



Internet Corporation for Assigned Names and Numbers (ICANN)

Board of Directors Compensation Considerations

A presentation to ICANN's Board of Directors

October 13, 2011

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Background and Introduction

- The Board of Directors (the Board) of Internet Corporation for Assigned Names and Numbers (ICANN) authorized the General Counsel to engage Towers Watson pursuant to Board Resolution¹ to evaluate the structure and reasonableness of independent director compensation program, which it last considered with Towers Watson's assistance in May 2010
- Over the past several years, ICANN has been considering issues surrounding Board compensation. The Board has publicly discussed the matter and has reviewed independent analysis and advice on the matter.
 - There were calls from the community in relation to ICANN Framework for Accountability and Transparency that the entire Board be compensated
 - Budget contingency discussions since FY08 have involved the concept of possible Board remuneration
 - Independent evaluation experts provided studies on other non-profit organizations and Board member remuneration
 - Boston Consulting Group ("BCG") suggested in their Board Review that relatively modest fees to compensate directors for time may be appropriate
 - The Board Review working group acknowledged general support from BCG and community for director remuneration, but recommended further study in coordination with General Counsel
 - The Accountability and Transparency Review Team specifically recommended that the Board should implement a compensation scheme for voting Directors.
- In August of 2010, the Board approved compensation for the Board Chair at the annual rate of \$75,000
 - Since that time a call for all voting directors to be compensated has continued, most recently through Recommendation 5 from the Accountability and Transparency Review Team.
 - All ICANN Directors are reimbursed for travel expenses under an accountable expense plan

¹ <http://www.icann.org/en/minutes/resolutions-25aug11-en.htm#4>
[towerswatson.com](http://www.towerswatson.com)

Background and Introduction *continued*

- The scope of this report includes a reasonableness review of introducing director compensation and determining a reasonable total annualized cash compensation and pay program structure for outside (non-executive) directors.
 - This report does not address the roles of ICANN Board liaisons who have similar responsibilities to Board members but are not directors and serve as appointed representatives for ICANN constituent groups
- The objective of the report is to provide data to set reasonable Board compensation levels
- We also provide summary information on the applicable regulations in Appendices A and B
 - Intermediate Sanctions, Section 4958 of the Internal Revenue Code
 - California Nonprofit Corporations Code
- ICANN is an international, nonprofit, multi-stakeholder organization. It is responsible for the stability and interoperability of the DNS, the distribution of IP addresses and accurate recordation of protocol parameters
- Furthering this mission requires ICANN to serve a diverse stakeholder base in a transparent manner
- Over the past 10 years, both the Internet and ICANN have grown in complexity. In coming years, ICANN expects significant increases in the volume of policy and management oversight work that needs to be completed to fulfill its mission
- Service on ICANN's Board involves global responsibilities, necessitates a substantial time commitment and requires individuals with skills and experience across a broad range of areas
 - See Appendices C and D for time commitment data and calendar of ICANN meetings in 2010

Impact of Intermediate Sanctions on Setting Board Pay

- Board members are “disqualified persons” under Intermediate Sanctions rules of Internal Revenue Code Section 4958 and their compensation may be presumed to be reasonable if a committee of authorized, independent persons approves their compensation using comparable market data and thorough documentation
 - Based on ICANN’s bylaws requirements it may not be possible to establish a presumption of reasonableness
 - The Board is considering market practices for purposes of establishing what is reasonable compensation

Suggested Process

- Directors agree to receive not more than “reasonable compensation” for their services
- ICANN follows a process in setting compensation that is reasonably calculated to prevent the payment of more than reasonable compensation
- It is recommended that ICANN retain and rely upon custom market-comparability studies conducted by independent valuation consultants
- Independent consultants provide a written opinion letter that meets the IRS requirements
- Documentation of the decision making process is thorough and meets the IRS requirements
- The governance process should be followed annually or with some regular frequency

Nonprofit Board Compensation Trends

- Compensation paid for service on nonprofit boards is rare
 - 23% of nonprofit organizations in the 2009 NACD Nonprofit Governance Survey report that they compensate directors
 - An annual survey conducted in 2010 by *BoardSource*, a governance advisory organization to nonprofits, reported that 3% of organizations compensate Board members
- Despite the minority practice, there are valid reasons for compensating nonprofit board members:
 - Promotes economic diversity, giving members an opportunity to serve who might otherwise be unable to do so
 - Promotes professionalism rather than amateurism
 - Attracts the most qualified and able individuals
 - Awards in a tangible way valuable personal time and contributions made for the mission
 - Promotes more risk taking
 - Stimulates better attendance at board and committee meetings
 - Holds board members more accountable for performance
- However, the Attorneys General in several states are scrutinizing nonprofit Board of Director pay
 - New York created a task force to investigate the executive, administrator and board compensation practices at nonprofits that receive taxpayer support
 - Massachusetts has a bill pending in the legislature to forbid compensating board members of “charities” (which are any form of nonprofit organization) unless the Attorney General approves of the basis for, and amount of, compensation

Background and Methodology

Defining a Comparable Market for ICANN's Board of Directors

- Similar to the framework for examining ICANN's executive compensation, we have assembled a peer group of for-profit and nonprofit organizations that we believe will serve as the best benchmark for outside director compensation at ICANN
- The peer group analysis was supplemented with data from published surveys
- We consider market data sources covering the following comparable markets to be relevant:
 - For-profit general industry companies of similar size (revenue)
 - Nonprofit organizations of similar size and complexity, particularly global, multi-stakeholder organizations

Comparability Data Sources Reviewed

- TWDS 2010-2011 Report on Director Compensation Policies and Practices
- NACD 2009 Nonprofit Board Governance Survey
- NACD 2010-2011 Director Compensation Report
- ICANN's Board/Committee Charters and Annual Report
- Select Form 990s (Nonprofit organizations)
- Select Proxy Reports (For-profit companies)

Board Compensation – Form of Compensation

- Form of Compensation:** In terms of the structure of outside director compensation, organizations often provide one or more of the following:
 - Annual retainer:** flat fee intended to cover annual board service; often paid annually or in quarterly installments; typically differentiated between normal directors and the independent chairman (if any)
 - Board meeting fee:** per meeting fee paid for attendance at board meetings; reduced fee is often paid for telephonic meetings; all outside directors typically receive the same fee
 - Committee retainer:** annual fee paid for committee service; often differentiated by committee and the associated workload/complexity; often differentiated between committee members and committee chairs; especially demanding committees may receive a premium
 - Committee meeting fee:** per meeting fee paid for attendance at committee meetings; reduced fee is often paid for telephonic meetings; all outside directors typically receive the same fee
 - Equity grant:** among publicly-traded, for-profit organizations, it is common to provide annual grants of restricted stock and/or stock options
- The chart below illustrates the typical method of payment for Board service:

Role/Service	Meeting Fees Only	Retainers Only	Meeting Fees & Retainers
Chairman of the Board	0%	66%	33%
Board Service	0%	50%	50%
Committee Member	70%	30%	0%
Committee Chair	61%	39%	0%

Board Compensation – Amount of Compensation

- To determine reasonable compensation levels, we focus on the average of median *cash* compensation, with 25th and 75th percentile data provided for information
- Due to the complexity and global impact of ICANN’s mission and the need to attract and retain qualified leadership, both for-profit and nonprofit data are appropriate as the talent does reside within many sectors and is recruited globally
- The chart below summarizes actual Director pay (non-chair):

Source*:	Cash		
	25th %ile	Median	75th %ile
2010-2011 NACD General Industry (For-Profit)	\$38,762	\$57,800	\$84,166
Public Company Peer Group (For-Profit)	\$32,500	\$44,000	\$50,000
990 Analysis (Nonprofit)	\$13,415	\$23,875	\$30,995
2010-2011 TWDS Survey (Nonprofit)	\$27,475	\$45,000	\$62,688
Average**	\$30,000	\$45,000	\$55,000

* Data reflects a blend of "Micro" segment - Revenues of \$50M < \$500M and "Small Companies" segment - Revenues of \$500M < \$1.0B

**Average data rounded to the nearest \$5,000.

Board Compensation – Amount of Compensation: *Nonprofit Boards*

- Peer group compensation data were collected from each company's most recently filed Form 990 and are presented on the following page
 - The peer group of nonprofits who pay their outside directors is comprised of nonprofit peers identified in the executive compensation framework plus additional organizations included in the 2010 analysis
 - Ten of the eighteen organizations in the executive compensation framework do not pay their Board members as detailed in Appendix E
- Due to the particular reporting requirements in the Form 990s, we can only determine total compensation figures for the Board members of the peer group organizations
 - Data such as annual retainers and meeting fees are not reported separately
 - Board roles such as Committee Chairs and Committee members are not disclosed; due to limited role disclosure, the peer group data are summarized as follows:
 - Chair of the Board
 - Average of all other directors – this excludes the Chair of the Board and includes all other Board roles (Vice Chair, Committee Chair, Committee members and regular Board members)
- Published survey market data related to the structure of Board compensation at nonprofit organizations were also collected from the *2010/2011 TWDS Survey Report on Board of Directors Compensation, Policies & Practices*
 - While these data are limited, they serve as an additional point of reference to the total compensation data reported in the peer group 990s

Details of Select Nonprofits

Organization	Year of 990	Revenue (\$000s) ⁵	# of Directors Receiving Compensation ⁶	Chairman as Multiple of Director Pay	Outside Chairman	Average Director Pay (Non-Chair)	Estimated Total Board Cost
Altarum Institute ¹	2009	\$73,100	13	2	\$44,125	\$27,252	\$371,152
American Bar Association ¹	2008	\$148,492	2	2	\$100,000	\$50,000	\$150,000
Analytic Services Institute	2009	\$141,200	11	1	\$33,750	\$23,875	\$272,500
CNA Corporation ²	2009	\$118,506	15	2	\$33,750	\$19,946	\$313,000
Financial Accounting Foundation ³	2009	\$49,100	14	--	--	\$36,014	\$504,196
Institute for Study Abroad	2009	\$39,941	8	-	--	\$25,625	\$205,000
Int. Institute of Tropical Agriculture	2010	\$53,200	15	5	\$64,002	\$11,977	\$231,678
Intl Acct Stds Committee Foundation	2009	\$35,509	22	4	\$117,488	\$28,989	\$726,267
Intl Food Policy Research Institute	2009	\$70,000	14	2	\$11,900	\$6,435	\$95,550
Ithaka Harbors Inc. ⁴	2009	\$52,900	7	--	--	\$5,000	\$35,000
Logistics Management Institute	2008	\$208,000	11	1	\$37,000	\$33,000	\$367,000
RAND Corporation ¹	2009	\$282,900	13	2	\$6,520	\$3,094	\$43,646
Riverside Research Institute	2008	\$75,500	9	6	\$110,000	\$18,000	\$254,000
Society for HR Management ¹	2009	\$103,600	11	--	--	\$14,852	\$163,375
SRI International ¹	2009	\$495,000	8	--	--	\$46,313	\$370,500
75th Percentile		\$144,846	14	3.6	\$91,001	\$30,995	\$368,750
Average		\$129,797	12	2.7	\$55,854	\$23,358	\$273,524
Median		\$75,500	11	1.9	\$40,563	\$23,875	\$254,000
25th Percentile		\$53,050	9	1.6	\$33,750	\$13,415	\$156,688

¹ Organizations included in the 2011 Executive Framework

² Chairman elected in December of 2008

³ FAF approved a revised governance structure approved by the Board of Trustees in 2008 creating a new Chairman position

⁴ Ithaka Harbors acquired JSTOR in January 2009

⁵ Reflects most up to date revenue figures available

⁶ Includes Directors receiving compensation and outside chairmen only

Notes on Select Nonprofit Market Data

- **Altarum Institute.** Data represent 2009 information. Reported 13 directors.
- **American Bar Association.** Data represent 2008 information. Reported 2 directors who received compensation. Does not include 35 directors who received no payment.
- **Analytic Services Institute.** Data represent 2009 information. Reported 11 directors.
- **CNA Corporation.** Data represent 2009 information. Reported 15 directors who received compensation. Does not include 3 directors who received no payment.
- **Financial Accounting Foundation.** Data represent 2009 information. Reported 14 trustees who received compensation. Does not include 5 trustees who received no payment. The Chairman of the Board is also an officer, pay has been excluded.
- **Institute for Study Abroad.** Data represent 2009 information. Reported 8 directors. The Chairman of the Board is also an officer, pay has been excluded.
- **International Institute of Tropical Agriculture.** Data represent 2010 information. Reported 15 directors.
- **International Accounting Standards Committee Foundation.** Data represent 2009 information. Reported 22 directors who received compensation.
- **International Food Policy Research Institute.** Data represent 2009 information. Reported 14 directors.
- **Ithaca Harbors Inc./JSTOR.** Data represent 2009 information. Chairman did not receive compensation as a director (received significant pay as President of a related nonprofit organization). All others reported received \$5,000. Reported 7 directors receiving compensation. Does not include 8 directors who received no payment.
- **Logistics Management Institute.** Data represent 2008 information. Reported 11 directors.
- **RAND Corporation.** Data represent 2009 information. Reported 13 directors who received compensation.
- **Riverside Research Institute.** Data represent 2008 information. Reported 9 directors.
- **Society for HR Management.** Data represent 2009 information. Reported 11 directors who received compensation. The Chairman of the Board is also an officer, pay has been excluded.
- **SRI International.** Data represent 2009 information. Reported 8 directors. The Chairman of the Board is also an officer, pay has been excluded.

Details of Select For-profits

Company	2010 Revenue (\$mm)	# of Outside Board Members	Fees Earned or Paid in Cash			Audit Committee		Compensation Committee		Nominating / Governance Committee	
			Retainer	Median Total Cash Compensation Paid - Board Member	Chairman Extra Retainer	Committee Extra Retainer	Chairman Extra Retainer	Committee Extra Retainer	Chairman Extra Retainer	Committee Extra Retainer	Chairman Extra Retainer
Ancestry.com Inc.	\$301	6	\$30,000	\$34,424	--	\$5,000	\$13,000	\$4,000	\$10,000	\$2,000	\$5,000
ComScore, Inc.	\$175	6	\$25,000	\$25,500	--	\$10,000	\$18,000	\$5,000	\$10,000	\$1,000	\$3,000
Digital River Inc.	\$363	6	\$15,000	\$15,500	--	--	--	--	--	--	--
Internap Network Services Corp.	\$244	8	\$20,000	\$48,125	\$50,000	\$7,500	\$15,000	\$5,000	\$10,000	--	\$7,500
iPass Inc	\$156	8	\$20,000	\$48,000	\$20,000	\$5,000	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000
j2 Global Communications Inc.	\$255	7	\$50,000	\$50,000	\$42,000	--	\$10,000	--	\$10,000	--	\$10,000
Limelight Networks, Inc.	\$183	7	\$25,000	\$32,500	--	\$5,000	\$15,000	\$2,000	\$10,000	--	--
Openwave Systems Inc.	\$156	6	\$25,000	\$52,250	\$20,000	\$15,000	\$30,000	\$9,000	\$15,000	\$5,000	\$10,000
QuinStreet, Inc.	\$403	6	\$25,000	\$44,000	--	--	\$15,000	--	\$15,000	--	\$15,000
Travelzoo Inc.	\$113	4	\$30,000	\$57,440	--	\$30,000	--	--	--	--	--
ValueClick Inc.	\$431	5	\$25,000	\$32,500	\$5,000	\$5,000	\$20,000	\$5,000	\$7,500	\$5,000	\$7,500
VeriSign, Inc.	\$681	6	\$40,000	\$64,293	\$100,000	\$25,000	\$15,000	\$20,000	\$10,000	\$10,000	\$5,000
Web.com Group, Inc.	\$120	6	\$20,000	\$28,000	\$8,000	\$7,500	\$5,000	\$4,000	\$3,000	\$1,500	\$1,500

75th Percentile:	\$363	7	\$30,000	\$50,000	\$46,000
Average:	\$275	6	\$26,923	\$40,964	\$35,000
50th Percentile:	\$244	6	\$25,000	\$44,000	\$20,000
25th Percentile:	\$156	6	\$20,000	\$32,500	\$14,000

Footnotes:

* "Total cash compensation" for the typical director is based on the median value reported in the "fees earned or paid in cash" column of the director summary compensation table included in the most recent proxy statement. Directors serving in board leadership positions (chairs of the Audit, Compensation, Risk and Governance committees, lead director and/or chairman) are excluded from determining the median value. Similarly, directors that did not serve the entire year, but are otherwise included in the director summary compensation table in the proxy, are excluded from determining the median value.

Conclusions

- **Reasonableness and Range of Reasonable Compensation Data**
 - While not prevalent among nonprofits and consistent with our analysis in 2010, we feel it would be reasonable to introduce director compensation at ICANN based on a review of applicable market data and of the time commitment, skills and experience required for Board service at ICANN
 - Based on applicable market data contained in this report, the range of reasonable compensation data for total compensation to Board members is \$30,000 to \$45,000 annually
- **Potential Form and Amount**
 - Introduce annual cash retainer of \$35,000 for outside directors and maintain the \$75,000 for the Chairman of the Board (roughly two-times director retainer)
 - Average of the medians of the comparable market data
 - Flat retainer eliminates need to define a “meeting”
 - Eliminates any monetary incentive to hold more meetings or track telephonic meetings
 - An additional \$5,000 annual retainer would be provided for committee chair (except the Chairman of the Board)
 - Allow directors to elect to waive the retainer
 - Commit to re-evaluating Board compensation periodically (both in terms of the practice itself, as well as compensation levels)

Appendix

Overview of Internal Revenue Code Section 4958

- Certain “disqualified persons,” including directors, of a §501(c)(3) organization like ICANN may be assessed excise taxes if they are involved in an excess benefit transaction
- An excess benefit transaction is any transaction in which the director receives an economic benefit from the organization that is greater than the consideration, including services performed, that the director provides to the organization
- IRS rules provide a so-called “rebuttable presumption” process that triggers a presumption that compensation paid to a disqualified person, including a director, is reasonable
- The presumption is triggered if the organization complies with three requirements:
 - Compensation is approved by an authorized body whose members are free of financial conflict of interest regarding the compensation being reviewed
 - The authorized body considers “appropriate data as to comparability” prior to making its decision
 - The authorized body documents its decision making process adequately and within a reasonable amount of time after the decision
- When established, the presumption imposes on the IRS the burden of showing that comparability data relied upon are not valid, which is a substantial benefit in any dispute with the IRS
- If directors are compensated, however, the presumption cannot be established
- However, while the IRS considers establishing the presumption to be a “best practice,” it is not a legal requirement
 - It is as concerned about the process of setting compensation as well as the amount

Overview of California Nonprofit Corporations Code

- California Nonprofit Corporations Code protects volunteer/unpaid directors of nonprofit corporations against personal liability for acts. Specifically, no cause of action for monetary damages may be asserted against a director or officer of a California Nonprofit Corporation qualifying under §501(c)(3) on account of any negligent act or omission occurring:
 - Within the scope of that person's duties as a director acting as a board member, or officer acting in an official capacity
 - In a manner that the person believes to be in the best interest of the corporation; and in the exercise of his or her policymaking judgment
 - Limitation only applies if the corporation maintains a general liability insurance policy of at least \$1 million (for a corporation with an annual budget in excess of \$50,000) in force both at the time of the injury and at the time that the claim is made. Limitation is also subject to carve-outs for self-dealing transactions, intentional or willful gross negligence, fraud and other bad faith action
- Compensated directors of California nonprofit corporations are still protected against personal liability for failure to discharge their obligations as a director, subject to the following:
 - Conduct is subject to the "business judgment rule," requiring directors to act in good faith, with reasonable inquiry and in the best interests of the corporation and exercising reasonable care as an ordinarily prudent person under like circumstances
 - Does not protect directors against liability for self-dealing actions or participation in tortious conduct
 - California Nonprofit Corporations Code also provides that directors of a nonprofit public benefit corporation, without regard to compensation, must be indemnified by the corporation if successful on the merits in defense of any proceeding

Other Considerations – Time Commitment

- When considering the introduction of compensation, it is important to consider relative time commitment

Item	BoardSource Nonprofit	Towers Watson Nonprofit	NACD Nonprofit	Towers Watson For-Profit	ICANN (2010)*
Board Meetings Per Year (in person and telephonic)	7.4 <i>(average)</i>	6 <i>(median)</i>	5.8 <i>(average)</i>	7 <i>(median)</i>	13
Avg. # of Committee Meetings for each Committee	--	3.6	3.7	4.3	8.2***
Annual Workshop Prevalence	52%	--	--	--	2

*ICANN's Board currently holds three in-person meetings each year, each of which are six to seven days in length (not including travel), 10 special telephonic meetings, and two in-person workshops, each of which are two to three days in length (not including travel).

** Reported by ICANN for the 2010 Towers Watson report.

***All directors serve on at least one Committee, but typically serve on two committees.

- The NACD survey reported that survey respondents spent (on average) 142.9 hours per year on board and committee-related matters (6.8% of a standard U.S. work year)

2010 ICANN Meeting Calendar

Date	Meeting Type	Date	Meeting Type
December-10	Regular Meeting of the ICANN Board of Directors – Latin America	June-10	Meeting of the Audit Committee
December-10	Meeting of the Board Governance Committee	19 and 22 June 2010	Meeting of the Structural Improvements Committee
December-10	Special Meeting of the ICANN Board of Directors	June-10	Meeting of the Public Participation Committee
December-10	Meeting of the Structural Improvements Committee	June-10	Meeting of the Board Governance Committee
December-10	Meeting of the IANA Committee	June-10	Meeting of the IANA Committee
December-10	Meeting of the Board Finance Committee	June-10	Meeting of the Audit Committee
December-10	Meeting of the Audit Committee	21-22 May 2010	ICANN Board of Directors Retreat, Dublin, Ireland
December-10	Meeting of the Board Global Relationships Committee	May-10	Meeting of the Structural Improvements Committee
December-10	Meeting of the Board Risk Committee	May-10	Meeting of the Board Finance Committee
December-10	Meeting of the Board Governance Committee	May-10	Meeting of the Board Risk Committee
December-10	Meeting of the Public Participation Committee	May-10	Meeting of the Board Governance Committee
November-10	Meeting of the IANA Committee	May-10	Meeting of the Public Participation Committee
4-5 November 2010	ICANN Board of Directors Special Meeting	May-10	Meeting of the Board Finance Committee
November-10	Meeting of the Structural Improvements Committee	May-10	Meeting of the IANA Committee
November-10	Meeting of the Board Risk Committee	April-10	Meeting of the Executive Committee
November-10	Meeting of the Public Participation Committee	April-10	Meeting of the Board Governance Committee
November-10	Meeting of the Board Governance Committee	April-10	Special Meeting of the ICANN Board of Directors
November-10	Meeting of the Board Finance Committee	April-10	Meeting of the IANA Committee
November-10	Meeting of the Audit Committee	April-10	Meeting of the Structural Improvements Committee
November-10	Meeting of the Board Global Relationships Committee	April-10	Meeting of the Public Participation Committee
October-10	Special Meeting of the ICANN Board of Directors	March-10	Regular Meeting of the ICANN Board of Directors - Nairobi
October-10	Meeting of the Audit Committee	March-10	Meeting of the Board Risk Committee
October-10	Meeting of the Structural Improvements Committee	March-10	Meeting of the IANA Committee
October-10	Meeting of the IANA Committee	6-7 March 2010	Meeting of the Structural Improvements Committee
September-10	Meeting of the Public Participation Committee	March-10	Meeting of the Audit Committee
24-25 September 2010	Special Meeting of the Board of Directors	March-10	Meeting of the Public Participation Committee
September-10	Meeting of the Audit Committee	March-10	Meeting of the Board Governance Committee
September-10	Meeting of the Board Finance Committee	March-10	Meeting of the Board Finance Committee
September-10	Meeting of the Board Governance Committee	February-10	Meeting of the Public Participation Committee
September-10	Meeting of the IANA Committee	February-10	Special Meeting of the ICANN Board of Directors
August-10	Meeting of the Audit Committee	February-10	Meeting of the Board Finance Committee
August-10	Meeting of the Board Risk Committee	February-10	Meeting of the Audit Committee
August-10	Meeting of the Board Governance Committee	February-10	Meeting of the Public Participation Committee
August-10	Meeting of the Public Participation Committee	February-10	Meeting of the IANA Committee
August-10	Meeting of the IANA Committee	February-10	Special Meeting of the ICANN Board of Directors
August-10	Special Meeting of the ICANN Board of Directors	January-10	Meeting of the Board Finance Committee
July-10	Meeting of the Executive Committee	January-10	Meeting of the Public Participation Committee
July-10	Meeting of the Board Governance Committee	January-10	Meeting of the Board Risk Committee
July-10	Meeting of the Public Participation Committee	January-10	Meeting of the Audit Committee
July-10	Meeting of the Structural Improvements Committee	January-10	Special Meeting of the ICANN Board of Directors Agenda
June-10	Regular Meeting of the ICANN Board of Directors - Brussels	January-10	Meeting of the Structural Improvements Committee
June-10	Special Meeting of the ICANN Board of Directors - Brussels	January-10	Meeting of the Public Participation Committee
June-10	Meeting of the Board Risk Committee	January-10	Meeting of the Board Governance Committee
June-10	Meeting of the Board Finance Committee	January-10	Meeting of the IANA Committee

Notes on Nonprofit Peer Group

- The following organizations included in the executive framework do not pay their outside Board members:

American Enterprise Institute for Public Policy Research	Heritage Foundation
American Institute Of Certified Public Accountants	International Financial Reporting Standards Foundation
Brookings Institution	Internet Society
Carnegie Institution Of Washington	National Academy Of Sciences
Center For Strategic and International Studies Inc.	World Resources Institute

- Organizations included in the 2010 analysis and excluded from this year's analysis include:
 - Hospital Billing & Collections Services and Intl Livestock Research Institute: no longer nonprofit organizations
 - ISO New England: based in Massachusetts and will become subject to pending regulations barring payment to Directors of nonprofit boards

Notes on Survey Sources

- *TWDS Survey*: Data represent 11 nonprofit organizations that participated in TWDS' 2010/2011 Report on Board of Directors Compensation, Policies and Practices
- *Proxy peer group*: Data represent 13 for-profit companies with median revenues of \$244 million
- *Form 990 Research*: Data represent 15 nonprofit organizations with median revenues of \$75 million
- *NACD General Industry*: Data represent a blend of "Micro" segment - Revenues of \$50M < \$500M and "Small Companies" segment - Revenues of \$500M < \$1.0B. 304 and 298 companies participated in the NACD's 2010-2011 Director Compensation Report (median revenues \$253 and \$681) respectively