

JANUARY 2015 COMMUNIQUÉ

Nominet's Board of Directors met on 27th January 2015.

Board matters

The Senior Independent Director led a discussion in the absence of the Chair concerning the phasing of new appointed independent directors to the Board. It was noted that the six year anniversary of first appointment for both Rennie Fritchie and Piers White would be in 2016, and that there had already been, or soon would be, further changes since both Clive Grace and Nora Nanayakkara would be standing down from the Board in 2015. Having more than half of the non-executive directors stand down within a one year period was of real concern, and it was agreed **that it would be in the company's best interests to seek** mitigate the impact of this. In that context it was agreed that it was not ideal for both Rennie Fritchie and Piers White to leave the Board at the same time at the 2016 AGM, **and accordingly a resolution to extend Rennie Fritchie's term to the end of the 2017 AGM would be put to the members at this year's AGM.**

The Audit and Governance Committee Chair reported that Grant Thornton, external auditors to the company, had completed their audit work and reviewed the draft accounts for the financial year ended 30th September 2014.

The Chair summarised for the benefit of the whole Board the outcomes of the shortlisting **meeting for Clive Grace's replacement, to** take effect from the conclusion of the AGM on 2 June 2015.

Following review by the Audit and Governance Committee, the risk register was presented to the Board as part of their scheduled annual review.

Nominet Trust: Following a joint meeting of the Boards of Nominet and the Nominet Trust in October 2014, there had been a series of discussions concerning the scope of activities of the Trust including its Trustee makeup and charitable objects. The Board also wished to make some **amendments to the Trust's constitution**, and update its objects. Subject to Charity Commission consent and in consultation with the Trustees, the Board agreed to move forward with putting **into place amendments to the Trust's constitution** and objects, together with a new framework for mutual communication of activities and strategic alignment.

Company matters

Data Quality Policy: Following discussions at the December meeting the Board received a further report on the implementation of Data Quality Policy. The thrust of concerns raised centred on the Nominet processes being non-standard vs gTLDs, and the automated system used by Nominet **producing "false negatives" and also "false positives"**. **The Executive reassured the Board that the** policy had been developed in consultation with stakeholders including registrars, but that particularly for non UK registrants there was no single reliable automated solution for data validation at present. Taking on board the extent of the concerns the Executive agreed that further discussions would be held with registrars with a view to reaching a mutually agreeable outcome.

Market report and finance: the COO and CCO presented an update of performance including comparison against budget at the end of Q1 of the new financial year.

Forthcoming events

AGM 2015: 2 June

Operational Statistics

As at 31st December 2014 there were 2,685 active members and 3,497 active tags. Since the end of November 2014 6 new members have joined. The number of new registrations in December 2014 was 109,575 (December 2013: 106,480), comprising 95,170 third level registrations and 14,405 second level registrations. The average renewal rate for the past 12 months (to September 2014) was 69.9%. The total number of names on the register as at end of 31st December 2014 was 10,519,020 and the net growth of the register for the last 12 months was -0.28%.

Criminal Domain Suspensions

During December 2014 Nominet suspended 2,132 domains at the request of UK law enforcement agencies. One request to reverse a suspension was received from the registrant and referred back to the relevant agency. As a result the suspension was reversed.