

(EARLY DRAFT)

**Proposed Amendments to the Bylaws (and Articles of Incorporation) of  
Internet Corporation for Assigned Names and Numbers  
Implementing the Empowered-Designators Governance Model**

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**Approval Rights Over the ICANN Budget and Strategic and Operating Plans**

- Amend Bylaws Article XVI, Section 4 as follows:

**ARTICLE XVI: FISCAL MATTERS**

**Section 4. ANNUAL BUDGET AND STRATEGIC OR OPERATING PLAN**

At least forty-five (45) days prior to the commencement of each fiscal year, the President shall prepare and submit to the Board, a proposed annual budget and strategic or operating plan of ICANN for the next fiscal year, which shall be posted on the Website. The proposed budget and strategic or operating plan shall identify anticipated revenue sources and levels and shall, to the extent practical, identify anticipated material expense items by line item. The Board shall adopt ~~an~~ a proposed annual budget and strategic or operating plan, shall publish the ~~adopted proposed Budget and strategic or operating plan~~ on the Website, and shall submit the proposed budget and strategic or operating plan to the Designators for their consideration for 30 days. Any group of Designators who together have the right to select 3/4 or more of the Directors have the right to reject in writing the proposed budget and strategic or operating plan during the 30-day consideration period. After rejection by the Designators, the Board must follow the same requirements of this Section for any revised budget or strategic or operating plan.

**Right to Approve Amendments to Bylaws and Articles**

- Amend Bylaws Article XIX as follows:

**ARTICLE XIX: AMENDMENTS**

Except as otherwise provided in the Articles of Incorporation or these Bylaws, the Articles of Incorporation or Bylaws of ICANN may be altered, amended, or repealed and new Articles of Incorporation or Bylaws adopted only upon action by a two-thirds (2/3) vote of all members of the Board. Any group of Designators who together have the right to select 3/4 or more of the Directors must approve in writing any amendment to or repeal of these Bylaws or the adoption of any new bylaws.

- Amend Articles of Incorporation Article 9 as follows:
  9. These Articles may be amended by the affirmative vote of at least two-thirds of the directors of the Corporation. ~~When the Corporation has members, any~~ Any such amendment must be ratified in writing by any group of Designators, as described in

the Corporation’s Bylaws, who together have the right to select 3/4 or more of the Directors a two-thirds (2/3) majority of the members voting on any proposed amendment.

### **Right to Appoint and Remove Individual Directors**

- Amend Articles of Incorporation Article 4 by adding the following sentence to the end of that article:

The Designators described in the Corporation’s Bylaws have the powers and rights of “designators” as that term is defined in Section 5220(d) of the California Nonprofit Public Benefit Corporation Law and as further set out in the Bylaws, including the power to select the directors.

- Insert new Bylaws Article VI, Section 2.4 as follows:

#### **ARTICLE VI: DIRECTORS**

##### **Section 2. DIRECTORS AND THEIR SELECTION; ELECTION OF CHAIRMAN AND VICE-CHAIRMAN**

4. [TBD][The Nominating Committee, the Supporting Organizations, and the At-Large Community] in their roles of selecting Directors are referred to in these Bylaws collectively as “Designators” and each individually as a “Designator.” Each Designator has the rights of a “designator” as that term is defined in Section 5220(d) of the CNPBCL and as further specified in these Bylaws.

- Renumber current Bylaws Article VI, Section 2.4 as “Article VI, Section 2.5”
- Insert new Bylaws Article VI, Section 11.1 as follows:

#### **ARTICLE VI: DIRECTORS**

##### **Section 11. REMOVAL OF A DIRECTOR OR NON-VOTING LIAISON**

1. Each Designator may remove any Director selected by that Designator without cause by giving notice to the Board of Directors.

- Renumber current Bylaws Article VI, Section 11.1 as “Article VI, Section 11.2” and amend that section as follows:

## **ARTICLE VI: DIRECTORS**

### **Section 11. REMOVAL OF A DIRECTOR OR NON-VOTING LIAISON**

2. Any Director may be removed, following notice to that Director, by a three-fourths (3/4) majority vote of all Directors; provided, however, that the Director who is the subject of the removal action shall not be entitled to vote on such an action or be counted as a voting member of the Board when calculating the required three-fourths (3/4) vote; and provided further, that each vote to remove a Director shall be a separate vote on the sole question of the removal of that particular Director; and provided further, that the Designator of that Director consent in writing to the removal. ~~If the Director was selected by a Supporting Organization, notice must be provided to that Supporting Organization at the same time notice is provided to the Director. If the Director was selected by the At Large Community, notice must be provided to the At Large Advisory Committee at the same time notice is provided to the Director.~~

- Renumber current Bylaws Article VI, Section 11.2 as “Article VI, Section 11.3”
- Amend Bylaws Article VI, Section 12.1 as follows:

## **ARTICLE VI: DIRECTORS**

### **Section 12. VACANCIES**

1. A vacancy or vacancies in the Board of Directors shall be deemed to exist in the case of the death, resignation, or removal of any Director; if the authorized number of Directors is increased; or if a Director has been declared of unsound mind by a final order of court or convicted of a felony or incarcerated for more than 90 days as a result of a criminal conviction or has been found by final order or judgment of any court to have breached a duty under Sections 5230 et seq. of the CNPBCL. Any vacancy occurring on the Board of Directors shall be filled by the Nominating Committee, unless (a) that Director was selected by a Designator ~~Supporting Organization~~, in which case that vacancy shall be filled by that Designator ~~Supporting Organization~~, or (b) that Director was the President, in which case the vacancy shall be filled in accordance with the provisions of Article XIII of these Bylaws. The selecting body shall give written notice to the Secretary of ICANN of their appointments to fill vacancies. A Director selected to fill a vacancy on the Board shall serve for the unexpired term of his or her predecessor in office and until a successor has been selected and qualified. No reduction of the authorized number of Directors shall have the effect of removing a Director prior to the expiration of the Director's term of office.

### **Right to Remove Entire Board**

- Insert new Bylaws Article IV, Section 5 as follows:

#### **ARTICLE IV: ACCOUNTABILITY AND REVIEW**

##### **Section 5. SPECIAL ACCOUNTABILITY MEETING OF THE DESIGNATORS**

Any group of Designators who together have the right to select 3/4 or more of the Directors may call a special accountability meeting of the Designators for the purpose of having the Board of Directors address an alleged violation by the Board of ICANN's Articles of Incorporation, these Bylaws, or policies or resolutions adopted by the Board. The Secretary of ICANN shall send the notice of the meeting to each Designator and each Director and shall include a description of the alleged violation in the notice of the meeting. Each Designator may send one representative to attend the meeting and to put questions concerning the alleged violation to the Board. The Designator's representatives are not empowered solely by virtue of being appointed to attend the Special Accountability Meeting to act on behalf of that Designator at the Special Accountability Meeting or otherwise.

### **Right to Reconsider Board Decisions Relating to Review of the IANA Function**

- Amend Bylaws Article II, Section 1 as follows:

#### **ARTICLE II: POWERS**

##### **Section 1. GENERAL POWERS**

Except as otherwise provided in the Articles of Incorporation or these Bylaws, the powers of ICANN shall be exercised by, and its property controlled and its business and affairs conducted by or under the direction of, the Board. With respect to any matters that would fall within the provisions of Article III, Section 6, the Board may act only by a majority vote of all members of the Board. With respect to any Board decision or action relating to periodic or special reviews of the IANA function undertaken through the [IANA Function Review], any group of Designators who together have the right to select 3/4 or more of the Directors have the right to reverse in writing that decision or action. In all other matters, except as otherwise provided in these Bylaws or by law, the Board may act by majority vote of those present at any annual, regular, or special meeting of the Board. Any references in these Bylaws to a vote of the Board shall mean the vote of only those members present at the meeting where a quorum is present unless otherwise specifically provided in these Bylaws by reference to "all of the members of the Board."