Agenda

President & CEO Overview
Göran Marby

Board Update
Khaled Koubaa

Policy Update
Bart Boswinkel
Adiel Akplogan

Management Update
Susanna Bennett

Europe Update
David Olive

Financial Update
Xavier Calvez
President & CEO Overview

Göran Marby
President & CEO
REGIONAL OFFICES

<table>
<thead>
<tr>
<th>Regional Office</th>
<th>Managing Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles – Headquarters</td>
<td>Göran Marby</td>
</tr>
<tr>
<td>Istanbul</td>
<td>David Olive (until summer 2017; then TBD)</td>
</tr>
<tr>
<td>Montevideo</td>
<td>Rodrigo de la Parra</td>
</tr>
<tr>
<td>Singapore</td>
<td>Jia-Rong Low</td>
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ENGAGEMENT CENTERS

<table>
<thead>
<tr>
<th>Engagement Center</th>
<th>Managing Director</th>
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<tbody>
<tr>
<td>Washington, D.C.</td>
<td>Duncan Burns</td>
</tr>
<tr>
<td>Geneva</td>
<td>Tarek Kamel</td>
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ENGAGEMENT CENTERS & PARTNERSHIPS

<table>
<thead>
<tr>
<th>Engagement Centers &amp; Partnerships</th>
<th>Office Head</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing - Engagement Center</td>
<td>Jian-Chuan Zhang</td>
</tr>
<tr>
<td>Brussels – Engagement Center</td>
<td>Olof Nordling</td>
</tr>
<tr>
<td>Nairobi - Engagement Center</td>
<td>Pierre Dandjinou</td>
</tr>
<tr>
<td>Seoul – Engagement Center</td>
<td>Billy Cheon</td>
</tr>
<tr>
<td>Cairo - Partnership Center</td>
<td>N/A</td>
</tr>
<tr>
<td>Asunçion – Partnership Center</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Organizational Enhancements to Strengthen Accountability and Transparency

1. **Improving Compliance Processes**
   Participate via the Competition, Consumer Trust and Consumer Choice Review Team proposal, now in public comment.

2. **Complaints Office now open**

3. **Process Flows and Manuals - “Hubba Bubba”**
   Clarifying complex ICANN processes

4. **Open Data Initiative**
   1. Collecting data sets
   2. Community consultation

5. **ICANN History Project**
   Launching 4 May on ICANN.org
Board Update

Khaled Koubaa
Board Member
1. Agenda for Geneva Board Workshop

2. FY18 Goals for the Board, CEO and the ICANN organization

3. Proposed Fundamental Bylaws Changes to Move the Board Governance Committee's Reconsideration Process Responsibilities to Another Board Committee

4. Issues concerning the Board
   • Robustness of the Root Server Operations
   • IDN issues
   • 2 Character codes
   • Board member vetting process, etc
Policy Update

Bart Boswinkel
Vice President ccNSO, Policy Development Support

Adiel Akplogan
Vice President for Technical Engagement
New areas of work in Q4

- Preliminary Adoption of the Charter for a GNSO Standing Selection Committee
- GNSO Review of the Copenhagen GAC Communique

Completed work in Q3

- Confirmation that the proposed modification to the procedure that implements the Whois conflicts with privacy law policy recommendation is consistent with the intent of the policy recommendation
- Nomination of GNSO Candidates for Second Security, Stability, and Resiliency of the DNS (SSR2) Review Team
- Confirmation of Erika Mann as GNSO Co-Chair on the new gTLD Auction Proceeds Cross-Community Working Group (CCWG)
New areas of work in Q4

- Initiation of ccPDP 3, starting with retirement of ccTLDs to be followed by review mechanism
- ccNSO SOPWG to provide feedback on ICANN FY 18 Ops plan & budget
- ccNSO Guideline review committee focus on ccNSO as decisional participant: Approval Action procedure
- Finalization report CCWG (jointly with GNSO) use of country and territory names as Top level Domains

Completed work in Q3

- Re-appointment Katrina Sataki chair of ccNSO, and Byron Holland and Demi Getschko as vice-Chairs
- Submission WG EPSRP Final report to the ICANN Board of Directors.

MORE INFORMATION
https://www.icann.org/policy
http://ccnso.icann.org/
The ASO AC had their annual face-to-face meeting during ICANN 58 in Copenhagen.
- New ASO AC procedures to be implemented soon.
  - Schulze method to be used for ICANN Board and ASO-AC chair’s elections.

ASO Independent Review is currently underway:
- *Already completed Interviews at:*
  - APNIC 43 Ho Chi Minh City
  - ICANN 58 in Copenhagen
  - ARIN 39 in New Orleans

- *Upcoming:*
  - More at the upcoming RIR meetings (RIPE-74, LACNIC-27 & AFRINIC-26)
  - Final draft to be presented in ICANN 59 in Johannesburg
  - Publication Final report on 31 July 2017
Work underway on initial draft of Identifier Technology Health Indicators (ITHI) for the Internet number registries – Outcome to be released for comment in number community in Q3.

Review Committee: Key element of the Internet Number Community Proposal, to ensure that the IANA Numbering Services Operator maintains the service level defined in the SLA, announced on October 4th. The committee has now started working:

- Currently defining internal procedures
- Minutes available at: [https://www.nro.net/iana-numbering-services-review-committee/](https://www.nro.net/iana-numbering-services-review-committee/)

Upcoming RIR Meetings:
- **RIPE 74 Budapest, Hungary** 8 – 12 May 2017
- **LACNIC 27 Foz de Iguaçu Brazil** 22-26 May 2017
- **AFRINIC 26 Nairobi Kenia** 29 May – 2 June 2017
- **APNIC 44 Taichung Taiwan** 7-14 September 2017
- **ARIN 40 San Jose, CA, USA** 5 -6 October 2017
Executive Summary

- Public Technical Identifiers Statistics
- Internet Technology and Engineering update
- Status of ICANN reviews
- Global Domains Division report
- Contractual Compliance report
- Engagement update
PTI: IANA Functions

227  Domain-related requests

1,086  Protocol parameter-related requests

1  Number-related event

437  General inquiries

2  Key signing ceremony

1 January – 31 March 2017
Continued progress on Identifier Technologies Health Initiative (ITHI), including staff report on public comments

Technical presentations by OCTO Research made at ICANN59 in Copenhagen

Agenda for ICANN DNS Symposium (IDS) in Madrid in May published
  - [http://www.icann.org/ids](http://www.icann.org/ids)

RFC 8109, "Initializing a DNS Resolver with Priming Queries", co-authored by OCTO Research members, is published
  - [https://www.rfc-editor.org/info/rfc8109](https://www.rfc-editor.org/info/rfc8109)

TLD measurement Platform introduced
1. Naming Services Portal beta version launched to 18 Registry users

2. Governmental Advisory Committee (GAC) website
   - Planned beta launch in summer to GAC Secretariat
The New gTLD Program is driving the largest expansion of the Domain Name System ever. Hundreds of new top-level domain names are being introduced into the Internet on a rolling basis.

The New gTLD Program is meant to enhance competition, innovation and choice.

**WHY IT’S IMPORTANT**

**1,216** gTLDs delegated representing*:

- **Community**: 51
- **Geographic**: 53
- **IDNs**: 92

**1,227** Total registry agreements signed

* As of 31 March 2017. May fall into more than one subcategory
GDD: Internationalized Domain Names

WHY IT’S IMPORTANT

IDNs at the top-level enable Internet users to access domain names in local languages and scripts.

IDN ccTLDs allow countries and territories to represent their respective names scripts other than US-ASCII characters.

140

IDNs delegated into the root zone
- Includes 48 IDN ccTLDs from 38 countries and territories covering 35 languages in 21 scripts

7

Label General Rules (LGRs) proposals submitted
- Arabic, Armenian, Ethiopic, Georgian, Khmer, Lao, and Thai

Public Comment on IDN Implementation Guidelines closed 17 April.

MORE INFORMATION: https://www.icann.org/IDN

*As of 31 March 2017
Universal Acceptance Steering Group Update

**Independent UA White Paper issued 11 April**
- USD 9.8B growth opportunity in online revenue

**Reference documents and resources**

**Use cases**

**Industry events**

**Automated evaluation tool development for vendors**

**Influencer and media outreach**
GDD: Additional Key Activities

Voting on proposed amendments to base RA underway

Key Contracted Parties Notifications

• Must update registration data directory services to comply with Thick Whois Transition Policy for .COM, .NET and .JOBS and migrate the required data by 1 Feb. 2019.
• Must comply with Registry Registration Data Directory Services Consistent Labeling and Display Policy by 1 Aug. 2017.

Public Comment Activities:

• Proposal for Ethiopic Script Root Zone LGRs (closes 5 May)
• Competition, Consumer Trust and Consumer Choice Review Team Draft Report of Recommendations for New gTLDs (closes 25 May)
• IDN) Implementation Guidelines (closed 17 April VERIFY)
• Reference Japanese LGRs for the Second Level (closed)
• Proposal for Thai Script Root Zone LGRs (closed)
### COMPLIANCE METRICS

<table>
<thead>
<tr>
<th></th>
<th>Total New Volume (In Thousand)</th>
<th>Total Closed Volume (In Thousand)</th>
<th>Closure Rate (Target &gt;=5.5) (55%)</th>
<th>Received to Closed TAT (Business Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q2 FY17</strong></td>
<td>13.198</td>
<td>10.942</td>
<td>6.47</td>
<td>10</td>
</tr>
<tr>
<td><strong>Q3 FY17</strong></td>
<td>10.945</td>
<td>14.008</td>
<td>6.91</td>
<td>15.2</td>
</tr>
</tbody>
</table>

For more information, please visit: [https://www.icann.org/compliance](https://www.icann.org/compliance)
Programs to Support the Community

As of ICANN58

**Fellowship**
- 57 Fellows attended ICANN58

**NextGen**
- 15 participants at ICANN58
  - Plus 5 Ambassadors who’ve previously attended an ICANN meeting

**Newcomer**
- 628 Newcomers at ICANN58
Government Engagement Highlights

• Participation in the CTO Commonwealth Cybersecurity 2017 conference; participation in WSIS Forum 2017 Open Consultation and CCWG (submission of workshop proposals for Review)
• Preparation for the Geneva Board Workshop and outreach engagement in Geneva

Liaising with the Government Advisory Committee (GAC)
• First regional capacity building workshop for African regional GAC members and LEA in collaboration with the GAC Underserved Regions WG and the GAC Public Safety WG held in Nairobi Kenya

Government and IGO Engagement (small sample)
• African Union visit to meet with Commissioners and explain ICANN work in the region
• Collaborative outreach event with ISOC and IEEE for the government missions to the UN in New York on technical topic hosted by Bulgaria Permanent Mission to UN
• ITU Council WG meetings to determine research and discussion topics for coming year
• Participation in G20 Summit preparatory work through OECD ITAC meeting in Paris and G20 Presidency ICT event in Berlin to support MSM event affiliated with the ICT Ministerial

Participation in Internet Governance Discussions
• Participation in CSTD Intercessional discussion and Enhanced Cooperation WG in Geneva
• Participation in IGF MAG Open Consultations and MAG meeting setting the themes for IGF 2017 to be held in Geneva
Engagement Events by Region

FY17 Q3
January - March
Europe Update

David Olive
SVP Policy Development and Support & General Manager of ICANN Regional Office in Istanbul
Sustained Engagement in Europe – Since 2014

20% Participants from Europe on average at ICANN Meetings

Sustained engagement effort throughout region to foster active participation in ICANN

European community supported by Istanbul, Geneva and Brussels offices
Busy Quarter in Europe – 36 events

Audience Reach by Event Outreach Type

- Multistakeholder Event
- Government/IGO
- DNS Industry
- Civil Society
- Business
- Academic

Bar chart showing audience reach for different countries and event outreach types.
Over 2,000 attendees at work in Copenhagen!
Financial Update

Xavier Calvez
Chief Financial Officer
ICANN Organization Reporting Structure

ICANN OPERATIONS

FUNDING

PTI/IANA

**

BASELINE EXPENSES *

PTI/IANA

**

IANA STEWARDSHIP TRANSITION EXPENSES

OPERATING FUND

RESERVE FUND

EXPENSES

New gTLD FUNDS

New gTLD PROGRAM

FUNDING

ICANN ORGANIZATION

*Excludes depreciation and bad debt expenses

**IANA Services includes ICANN’s and PTI’s IANA Expenses
## FY17 Year-to-date (Jul 16-Mar 17) Overview

### Funding ahead of target and Expenses below target.

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Var</th>
<th>% Var</th>
<th>FY16</th>
<th>Var</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding</strong></td>
<td>$105</td>
<td>$99</td>
<td>$6</td>
<td>6%</td>
<td>$93</td>
<td>$12</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Baseline Expenses</strong></td>
<td>-$89</td>
<td>-$95</td>
<td>$6</td>
<td>6%</td>
<td>-$76</td>
<td>-$13</td>
<td>-17%</td>
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<tr>
<td><strong>IANA Stewardship</strong></td>
<td>-$5</td>
<td>-$5</td>
<td>$0</td>
<td>-3%</td>
<td>-$13</td>
<td>$8</td>
<td>62%</td>
</tr>
<tr>
<td><strong>Transition Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$11</td>
<td>-$1</td>
<td>$12</td>
<td>n/a</td>
<td>$5</td>
<td>$6</td>
<td>96%</td>
</tr>
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</table>

### Breakdown of Baseline Expenses

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Var</th>
<th>% Var</th>
<th>FY16</th>
<th>Var</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IANA Services</strong></td>
<td>-$6</td>
<td>-$7</td>
<td>$1</td>
<td>16%</td>
<td>-$5</td>
<td>-$1</td>
<td>-11%</td>
</tr>
<tr>
<td><strong>All Other</strong></td>
<td>-$83</td>
<td>-$88</td>
<td>$5</td>
<td>6%</td>
<td>-$71</td>
<td>-$12</td>
<td>-18%</td>
</tr>
</tbody>
</table>

*IANA Services includes ICANN’s and PTI’s Expenses relative to IANA functions.

Note: Expenses exclude bad debt and depreciation and include capital expenses.

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
FY17 Year-to-date (Jul 16-Mar 17) Funding vs Budget and FY16

Funding ahead of target due to higher than budget new registrar application and accreditation fees

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
FY17 Year-to-date (Jul 16-Mar 17) Baseline Expenses vs Budget and FY16

Lower personnel costs and timing differences of projects vs. plan.

PERSONNEL
- Actual: $43
- Avg. hdct: 348
- Bud: $47
- Avg. hdct: 365
- FY16: $39
- Avg. hdct: 332

TRAVEL & MEETINGS
- Act: $12
- Bud: $13
- FY16: $10

PROFESSIONAL SERVICES
- Act: $15
- Bud: $18
- FY16: $12

ADMINISTRATION & OTHER
- Act: $13
- Bud: $13
- FY16: $11

CAPITAL
- Act: $6
- Bud: $4
- FY16: $3

Expenses exclude bad debt and depreciation.
Avg hdct: Average Headcount over a 9-month period (Jul - Mar 2017)

Actual: $94
Budget: $98
FY16: $89

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
FY17 Year-to-date (Jul 16-Mar 17) IANA Stewardship Transition Costs

ICANN OPERATIONS

PERSONNEL

Actual: $5
Budget: $5
FY16: $13

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.

*Includes external legal advice of $1.8M in FY17 and $6.8M in FY16.
FY17 Year-to-date (Jul 16-Mar 17) New gTLD Program Expenses vs Budget and FY16

Lower refunds of withdrawn applications. Processing costs higher than target driven by defense costs.

- **REFUNDS OF WITHDRAWN APPLICATIONS**
  - **Actual:** $2
  - **Budget:** $7
  - **FY16:** $2

- **APPLICATION PROCESSING**
  - **Actual:** $17
  - Includes $4m of defense costs
  - **Budget:** $14
  - **FY16:** $17

- **REPAYMENT OF HISTORICAL DEV. COSTS**
  - **Actual:** $2
  - **Budget:** $2
  - **FY16:** $2

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
FY17 Year-to-date (Jul 16-Mar 17) Total ICANN Organization Actuals

<table>
<thead>
<tr>
<th></th>
<th>ICANN Baseline Operations</th>
<th>IANA Stewardship Transition</th>
<th>Total ICANN Operations</th>
<th>New gTLD Program</th>
<th>Total ICANN Org.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding</strong></td>
<td>$ 105</td>
<td>$ 0</td>
<td>$ 105</td>
<td>$ 152</td>
<td>$ 257</td>
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<tr>
<td><strong>Expenses</strong></td>
<td>-$ 89</td>
<td>-$ 5</td>
<td>-$ 94</td>
<td>-$ 19</td>
<td>-$ 113</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$ 16</td>
<td>-$ 5</td>
<td>$ 11</td>
<td>$ 133</td>
<td>$ 144</td>
</tr>
</tbody>
</table>

*Expenses exclude bad debt, depreciation and refunds for withdrawn New gTLD applications which are included in the Funding line.

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
Funds Under Management as of 30 Jun and 31 Mar 2017

**Total Funds:** $464
- **ICANN Operations:** $101
- **New gTLD Program-related:** $363

**ICANN Operations**
- **Operating Fund:** $26
  - **Reserve Fund:** $71
- **Operating Fund:** $37
  - **Reserve Fund:** $64

**New gTLD Program**
- **Auction Proceeds:** $235
  - **New gTLD Funds:** $128
- **Auction Proceeds:** $102

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million. Graphs not to scale.
Engage with ICANN

Thank You and Questions
Reach us at:
Email: engagement@icann.org
Website: icann.org

twitter.com/icann
facebook.com/icannorg
youtube.com/user/icannnews
linkedin.com/company/icann
soundcloud.com/icann
weibo.com/ICANNorg
flickr.com/photos/icann
slideshare.net/icannpresentations
Appendix
FY17 Year-to-date (Jul 16-Mar 17) Funding

ICANN OPERATIONS

Driven By Domain Name Registrations

FROM REGISTRIES

Transaction-based fees

$41M
39%

Driven By # of Contracted Parties

Per-TLD fixed fees

$23M
22%

FROM REGISTRARS

Transaction-based fees

$27M
26%

Application fees
Accreditation fees

$12M
11%

Other Income: $2, 2%

Total Funding: $105M

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
FY17 Year-to-date (Jul 16-Mar 17) Baseline Operating and Capital Expenses

ICANN OPERATIONS

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.

Year-to-date Actual Baseline Operating & Capital Expenses: $89M

- **Personnel** $43M (47%)
- **Travel & Meetings** $12M (14%)
- **Professional Services** $15M (17%)
- **Admin. & Other*** $13M (15%)
- **Capital** $6M (7%)

*Excludes bad debt and depreciation

Includes IT infrastructure and security improvements

Includes rent and other facilities costs and telecommunications

Includes contractor services, legal fees and language services

Includes travel and venue costs for outreach and meetings.

Reflects an average headcount of 348.2, which excludes 11.1 average headcount allocated to the IANA Stewardship Transition Project
FY17 (Jul 16-Jun 17) approved ICANN Operations budget, aligned to Operating Plan, published on ICANN.org

<table>
<thead>
<tr>
<th>FY17 Budget</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>$ 132</td>
</tr>
<tr>
<td>ICANN Operations Baseline Expenses</td>
<td>-$ 123</td>
</tr>
<tr>
<td>IANA Services Expenses</td>
<td>-$ 9</td>
</tr>
<tr>
<td>Net</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

*Expenses exclude bad debt and depreciation.

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.
New gTLD Program – Multi-year Forecast

Application fees collected: $362

- FY12 ACTUAL
  - Costs: $179
  - Refunds: $42
  - Total: $221

- FY17 FORECAST
  - Costs: $20
  - Refunds: $2
  - Total: $22

- FY18 FORECAST
  - Costs: $13
  - Refunds: $9
  - Total: $22

- FY19 & BEYOND FORECAST
  - Costs: $4
  - Refunds: $4

Full Program Forecast

- Costs: $214
  - Refunds: $53

In millions, USD - unaudited - Arithmetic inconsistencies are due to rounding to the nearest million.