**ATRT1 Recommendation 5**

**Findings of ATRT1:** The ATRT1 found that there was a need to address both the improvement in Board member skills and for clarification around Board skill-set requirements. ATRT1 also found that compensation of directors was an issue closely associated with the theme of developing the ICANN Boards’ experience and collective skill-set and that it had been the subject of independent review, Board Governance Committee discussion and ongoing Board consideration. At the time of the ATRT1 review, only compensation for the Board Chair has been decided.

**Recommendations**:

*Recommendation 5:* “The Board should expeditiously implement the compensation scheme for voting Directors as recommended by the Boston Consulting Group adjusted as necessary to address international payment issues, if any.”

**Summary of ICANN’s assessment of implementation:** The Board delayed acceptance of Recommendation 5 to allow for independent study and review. A compensation plan was developed and the Board engaged an Independent Valuation Expert. Implementation of Director compensation would require revision to the Board Conflict of Interest policy and the Bylaws. A request for Public Comment on these issues was posted in September 2011. Comment generally supported the Recommendation to compensate Directors, while also offering comment on other aspects of ICANN’s Conflicts of Interest policy.

The Board publicly posted the Independent Valuation Expert’s report in October 2011. The Independent Valuation Expert’s report concluded that compensating the Board was reasonable. On December 8, 2011, the Board voted in favor of implementing compensation to voting Directors. ATRT2 notes that payments were not offered until August 2012, a significant delay from the date of approval to implementation.

Today, voting Board members have the opportunity to elect compensation and the Director’s election to receive or decline compensation is posted on the ICANN website. http://www.icann.org/en/groups/board/documents/ce

**Summary of community input on implementation, including effectiveness**

ATRT2 did not receive community feedback concerning implementation of Recommendation 5.

**Summary of other relevant information**

**ATRT2 analysis of recommendation implementation**

Implementation of Recommendation 5 is complete.

**ATRT2 assessment of recommendation effectiveness**

Gauging the “success” or effectiveness of this recommendation is challenging, but not impossible. One aspect of the Recommendation’s rationale was the assumption that compensation could influence the interest of qualified candidates given the responsibilities and workload of an ICANN Director. Until August 2012, ICANN’s Board consisted of all-volunteer, non- compensated Directors. ATRT2 is unaware of any qualitative or quantitative studies of the Board candidate pools over time or of any feedback that speaks to the effect of implementing the Recommendation. Perhaps that analysis could become input for future Review Teams. ATRT2 would envision regular assessment of the compensation levels in the normal course of time.