

To: ICANN Nominating Committee
From: PTI Board
December 2021

In advance of your selection of a directors to be appointed to the PTI Board at ICANN's 2022 Annual General Meeting, the PTI Board is providing some information for your consideration on skills and attributes. The skills and attributes are derived from the PTI Bylaws. General principles of corporate governance must also be considered.

The PTI Board acknowledges that the 2022 nomination will be to fill the seat currently held by Lise Fuhr, who is ineligible for reappointment due to term limitations. As a result, the PTI Board considers its skill set needs as based on the skills and experience of the four other PTI Board members. one of the current Nominating Committee-nominated directors. The PTI Board encourages the Nominating Committee to support the maintenance of a PTI Board that together comprise as many of the skills identified below as possible. We provide some specific notes for the Nominating Committee in the conclusion below.

The PTI Bylaws specify the following qualifications for PTI, in the aggregate:

5.2.3.1 Accomplished persons of integrity, objectivity, and intelligence, with reputations for sound judgment and open minds, and a demonstrated capacity for thoughtful group decision-making;

5.2.3.2 Persons with an understanding of the Corporation's purposes and the potential impact of the Corporation's decisions on the global Internet community, and committed to the success of the Corporation;

5.2.3.3 Persons who, collectively, have executive management, operational, technical, financial and corporate governance experience;

5.2.3.4 Persons who, in the aggregate, have personal familiarity with the operation of generic top-level domain registries and registrars; with country code top-level domain name registries; with IP address registries; with Internet technical standards and protocols; and with policy-implementation procedures; and

5.2.3.5 Persons who are able to work and communicate in written and spoken English.

Pursuant to the PTI Bylaws, additional qualifications include:

5.3.1 Notwithstanding anything herein to the contrary, no official of a national government or a multinational entity established by treaty or other agreement between national governments may serve as a Director. As used herein, the term

“official” means a person who (a) holds an elective governmental office or (b) is employed by such government or multinational entity and whose primary function with such government or entity is to develop or influence governmental or public policies.

5.3.2 No person who serves in any capacity (including as a liaison) on any Supporting Organization Council (as used in the ICANN Bylaws) or Advisory Committee (as used in the ICANN Bylaws) shall simultaneously serve as a Director of the Corporation.

5.3.3 No person who serves on the Nominating Committee in any capacity shall be eligible for nomination by any means to any position on the Board.

5.3.4 No person who serves on the EC Administration (as used in the ICANN Bylaws) while serving in that capacity shall be considered for nomination or election to the Board, nor serve simultaneously on the EC Administration and as a Director.

5.3.5 The Nominating Committee Directors must not be, and for at least the previous three years, must not have been, (a) an employee of ICANN or the Corporation, (b) a director of ICANN, or (c) an external consultant or advisor retained by ICANN (either directly in his or her individual capacity or indirectly as an employee of an organization retained by ICANN).¹

5.3.6 In carrying out its responsibility to nominate the Nominating Committee Directors for election by the Member, the Nominating Committee shall seek to ensure that the Board is composed of Directors who, in the aggregate, display diversity in geography, culture, skills, experience and perspective, by applying the criteria set forth in Section 5.2 and Section 5.3.

Composition of Audit Committee:

PTI is required to have an Audit Committee. Under the PTI Bylaws Section 6.4, and to comport with California’s Nonprofit Integrity Act, the following are excluded from service to the Audit Committee: “any person with a material financial interest in any entity doing business with the Corporation; provided, that, a Director shall not be deemed to have a financial interest if the source of such financial interest is based

¹ Because of the PTI Board’s size the Bylaws also include a specific restriction on “interested persons”, defined as “(i) any person compensated by the Corporation for services rendered to the Corporation within the previous 12 months (other than any reasonable compensation paid to a Director as a Director), whether as a full- or part-time employee, independent contractor, or otherwise or (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. Both the three year employment and “Interested person” exclusions are separate considerations from any statutory or regulatory definitions of independence.

solely on such Director's employment with ICANN, service on ICANN's board of directors or any compensation related to such employment or service." PTI's Bylaws also require that the Audit Committee has both an ICANN-nominated and a Nominating Committee-nominated Director. When neither Nominating Committee-nominated Director does not meet the "material financial interest" test, the PTI Board has authorized the appointment of a non-Director member independent of both ICANN and PTI to serve on the Audit Committee. As of this writing, the PTI Audit Committee is comprised of a Nominating Committee-nominated Director eligible for Audit Committee service and an ICANN-nominated member.

Conclusion:

The PTI Board members have each independently assessed the skill sets they bring to the PTI Board, and many of the identified qualifications are represented amongst the current composition of the PTI Board. With the departure of Ms. Fuhr, the PTI Board notes that there will no longer be a Nominating Committee-nominated member that has current or prior experience as a direct customer of the IANA Functions, which are the functions enumerated at 5.2.3.4 above (operation of generic top-level domain registries and registrars; with country code top-level domain name registries; with IP address registries; with Internet technical standards and protocols; and with policy-implementation procedures). The PTI Board wishes to highlight this as an area of focus for the Nominating Committee's consideration. In addition, the PTI Board notes the importance of continuing to identify directors with corporate governance/board experience in order to maintain the PTI Board's strategic focus as well as understanding of financial matters. Further, the PTI Board stresses the importance of diversity amongst the PTI Board as a whole, including considerations of gender balance and geographical diversity across the full composition. The PTI Board continues to urge the Nominating Committee to consider for nomination candidates that meet as many of the identified qualifications as possible, with these particular notes in mind.