

## **fTLD Advisory Council Rules and Operating Procedures**

The Advisory Council will provide guidance on maintaining the overall quality and coherence of the Company's policy framework by:

- A. Helping to ensure the Company's policy development process is in line with best current practice for Internet policy development;
- B. Providing guidance on the community consultation process;
- C. Reviewing and providing input on draft policies at the discretion of the Company;
- D. Developing informed recommendations for policies to be presented to the Board and raising the Company's awareness about topics of interest from the respective financial services communities; and
- E. Assisting the Company in identifying and convening a diverse group of stakeholders worldwide to participate in the consultation.

Advisory Council policy recommendations will serve to inform and guide the Board's decisions. Ultimate authority and responsibility for approving final versions of the Company policy framework documents and revisions to the Company policies lies exclusively with the Board.

### **1.1 Key Responsibilities**

The Advisory Council will be a standing body and will have a set of on-going responsibilities that draws on its members' expertise. These responsibilities include:

- A. Staying informed on the policy development process via materials and updates as provided by the Company;
- B. Joining and participating in good faith in Advisory Council meetings; and
- C. To the maximum extent possible, preparing and submitting comments and recommendations on policies under development within published timelines as requested by the Board or Manager.

It is acknowledged that Advisory Council members may represent their organizations or participate in an individual capacity. In the course of carrying out responsibilities, Advisory Council members will consider first and foremost the interests of the respective financial service communities. These responsibilities include:

- D. Ensuring, to the maximum extent possible, that the views from all concerned segments of the identified community are made known to and taken into consideration by the Advisory Council; and
- E. All Advisory Council members are expected to represent the respective financial service communities' interests as a whole, with an open mind to the opinions of all concerned parties, even if they may have been selected based on their association or activities with a special interest or sector.

## **1.2 Structure and Membership**

### **1.2.1 Composition and Term**

- A. The Advisory Council will be comprised of up to 10-15 members. The Company will strive to attain geographic diversity among Advisory Council members.
- B. The Advisory Council will be comprised of non-Board participants, except to the extent set forth in Section 1.2.2C and as permitted by Section 1.3C.
- C. After the Advisory Council has been formed, members will be randomly selected to serve a one-year, two-year or three-year term. Staggered terms will ensure continuity for the Advisory Council.
- D. Members whose terms expire are eligible for re-appointment upon recommendation by the Manager. Such reappointment will be contingent upon positive appraisal outcomes of the member's performance on the Advisory Council. The method of appraisal will be determined jointly by the Manager and the Advisory Council with input from the Board.
- E. The composition of the Advisory Council may be impacted by the domains awarded to the Company and will be reflective of the respective financial service communities. The Company, in its sole discretion, may modify and/or limit participation in the Advisory Council to communities served by the domains awarded to the Company.
- F. Any member of the Advisory Council who violates the rules under which the Advisory Council operates may be removed or replaced by the Manager with 30 calendar days written notice. Advisory Council members shall hold office as such until the expiration of the member's term, the member's resignation or the replacement or removal as aforementioned.

### **1.2.2 Internal Structure**

- A. Following the initial appointment of the first Chairperson, the Advisory Council will annually and upon any vacancy choose one of its members to serve as Chairperson, one to serve as Deputy Chairperson and one to serve as Secretary.
- B. A majority of members (defined as a number more than half of the total membership) of the Advisory Council shall constitute a quorum for the purpose of transacting business at any meeting of the Advisory Council.
- C. The Board will identify one of its Directors to serve on the Advisory Council.
- D. The Company's Manager will work with the Chairperson on the planning and implementation of meetings.
- E. If any subcommittees of the Advisory Council are formed, such subcommittees are answerable to the Advisory Council as a whole and do not have an independent scope of authority.
- F. Recommendations to the Board must be done through a majority decision by the Advisory Council (defined as more than half the total number of Advisory Council membership).

### **1.3 Role of Advisory Council Chairperson**

The Advisory Council Chairperson shall:

- A. Work collaboratively with the Company's Manager to manage meetings of the Advisory Council. In cases where the Chairperson is unable to attend, the Deputy Chairperson will manage those meetings or the Advisory Council can nominate another Chairperson for those meetings.
- B. Work with the Company's Manager on the development of the Advisory Council meeting agendas to ensure that the Advisory Council covers its full range of responsibilities.

- C. Serve as the Advisory Council representative to the meetings of the Board as needed.
- D. Provide leadership to the Advisory Council with respect to its functions as described in these Advisory Council Rules and Operating Procedures and as otherwise may be appropriate.

#### **1.4 Selection of Members**

The Manager will decide, by consensus (as such term is defined in Section 1.7.5 hereof), those individuals that shall be invited to join the Advisory Council. The Manager will take into consideration the following:

- A. Organization/individual has a high level of prestige within the respective financial service communities;
- B. Organization/individual has a high level of prestige with government agencies and regulators overseeing the respective financial service communities;
- C. Organization/individual is recognized for its ethical behavior;
- D. Organization has a broad geographic diversity;
- E. Organization/individual has a public reputation for fairness;
- F. Organization/individual has a public reputation of balancing consumer protections and institutional protections;
- G. Organization's/individual's involvement would facilitate domains' reputation with potential registrants;
- H. Organization's/individual's involvement would assist in use of domains as infrastructure for the respective financial service communities (e.g., inter-institutional exchanges, payment exchanges);
- I. Organization/individual could be in an area of focus for participants in the ICANN process – for example, rights protection, cyber security, privacy rights;
- J. Organization could be a government agency with responsibility for the respective financial service communities;
- K. Demonstrated technical or policy expertise in an area related to financial services and/or the Internet (including domain name administration) and/or consumer issues;
- L. Experience with and understanding of multi-stakeholder consultation processes; and
- M. Experience in the technical development of international and national standards, guidelines, or other customer service management tools.

#### **1.5 Meeting Facilitation**

Each full group meeting (teleconferences and in-person) of the Advisory Council will be facilitated by the Company. The Company and the Advisory Council Chairperson, will:

- A. Assist in developing meeting agendas and materials;
- B. Convene and facilitate teleconferences and in-person meetings;
- C. Serve as the point-of-contact for Advisory Council members in between meetings via electronic communication and/or telephone;
- D. Liaise between the Company, Board and the Advisory Council Chairperson and members;
- E. Produce Advisory Council meeting summaries; and
- F. Assist with the development, written characterization and documentation of the consensus-based Advisory Council recommendations for consideration by the Board.

## **1.6 Review and Amendment**

The Manager may make non-material changes to these Advisory Council Rules and Operating Procedures. The Manager may recommend proposed material changes to these Advisory Council Rules and Operating Procedures to the Board for approval. The Manager will inform the Board and Advisory Council of any non-material change that has been made to these Advisory Council Rules and Operating Procedures at the next respective meetings of the Board and Advisory Council following any such change. Ultimate responsibility for approving any material changes to these Advisory Council Rules and Operating Procedures lies exclusively with the Board.

## **1.7 Operations**

### **1.7.1 Meetings**

The Advisory Council will meet as necessary to support advice requested by the Company's Manager and/or Board. The Advisory Council shall meet by teleconference unless otherwise requested by the Manager. Employees of the Company and members of the Manager and Board are entitled to attend Advisory Council meetings.

### **1.7.2 Expectations of Advisory Council Members**

Advisory Council members are expected to attend all meetings. Recurrent failure to attend meetings may result in a request for the member to step down from the Advisory Council or written notice of removal as noted above in section 1.2.1C. Members are also expected to be available to provide occasional advice to the Company on an informal basis to support the development and implementation of Advisory Council projects or policies.

### **1.7.3 Protocols**

The Advisory Council's protocols and interaction requirements are as follows:

- A. Operate in good faith;
- B. Confidentiality;
- C. Outcomes and input should mirror and/or address community views rather than individual or institutional views;
- D. Conduct themselves professionally and courteously;
- E. Work to find ways to resolve differences as they occur;
- F. Work together to study process and substance of policy recommendations;
- G. Neither initiate nor undertake any action outside of the Advisory Council meetings and policy development process intended to undermine the process;
- H. Advisory Council members will not publicly represent meeting discussions;
- I. If a member wishes to withdraw, provide written notice 30 days in advance to the Advisory Council, including the reasons for withdrawal; and
- J. As pertains to specific discussions, Advisory Council members agree to:
  - a. Disclose interests;
  - b. Sign a Conflicts of Interest Policy statement;
  - c. Listen fully to understand;
  - d. Participate, share the floor, be concise; and
  - e. Be explicit and factual—ask for clarification if needed.

#### **1.7.4 Compliance with Laws**

In its meetings, deliberations and other activities, the Advisory Council and its members must remain cognizant of their obligation to comply in all respects with the antitrust laws of the United States, each state and all foreign jurisdictions in which our members do business. In particular, to the extent that Advisory Council members are, or represent competitors, they must at all times remain sensitive to the need not to share or discuss competitively sensitive, company-specific information. Any questions that arise about antitrust compliance during Advisory Council meetings shall be referred to counsel for resolution before meetings continue.

#### **1.7.5 Decision Making**

The Advisory Council will follow consensus guidelines as outlined below:

- A. The Advisory Council is committed to working collaboratively. That is, the Advisory Council and its members recognize that the credibility and authority of the group's work products derive from the fact that they were developed through diverse stakeholder engagement and the cooperative efforts of a wide range of concerns and perspectives. Advisory Council members will work to craft consensus agreements – those recommendations about policy or practice that all members can support.
- B. A quorum of Advisory Council members must be present if a consensus decision is to be made.
- C. A consensus decision may be made by a majority of the Advisory Council members at the meeting.

#### **1.7.6 Characterizing Differences**

Given its nature as an advisory body, the Advisory Council will also allow a mechanism for dissenting opinions to be presented to the Board in writing in the event that consensus is not achieved. If unable to reach consensus, differences will be characterized by the Advisory Council Chairperson.

The Advisory Council has the option of making decisions in-person, by email or teleconference for specific work program items.

#### **1.7.7 Conflicts**

Advisory Council members will be required to abide by the Company's Conflict of Interest Policy. If an Advisory Council member has a conflict of interest, or potential conflict of interest, with respect to any matter presented at any meeting of the Advisory Council, the member must reveal such conflict, shall be excused from the discussion of such matter and shall not be involved in the decision making process regarding such matter.

#### **1.7.8 Budget**

The Advisory Council's activities shall be kept within the budget parameters set by the Manager and approved by the Board.

### **1.7.9 Reimbursement of Meeting Expenses**

The Advisory Council members shall not be entitled to any expense reimbursements unless the expenses have received prior written (including email) approval by the Company.

### **1.7.10 Reporting**

The Chairperson of the Advisory Council shall report to the Board no less frequently than quarterly in respect to the activities of the Advisory Council during such period. The Advisory Council shall provide such further information and reports to the Board as may be considered necessary or appropriate by the Advisory Council, or as the Board may otherwise reasonably direct.

### **1.7.11 Meeting Documentation**

As a general rule for meeting summaries, there should be no attribution. If an Advisory Council member wishes for a comment to be attributed, they can make this request known to the Company.

Draft meeting summaries will be prepared by the Advisory Council's Secretary after each meeting. The meeting summaries will serve as a non-attributable means of characterizing the issues, interests, conclusions and next steps discussed at each meeting. Draft meeting summaries will be circulated to the Advisory Council for final review and approval before the final version is made available to the Board.

### **1.7.12 Relationship with Other Bodies**

The Advisory Council is expected to work collaboratively with the Manager, Board and the respective financial service communities to support the on-going development of the Company's gTLDs.

### **1.7.13 Building Support from Participating Organizations**

It is the responsibility of the Advisory Council member to serve as a conduit for information and support with their respective organization or interest group(s) if they are part of such an organization or group, including sharing meeting information on the progress of ongoing stakeholder engagement and policy development.

Advisory Council members are also welcome to help the Company attract participants into the community consultation process.

### **1.7.14 External Relations**

Advisory Council members can speak as individual participants in the Company's process and can identify as members of the Advisory Council but are not authorized to speak on behalf of the Company or the Advisory Council. Any public statements which might cause confusion as

to attribution in this regard should contain an appropriate disclaimer.

#### **1.7.15 Confidentiality**

Advisory Council members are required to maintain the confidentiality of information entrusted to them by the Company, the Manager or its Board and any other confidential information about the Advisory Council and its deliberations, discussion and recommendations and the Company's business, which comes to them from whatever source, except when disclosure is authorized in writing by the Company or legally mandated. For purposes of this section, "confidential information" includes all non-public information relating to the Advisory Council, the Company, and the Company's business. Advisory Council members will be required to execute and deliver to the Company a Conflicts of Interest Policy statement.

#### **1.7.16 Unilateral Action**

Members will make a good faith effort to keep other Advisory Council members, the Board and the Manager informed in advance about major activities within their sector that may affect the development of the Company's policies, decisions or the Advisory Council's actions.

#### **1.7.17 Interpretation**

Notwithstanding any other provision of these Advisory Council Rules and Operating Procedures, the Manager and the Board are the final arbiters regarding the interpretation of these Advisory Council Rules and Operating Procedures.