

## GOVERNANCE MATERIALS

As a part of ICANN's commitment to maintaining governance materials that promote ethics, integrity and transparency, ICANN is posting for public comment Corporate Governance Guidelines and revised versions of the following documents: the Board Conflicts of Interest Policy, the Board Code of Conduct and the Expected Standards of Behavior.

### General Discussion

*Corporate Governance Guidelines.* ICANN has not yet adopted formalized Corporate Governance Guidelines (the "Guidelines"). The proposed Guidelines are intended as a component of the flexible framework within which ICANN's Board of Directors (the "Board"), assisted by its committees, directs the affairs of ICANN. The Guidelines also provide ICANN stakeholders with a source of reference to ICANN's governance policies. Consisting largely of existing ICANN policies and practices that are contained in ICANN's Bylaws and committee charters, the Guidelines consolidate numerous ICANN governance policies and practices, including those related to the role of the Board, structure of the Board, accountability and review, performance evaluations, Board committees and Board compensation. As noted in the Guidelines, they may address even more issues in the future; the Guidelines will be reviewed periodically by the Board and revised as appropriate to reflect the dynamic and evolving processes relating to the operation of the Board.

*Conflicts of Interest Policy.* ICANN's Board Conflicts of Interest Policy (the "Policy") outlines the procedures for disclosing and addressing conflicts of interests of directors, liaisons, officers and key employees (collectively, "Covered Persons"). Following a review of the policy by outside legal counsel, the Board Governance Committee approved the posting of a revised draft of the Policy. The key revisions to the Policy are as follows:

- Strengthens procedures for disclosing, processing and evaluating actual and potential conflicts of interest. As revised, the Policy requires Covered Persons to initially disclose any conflicts of interest to ICANN's General Counsel, who will inform the Board Governance Committee and facilitate the review and evaluation of the conflict by the Board Governance Committee and the Board.
- Expands on the disclosure requirements of matters that may give rise to Covered Persons being perceived to have conflicts of interest to include policies and programs and other matters.
- Requires that conflicted Covered Persons refrain from using their personal influence (either at or outside a Board meeting) to influence ICANN's handling of a matter that gives rise to the conflict of interest.
- Reiterates that conflicted directors and liaisons may not participate in Board or committee deliberations concerning the matter giving rise to the conflict of interest, unless either the Board or Board Governance Committee determines that the conflicted director or liaison should participate in the discussions and in what manner. No conflicted director may vote on a matter for which the director is conflicted.
- More strongly emphasizes the consequences for a Covered Person's failure to comply with the Policy. The revised Policy specifically states that if the Board Governance

Committee determines that a director or liaison has intentionally failed to disclose a potential conflict of interest, the Board Governance Committee will make recommendations to the Board for corrective action, which could include removal of the director or liaison from the Board.

*Board Code of Conduct.* ICANN’s Board Code of Conduct provides directors and liaisons with guidance with respect to their responsibilities and duties as Board members. The Board Code of Conduct promotes and supplements the standards of behavior expected of directors and liaisons set forth in ICANN’s Expected Standards of Behavior. The goal is to ensure that directors and liaisons strive to foster ICANN’s mission and core values in an ethical manner. The revised Board Code of Conduct sets forth additional provisions guiding the expected conduct of directors and liaisons.

*Expected Standards of Behavior.* ICANN’s current Expected Standards of Behavior provide all parties involved in ICANN’s multi-stakeholder process guidance on what is expected of them and how to conduct themselves when participating in ICANN matters. The revised Expected Standards of Behavior contain additional principles of expected behavior based upon ICANN’s core values.

Application

The below charts set forth guidance on which of the foregoing policies apply to Board members, ICANN staff and the community.

