectively, to each new situation will necessarily depend on many factors that cannot be fully anticipated or enumerated; and because they are statements of principle rather than practice, situations will inevitably arise in which perfect fidelity to all eleven core values simultaneously is not possible. Any ICANN body making a recommendation or decision shall exercise its judgment to determine which core values are most relevant and how they apply to the specific circumstances of the case at hand, and to determine, if necessary, an appropriate and defensible balance among competing values.

# ICANN'S STRUCTURE



Within ICANN's structure, governments and international treaty organizations work with business organizations and individuals to maintain the stability of the global Internet.

Innovation as well as continuing growth bring constant challenges to stability. Working together, ICANN participants address issues that are directly concerned with ICANN's mission of technical coordination.

ICANN's policy development process (PDP) originates in three supporting organizations: the Generic Names Supporting Organization, the Address Supporting Organization and the Country Code Names Supporting Organization. Advisory committees composed of representatives from individual user organizations and technical communities work with the supporting organizations to create policy. In addition, over 120 governments and government institutions closely advise the Board via the Governmental Advisory Committee.

# MESSAGE FROM THE CHAIRMAN



**Peter Dengate Thrush**  
Chairman of the Board  
of Directors

**This has been a pivotal year at ICANN. Building on the mandate in the 1998 White Paper which laid out ICANN's mission to foster choice and competition in the domain name space, we have steadily prepared for the most significant change in the Internet since its early beginnings.**

**ICANN has developed policies over the past few years to deal with the stable, predictable introduction of new gTLDs, and with Internationalized Domain Names. In its public meetings in New Delhi, Paris and Cairo, and the many intersessional meetings between, members of the Internet community have worked with ICANN board and staff, in the bottom-up policy development process, to refine these policies to ensure they will be workable, starting in the New Year.**

**We are now poised to provide the foundation for the Internet of the future.**

**Just 10 years ago we had 100 million users of the Internet. Today we have 1.4 billion. With the rapid growth of mobile communications networks, and the availability of access to the Internet on their devices, that number is going to increase very quickly. One has only to observe the numerous advertisements on television, the Web and in print to see how consumers worldwide are being presented with an image of a mobile Internet experience. Those users will demand all the products and services the Internet community has come to expect—everything from financial services to healthcare to transportation and navigation to education.**

# OF THE BOARD OF DIRECTORS

**More important, they will expect to do so in their own languages and language scripts.**

**These amazing innovations, which are on the near horizon, will offer a wealth of opportunities but also a myriad of challenges—access, multilingualism, cybersecurity and cybercrime, achieving a balance between privacy and openness, and a smooth transition from IPv4 to IPv6.**

**We are in a period of fundamental transition, and the velocity of change is accelerating—driven by emerging ubiquitous connectivity and greater engagement by users in every sector and region of the globe. The ICANN community has taken some very important steps recently to prepare a secure, stable and scalable foundation for an Internet for everyone, for the next billion users and those thereafter. The future of the Internet is in everyone’s hands. How it will evolve is limited only by the imaginations of its stakeholders, its communities and its users.**

**The challenges we face in opening the Internet to the world’s population are greater than ever, but the opportunities for participation and involvement are equally great, and the time couldn’t be more exciting. ICANN has responded to these challenges this year, and I record my thanks to the Board, staff and community for its commitment to the ICANN vision of a single, global, interoperable Internet for all.**

**Peter Dengate Thrush  
Chairman of the Board of Directors**

# MESSAGE FROM THE PRESIDENT



**Paul Twomey**  
**President and Chief  
Executive Officer**

As we celebrate ICANN's tenth year, it is important to note that the ICANN community's growth, institution building and dedication to an evolving and relevant unique identifier space means that we are doing more work than ever before the culmination of years of technical preparation and policy development in expanding and strengthening IP addressing and the domain name space. The ICANN community's bottom-up policy processes have been formulating major policy changes for the operation of the Internet's unique identifiers. Several major initiatives are being implemented, any one of which would be a major effort for an organization staffed by 100 people. And in line with our goal of becoming a truly global organization, more staff members are working for ICANN in more locations, with offices in Marina del Rey, Brussels, Sydney and Washington, DC, as well as individual staff members all over the world.

New gTLDs are one major initiative that will transform the Internet, making it truly global and allowing openness, change and innovation to thrive worldwide, driven by a more accessible Internet. The first draft new gTLD Applicant Guidebook was posted for public comment in October of this year, and received many comments on the website and at the Cairo meeting in November. Over the course of this first public comment period to date, ICANN received 317 comments through its dedicated online fora. Respondents come from 24 different countries and each of the five global regions.

These comments highlighted several critical issues, including fees, evaluation criteria, protection of rights of others and string contention resolution. It is acknowledged that in addition to comments received about the draft Applicant Guidebook, we received a considerable number of comments that relate more broadly to issues surrounding the introduction of new gTLDs. These comments will be analyzed, responded to and incorporated into the next steps for new gTLD planning, including a further draft Applicant Guidebook, which will then go through another public comment period early next year. We are keen to ensure that all opinions are heard and that all affected parties understand they have much to gain by participating in the development of this new gTLD process.

Hand in hand with new gTLDs is the introduction of Internationalized Domain Names. IDN TLDs have great potential to be the gateway for huge development for the billions of people coming on line whose languages are not based on Latin scripts. Arabic, Mandarin, Russian, and Hebrew are just a few such languages. The draft implementation plan for the IDN ccTLD fast-track process was posted for public comment in October and received many comments which are currently undergoing analysis. The ccNSO and the GAC are taking a leadership role in helping to think through some of the policy and business issues and discussions with the leaders of the IDN ccTLD community, and the issues involved in ensuring that we can implement the fast-track process. In addition, the IDNA protocol for internationalized labels is being revised, and new requirements may be specified.

# AND CHIEF EXECUTIVE OFFICER

While we have done much to improve transparency, we can always do more, we can always become more transparent. To enhance transparency and accountability, this year we made financial and other operating information available through a Dashboard accessible from ICANN's home page on the web, <http://icann.org/>. This data includes many operating measures, and additional information will continue to be expanded in the future. Details on Operating Plan items and their current status is just one example.

As an organization that ensures the availability of globally unique identifiers that allow the Internet to operate, ICANN prioritizes its work towards ensuring a resilient Internet. ICANN's overarching information security plan puts this goal into practice. I recently appointed a Chief Internet Security Advisor, who is responsible for technical and physical security. This role will formulate, review and approve ICANN's information security policy, review the effectiveness of the policy's implementation, manage responses to and publish reports of significant information security incidents, and provide clear direction and visible management support for security initiatives across the organization.

In September 2009, the Joint Project Agreement will conclude. Our Improving Institutional Confidence initiative is led by the President's Strategy Committee, and their work on recommendations for strengthening the multi-stakeholder model is extremely important at this juncture. The PSC will facilitate community discussions and outline a plan for developing a transition framework.

More important are the views of the global Internet community in determining and evaluating the steps needed to embed institutional confidence in ICANN. To ensure the entire community has the opportunity to participate in this critical discussion, a program of external outreach meetings on the work of the PSC is being held around the world. Nine outreach meetings were held between June and December 2008 in Paris, France; Montevideo, Uruguay; Christchurch, New Zealand; Geneva, Switzerland; Dakar, Senegal; Washington, DC; Cairo, Egypt; Mauritius; and Hyderabad, India. All discussion documents were made available in 10 languages simultaneously. Regional discussions were held in English, Spanish and French, with ICANN staff translating and summarizing all input materials for the PSC and for publication on the ICANN website.

Independent of the Improving Institutional Confidence initiative, ICANN will always be a model of continuous evaluation and improvement. Built in to our bylaws is a process of regular independent review of the constituent parts of ICANN. Reviews concluded or in process during 2008 involved the Generic Names Supporting Organization, the ICANN Board of Directors, the At-Large Advisory Committee, the Security and Stability Advisory Committee, and the Root Server System Advisory Committee. Reviews of the Address Supporting Organization and the Country Code Names Supporting Organization will commence in the near future. In 2009 we will begin significant work with the community to implement review recommendations that continue to strengthen the ICANN model.

I am proud of this organization and community's ability to deliver on several major initiatives that are changing the face of the Internet as we know it and maintaining the resilience of the networks the world relies on. But it's not just what we do that's important, it's how we do it. That ICANN continues to achieve all of this through a participatory, global multi-stakeholder model shows that the model works. It should inspire participatory and deliberative decision-making on shared resources as both a means to an end and an end in itself.

In the world generally, multi-disciplinary approaches are essential for achieving solutions to many of the globe's complex problems and opportunities, and global, multi-stakeholder models for dialogue, coordination and standards setting are becoming more essential than ever. ICANN has been a pioneer of this new means of technical coordination in a globalizing world. We will continue to take very seriously our responsibility for the next generations, for the next billion users, to ensure that the issues relating to the Internet's unique identifier system engage all relevant stakeholders.

Paul Twomey  
President and Chief Executive Officer



Jon Postel

*Virtually all the most interesting new applications of the Internet have come, not from the providers of various Internet-based services but from ordinary users with extraordinary ideas and the skills to try things out. That they are able to do this is a consequence of the largely open and non-discriminatory access to the Internet that has prevailed over the past decade. Maintaining this spirit of open access is the key to further development and it seems a reasonable speculation that if Jon were still with us, he would be in the forefront of the Internet community in vocal and articulate support of that view.*

*Jon's influence continues to be felt throughout the Internet, in its protocols, in their documentation, in the DNS names and the dot we use to separate them, and in the good engineering that helped the Internet thrive from its inception in 1969 to today. Jon led the development of many key Internet standards, including the basic TCP/IP protocols, SMTP, and DNS. He also edited the Internet RFC series from its inception until his death in October 1998, and coauthored more than 204 RFCs. He founded the Internet Assigned Numbers Authority, which coordinates the Internet's unique identifier systems.*

A decade has passed since Jon Postel left our midst. It seems timely to look back beyond that decade and to look forward beyond a decade hence. It seems ironic that a man who took special joy in natural surroundings, who hiked the Muir Trail and spent precious time in the high Sierras was also deeply involved in that most artificial of enterprises, the Internet. As the Internet Assigned Numbers Authority (IANA) and the RFC editor, Jon could hardly have chosen more polar interests. Perhaps the business of the artificial world was precisely what stimulated his interest in the natural one.

As a graduate student at UCLA in the late 1960s, Jon was deeply involved in the ARPANET project, becoming the first custodian of the Request for Comment note series inaugurated by Stephen D. Crocker. He also undertook to serve as the "Numbers Czar" tracking Domain Names, Internet Addresses, and all the parameters, numeric and otherwise, that were key to the successful functioning of the burgeoning ARPANET and, later, Internet protocols. His career took him to the east and west coasts of the United States but ultimately led him to the University of Southern California's Information Sciences Institute (ISI) where he joined his colleagues, Danny Cohen, Joyce K. Reynolds, Daniel Lynch, Paul Mockapetris and Robert Braden, among many others, who were themselves to play important roles in the evolution of the Internet.

It was at ISI that Jon served longest and as the end of the 20th Century approached, began to fashion an institutional home for the work he had so passionately and effectively carried out in support of the Internet. In consultation with many colleagues but particularly with Joseph Sims of the Jones Day law firm and Ira Magaziner, then at the Clinton administration White House, Jon worked to design an institution to assume the IANA responsibilities. Although the path to its creation was rocky, the Internet Corporation for Assigned Names and Numbers (ICANN) was officially created in early October, 1998, just two weeks before Jon's untimely death on October 16.

In 1998 there were an estimated 30 million computers on the Internet and an estimated 70 million users. In the ensuing decade, the user population has grown to almost 1.5 billion and the number of servers on the Internet now exceeds 500 million (not counting episodically connected laptops, personal digital assistants and other such devices). As this decade comes to a close, the Domain Name System is undergoing a major change to accommodate the use of non-Latin character sets in recognition

# LOOKING BEYOND THE DECADE

that the world's languages are not exclusively expressible in one script. A tidal wave of newly Internet-enabled devices as well as the increasing penetration of Internet access in the world's population is consuming what remains of the current IPv4 address space, driving the need to adopt the much larger IPv6 address space in parallel with the older one. Over three billion mobiles are in use and roughly 15 percent of these are already Internet-enabled.

Jon would take considerable satisfaction knowing that the institution he worked hard to create has survived and contributed materially to the stability of the Internet. Not only has ICANN managed to meet the serious demands of Internet growth and importance in all aspects of society, but it has become a working example of a new kind of international body that embraces and perhaps even defines a multi-stakeholder model of policy making. Governments, civil society, the private sector and the technical community are accommodated in the ICANN policy development process. By no means a perfect and frictionless process, it nonetheless has managed to take decisions and to adapt to the changing demands and new business developments rooted in the spread of the Internet around the globe.

Always a strong believer in the open and bottom-up style of the Internet, Jon would also be pleased to see that the management of the Internet address space has become regionalized and that there are now five Regional Internet Registries cooperating on global policy and serving and adapting to regional needs as they evolve. He would be equally relieved to find that the loose collaboration of DNS root zone operators has withstood the test of time and the demands of a hugely larger Internet, showing that their commitment has served the Internet community well. Jon put this strong belief into practice as he was founder and ex-officio trustee of ARIN.

As the very first individual member of the Internet Society he helped to found in 1992, Jon would certainly be pleased that it has become a key contributor to the support of the Internet protocol standards process, as intended. The Internet Architecture Board and Internet Engineering and Research Task Forces as well as the RFC editing functions all receive substantial support from the Internet Society. He might be surprised and pleased to discover that much of this support is derived from the Internet Society's creation of the Public Internet Registry to operate the .ORG top level domain registry. The Internet Society's scope has increased significantly as a consequence of this stable support and it contributes to global education and training about the Internet as well as to the broad policy developments needed for effective use of this new communication infrastructure.

As a computer scientist and naturalist, Jon would also be fascinated and excited by the development of an interplanetary extension of the Internet to support manned and robotic exploration of the Solar System. This very month, the Jet Propulsion Laboratory will begin testing of an interplanetary protocol using the Deep Impact spacecraft now in eccentric orbit around the sun. This project

began almost exactly ten years ago and is reaching a major milestone as the first decade of the 21st Century comes to an end.

It is probable that Jon would not agree with all the various choices and decisions that have been made regarding the Internet in the last ten years and it is worth remembering his philosophical view:

"Be conservative in what you send and liberal in what you receive."

Of course, he meant this in the context of detailed protocols but it also serves as a reminder that in a multi-stakeholder world, accommodation and understanding can go a long way towards reaching consensus or, failing that, at least toleration of choices that might not be at the top of everyone's list.

No one, not even someone of Jon's vision, can predict where the Internet will end up decades hence. It is certain, however, that it will evolve and that this evolution will come, in large measure, from its users. Virtually all the most interesting new applications of the Internet have come, not from the providers of various Internet-based services but from ordinary users with extraordinary ideas and the skills to try things out. That they are able to do this is a consequence of the largely open and non-discriminatory access to the Internet that has prevailed over the past decade. Maintaining this spirit of open access is the key to further development and it seems a reasonable speculation that if Jon were still with us, he would be in the forefront of the Internet community in vocal and articulate support of that view.

A ten-year toast seems in order. Here's to Jonathan B. Postel, a man who went about his work diligently and humbly, who served all who wished to partake of the Internet and to contribute to it, and who did so asking nothing in return but the satisfaction of a job well done and a world open to new ideas.

Vint Cerf – Woodhurst – October 2008

[Vint Cerf was Chairman of the ICANN Board of Directors from November 2000 to November 2007]



# CORPORATE GOVERNANCE AND ACCOUNTABILITY

ICANN is accountable in three ways:

1. Public sphere accountability which deals with mechanisms for assuring stakeholders that ICANN has behaved responsibly;
2. Corporate and legal accountability which covers the obligations that ICANN has through the legal system and under its bylaws; and
3. Participating community accountability that ensures that the Board and executive perform functions in line with the wishes and expectations of the ICANN community.

ICANN is accountable to the global community; however, the nature of ICANN's unique mission does not permit members of the organization that could exert undue influence and control over ICANN's activities. Thus by not having any statutory members, ICANN is accountable to the public at-large rather than to any specific member or group of members. This construct helps eliminate the specter of antitrust violations by allowing ICANN to operate in the best interests of the public at large rather than in the individual interests of certain members. This construct also allows ICANN to work collaboratively, rather than compete, with the various constituents of the Internet community.

Under ICANN's corporate structure, supporting organizations and other bodies within ICANN representing certain sectors of the participating community are entitled to elect directors to ICANN's Board. These directors, in turn, owe all of the duties of a director to ICANN in their roles as members of the Board. These duties for a director of care, inquiry, loyalty and prudent investment to the corporation and its constituencies take supremacy over the interests of the electing organization. Each member of ICANN's Board is accountable to the participating community as a whole through his or her fiduciary duties and is required to make decisions that are in the best interests of the corporation and community at large.

The ultimate legal accountability of the organization lies with the Board, not with the individuals and entities that make up the ICANN community. Under California corporate law, ICANN's Board of Directors is charged with overall responsibility for the management of the business and affairs of the corporation. The general legal duties of an ICANN director are owed to the corporation itself, and the public at large, not to individual interests within the ICANN community. The directors may therefore on occasion have to make decisions that run counter to the interests of individuals or groups in the community in order to properly address the directors' broader fiduciary duties.

As a corporation, ICANN is a legal entity and has the ability to sue and be sued for its actions, and to be held responsible in a court of proper jurisdiction for its business dealings with the global community. Accordingly, ICANN's activities in the global community are conducted under awareness and appreciation of the laws applicable to it as an organization. Under its articles of incorporation:

- ICANN is a nonprofit public benefit corporation
- It is not organized for the private gain of any person

The law that organizes ICANN is called the California Nonprofit Public Benefit Corporation Law for charitable and public purposes. ICANN has been granted tax-exempt status by the United States federal and California state governments. Tax exempt status was conferred upon ICANN based on its mission of providing technical coordination for the Internet, and the resulting benefits to the public community at large. ICANN's status as a tax-exempt organization carries with it certain responsibilities to federal and state authorities which are different than those associated with taxable, for-profit entities. Specifically, ICANN's operating activities and organizational decision-making are guided by requirements incorporated into ICANN's charter for continuing eligibility for tax-exempt status.

The California attorney general is the legal overseer of California nonpublic benefit corporations such as ICANN. As such, the attorney general works to protect the interest of all public beneficiaries within his or her jurisdiction. The attorney general, acting on behalf of the public, may conduct investigations and bring legal actions to ensure that ICANN does not stray from its public charitable purpose. For corporate behavior that has otherwise gone uncured and uncorrected, members of the public are also able to petition the attorney general to conduct these investigations.

ICANN is recognized as a public charitable organization described in Internal Revenue Code (IRC) § 501(c)(3). This recognition carries with it several benefits; namely, exemption from federal taxation and the ability to receive tax-deductible charitable contributions. Being an IRC § 501(c)(3) organization, however, also imposes special responsibilities on ICANN. Among those responsibilities is that ICANN's directors must ensure that ICANN operates exclusively in furtherance of its public charitable and scientific purposes and avoids transactions that may confer excessive economic benefit on corporate insiders, others closely affiliated with ICANN or private parties who contract with ICANN.

## **Fiduciary obligations of directors**

Under California corporate law, ICANN's Board of Directors is charged with overall responsibility for the management of the business and affairs of the corporation. The general legal duties of an ICANN director are owed to the corporation itself and to the public at large. Generally, a director of a nonprofit public benefit corporation shall perform his/her duties in good faith, in the best interests of the organization and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. That is generally understood to embrace four duties, which directors owe to the organization and its constituencies:

- (1) A duty of care,
- (2) A duty of inquiry,
- (3) A duty of loyalty, and
- (4) A duty of prudent investment.

### **Duty of Care**

The duty of care is best expressed as the seriousness that each director brings to his or her responsibilities such as gaining and maintaining familiarity with the business objectives of the organization. It also includes important business considerations and industry information relevant to the organization's activities, and serving on the same

basis on committees to which the director may be appointed. The duty of care also requires that the director take reasonable measures to ensure that the organization is managed and directed in a manner that is consistent with its mission.

Further, the duty of care requires the directors to be attentive to the concerns expressed by the organization's counsel and follow directives concerning the confidentiality of advice and overall legal strategy approved by the Board of Directors or the officers for dealing with particular problems or issues that may arise.

### **Duty of Inquiry**

The duty of inquiry generally requires that a director take such steps as are necessary to be sufficiently informed to make decisions on behalf of the organization and participate in the Board of Directors' activities. In satisfying this duty, directors must balance against competing considerations, such as the organization's obligations relating to confidentiality of information received from third parties, privacy rights of employees and others who deal with the organization, attorney-client privilege relating to legal proceedings or legal advice to the organization, and protection against disclosures of information which may damage the organization's business, property, or other interests.

### **Duty of Loyalty**

The duty of loyalty generally involves the protection of the organization's interests in its business, properties, assets, employees, and legal rights, avoidance of conflicts of interest or self-dealing on the part of directors, and serving the interests of the organization and not the interests of any other person or group, including a constituency of the organization which caused the director to be selected.

## Duty of Prudent Investment

Directors of a nonprofit corporation are required, in the management of the organization's investments, to avoid speculation and to comply with any applicable standards in the organization's articles, bylaws, or the terms of any gift or grant of funds to the corporation, rather than to any specific member or group of members. This construct helps eliminate the specter of antitrust violations by allowing ICANN to operate in the best interests of the public at large rather than in the individual interests of certain members. This construct also allows ICANN to work collaboratively, rather than compete, with the various constituents of the Internet community. This section sets out the mechanisms by which ICANN makes itself accountable to its participating community.

The major aspects are:

- A. The representative composition of the Board which allows all parts of the ICANN community to participate in ICANN Board process;
- B. The consultative planning process by the ICANN community sets strategic direction and determines operational priorities and budgets;
- C. The ongoing schedule of reviews of ICANN's structure according to Article IV, Section 4 of the ICANN bylaws;
- D. Translation principles that guide the translation of documents within the ICANN community;
- E. Consultation principles that guide the consultation processes that are used to generate community input on ICANN issues;
- F. A statement of expected standards of behavior which outlines the standards of behavior expected of those who participate in the ICANN process.

In addition, due to the tax-exempt status of ICANN, its directors and officers owe a duty to avoid excess benefit transactions and those that inure to the benefit of any insider (i.e., an officer or director of ICANN) or confer a benefit on a private party which is not an insider. Further, directors of a California nonpublic public benefit corporation may, under certain circumstances, be subjected to personal liability for uninsured damages resulting from acts or omissions not within the scope of the director's duties; that are not performed in good faith; or that are reckless, wanton, intentional or grossly negligent. Similar standards of legal accountability apply if the corporation opens international offices.

There has been some discussion among the ICANN community about potential review of ICANN's legal status in the context of its further internationalization. Whatever may emerge out of these discussions, if anything, ICANN is committed to maintaining the same standards of external accountability to those outlined above.

ICANN's three types of accountability are contained in a detailed discussion of Corporate Governance and Accountability at ICANN, which appears as an appendix to this report.

ICANN is an internationally organized, nonprofit corporation and as such has accountability as a corporation but also through its purpose, which is similar to a public trust.

It is a private sector organization and within ICANN's structure, governments and international treaty organizations work in partnership with businesses, organizations, and skilled individuals involved in building and sustaining the global Internet. ICANN is perhaps the foremost example of collaboration by the various constituents of the Internet community.

ICANN develops policy appropriate to its mission through bottom-up, consensus-based processes, and in its governance it is accountable to the community who contribute to the ICANN process.

Among its comprehensive responsibilities, ICANN's Board of Directors must ensure that ICANN operates exclusively in furtherance of its public charitable and scientific purposes and avoids transactions that may confer excessive economic benefit on corporate insiders, others closely affiliated with ICANN or private parties who contract with ICANN (see <http://www.icann.org/en/minutes/>). Those responsibilities as well as ICANN's three types of accountability are outlined in a detailed discussion of Corporate Governance and Accountability at ICANN, which appears as an appendix to this report.

In addition to its regular monthly meetings and special meetings, the ICANN Board meets to conduct business during the three international meetings ICANN organizes each year. Much of that business is related to current issues being discussed at those international meetings.

At the 2008 annual general meeting in Cairo, the Board unanimously passed a resolution adding four new committees and suggesting changes be posted for public comments relating to the dissolution of two of its existing committees, the Conflicts of Interest Committee and the Reconsideration Committee, transferring the responsibilities for those two committees to the existing Board Governance Committee, and establishing four new Board committees. The changes to the structure of the two of Board committees will require some revisions to ICANN's bylaws. These revisions were posted for public comment in December 2008, after which the comments received will be analyzed and appropriate action taken.

## New Committees

*IANA Committee* – Chaired by Harald Tveit Alvestrand, with members Raimundo Beca, Steve Crocker, Demi Getschko, and Katim Touray.

*Public Participation Committee* – Chaired by Jean-Jacques Subrenat, with members Dennis Jennings, Katim Touray, and Dave Wodelet.

*Risk Committee* – Chaired by Bruce Tonkin, with members Steve Crocker, Steve Goldstein, and Rajasekhar Ramaraj.

*Structural Improvement Committee* – Chaired by Roberto Gaetano, with members Harald Tveit Alvestrand, Raimundo Beca, Rita Rodin Johnston, and Jean-Jacques Subrenat.

## Continuing Committees

*Audit Committee* – Chaired by Rita Rodin Johnston, with members Harald Tveit Alvestrand, and Steve Crocker.

*Board Governance Committee* – Chaired by Dennis Jennings, with members Roberto Gaetano, Demi Getschko, Steve Goldstein, and Rita Rodin Johnston.

*Compensation Committee* – Chaired by Peter Dengate Thrush, with members Steve Goldstein, Rajasekhar Ramaraj, and Bruce Tonkin.

*Conflicts of Interest Committee* – Chaired by Steve Goldstein, with members Demi Getschko and Dave Wodelet.

*Executive Committee* – Chaired by Board chairman Peter Dengate Thrush, with Board vice-chairman Roberto Gaetano, and President Paul Twomey.

*Finance Committee* – Chaired by Rajasekhar Ramaraj, with members Raimundo Beca, Steve Crocker, Dennis Jennings, and Bruce Tonkin.

*Reconsideration Committee* – Chaired by Demi Getschko, with members Roberto Gaetano and Rajasekhar Ramaraj.

## Other Work of the Board of Directors

The Board passed more than 100 resolutions on matters as diverse as approving improvements to the GNSO, authorizing staff to develop implementation plans for new gTLDs and IDN TLDs, approving ICANN's Strategic and Operating plans and Budget, and approving operational and fiduciary matters pertaining to the day-to-day management of the corporation. A complete list of the Board's resolutions during 2008 appears at <http://www.icann.org/en/minutes/>.

## Independent Review of the Board of Directors

ICANN's structures undergo periodic independent review to evaluate their activities and policies against the expectations of the community and their effectiveness in carrying out their responsibilities. The independent reviewer's report of the Board of Directors was published at the Cairo meeting and a special session was held to discuss the report. A special working group will seek input from the community and produce an initial report for the Mexico City meeting in March 2009.