

## JULY 2015 COMMUNIQUÉ

Nominet's Board of Directors met on 15<sup>th</sup> July 2015.

### Board matters

The Chair welcomed Andrew Pinder and David Thornton to their first meeting. Dickie Armour was congratulated on his re-election and thanks given to Oliver Hope (who having resigned was not present) and Jennifer Peart, whose interim CCO engagement ends in August, for their services to the Board.

The vacancy created by the resignation of Oliver Hope was discussed. A number of options for filling the position pending the next election at the 2016 AGM were considered, including leaving the position vacant. Looking at the results of the 2015 elections, it was difficult to draw a firm **conclusion as to the members' third choice, since the single transferable voting system had been** operated to choose two candidates from the six nominees and members may have cast their votes differently had there been three vacancies. **Ultimately the Board's** primary concern was to ensure that the best set of skills and experience was available to it until the next AGM, and that any appointee would be able to contribute quickly given the limited term of appointment. It was therefore decided to offer the interim vacancy to a strong candidate from the recent search for an appointed independent non-executive director.

The Chair and CEO confirmed that there was now no intention to fill the vacant CCO role in the immediate future.

The membership of the Board committees and working groups was reviewed following the recent Board changes and confirmed as follows:

- Nominations Committee: Rennie Fritchie (Chair), Denesh Bhabuta, Russell Haworth, Simon McCalla, David Thornton.
- Remuneration Committee: Piers White (Chair), Rennie Fritchie, Andrew Pinder.
- Audit and Governance Committee: Piers White (Chair), Dickie Armour, Andrew Pinder.
- Investment Committee: Piers White (Chair), Dickie Armour, Eleanor Bradley.
- International Working Group: Russell Haworth (Chair), Eleanor Bradley, Rennie Fritchie, Simon McCalla, Andrew Pinder.
- Development Working Group: Simon McCalla (Chair), Rennie Fritchie, Russell Haworth, Andrew Pinder, Piers White.
- Member Engagement Group: Eleanor Bradley (Chair), Dickie Armour, Denesh Bhabuta, David Thornton.

Denesh Bhabuta, who chaired the Elections Committee wash up meeting summarised the recommendations arising from the 2015 elections for non-executive directors. In general it was agreed that the elections had proceeded smoothly, with early notification of the process and timetable being of particular benefit. Although relatively few members had participated (12%), the underlying voting rights represented was still high (62.3%). A number of conclusions and recommendations for the future were presented and would be considered by the 2016 Elections Committee which will be chaired by Dickie Armour.

**The Chair of the Audit and Governance Committee reported that the company's Risk Register had been reviewed, with consequent changes in format now being requested to align the Risk Register more closely to the company's strategic plans and objectives.**

The Chair summarised the progress made at the strategy workshop held earlier in the day. In particular, the priority of remaining a world class registry for the public benefit. The careful and

considered expansion of the business into new areas would be based on passing a public benefit test.

The workshop with Sir Michael Lyons the previous day was summarised. Sir Michael has now met with some 35 internal and external stakeholders, including a range of members, industry and government representatives. In addition written submissions from four Nominet members were received. Sir Michael confirmed that he will prepare his report for the Board over the summer for presentation at the September meeting.

#### Company matters

The trading performance of the company was presented by the COO. Whilst there had been a rise in overall new registrations across the .UK domain family of nearly 10% since the launch of the UK Birthday £1 promotion and prize draw campaigns launched in June, including a 114% uplift in .uk second level registrations, competing for market share remains a challenge.

The Executive presented a discussion paper concerning the pricing of .UK domain names in the **context of the company's rising capital and operational cost requirements, the evolving market** and competitive landscape, and future strategic plans. A further discussion will take place at the September meeting.

The draft budget for the financial year commencing 1 October 2015 was presented by the Executive for discussion and feedback. A final budget for approval will be brought to the September meeting.

The WHOIS contact data consultation responses summary was presented by the Executive. A separate announcement will be made about the changes approved by the Board.

The Board were updated on a branding refresh planned for the autumn which will include a new website. Further market testing and discussion with members will continue over the summer.

The company continues to contribute to the IANA transition project, with Nominet staff playing an important role in drafting the Community Working Group proposal for ICANN, approved by all relevant communities at the recent Buenos Aires meeting.

Following launch of the .cymru and .wales domains earlier in the year, the cost/ benefit of maintaining Nominet Registrar Services (NRS) as an active company was discussed. Given the wide choice of other ICANN accredited registrars distributing .cymru and .wales domains, the very low numbers of domains registered via NRS and likely future costs and revenues, it was decided that the Executive would look at the timing for NRS to exit this market but retain its ICANN accreditation. All customers affected will be notified as part of an orderly exit and transfer of business to other ICANN accredited registrars at the appropriate time.

ISO 20000 accreditation has been retained following a BSI audit.

#### Nominet Trust

An update report on the activities of the Nominet Trust was presented to the Board, including a budget update.

#### Forthcoming events

Key Partners meeting: 1 October  
ICANN Dublin: 18-22 October

#### Operational statistics

As at 30th June 2015 there were 2,690 active members and 3,257 active tags. Since the end of April 2015 8 new members have joined. The number of new registrations in June 2015 was 148,489 & May 2015 was 135,535 (May 2014: 134,096, June 2014: 223,896). The average renewal rate for the past 12 months (to March 2015) was 71.7%. The total number of names on the register as at end of 30th June 2015 was 10,574,668 and the net growth of the register for the last 12 months was 0.37%.

#### Criminal domain suspensions

During May and June 2015 Nominet suspended 230 domains at the request of UK law enforcement agencies. No requests for reversals have been received.