

20.10.2021

## CEO Recruitment Update

Dear members

I write in my capacity as Chair of the Nominations Committee at Nominet.

I last wrote to you in July with an update on the search process for Chair and NED (Remuneration Committee Chair) which has now successfully concluded, with Andy Green and Eva Lindqvist joining the Nominet board.

In that note I said that we would next turn our attention to the search for a new Chief Executive. It is vital that we get the right person at an important juncture in Nominet's history; to do that requires being clear about the priorities for the organisation and the mix of skills required to lead the company and meet the needs of members.

As you have heard from the Chairman's recent update, your Board is realigning Nominet's focus and strategy; we are therefore seeking a CEO who will fit (and develop) that strategy: an experienced executive driven by purpose, ready and capable to drive a significant uplift in member engagement, equipped with the strengths required to run critical national infrastructure today and in the future.

### Process

We know it is important to our members that the steps to this appointment are thorough, fair, and anchored in the needs of the members alongside the interests of other stakeholders and the wider public. Appointments to the Board are evaluated by the Nominations Committee, which includes elected, appointed and executive directors; then formally approved by a majority decision of the full Board.

We are working with the board practice at Russell Reynolds Associates, a leading search firm, to find our new CEO. They are bringing significant expertise in assessing skills, as well as access to a wide and diverse pool of candidates. Russell Reynolds is conducting first-round interviews with all qualifying candidates and are providing a professional, independent perspective. They will also conduct independent referencing of the successful candidates, which will be supplemented by background and security checks.

In line with the Wates Principles for corporate governance, we have a formal and rigorous appointment procedure based on merit and objective criteria—and within this context we seek to promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths both within the Board and within the executive team. Russell Reynolds is tracking and reporting on diversity in the pipeline, and this is reviewed by the Nominations Committee and Board.

### Timeline

We are pressing forward as rapidly as we can. Naturally, the most critical input will come from Andy Green, our Chair; therefore although we had been taking preliminary steps for some time,

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we began the search in earnest in September, once Andy was on board and had formed a picture of the future strategy for Nominet.

The Committee has now reviewed a number of potential candidates, with some still in the pipeline; and formal interviews have commenced. We can confirm that no internal candidates have applied or are being considered for this role.

We hope to secure a new CEO for the company by the end of 2021, although the start date for a CEO will depend on the individual's current employment circumstances, e.g. notice periods. It is not uncommon for a CEO replacement to take 6-12 months, especially in a company which has unusual characteristics and/or profile which candidates will wish to evaluate carefully before joining.

### **Search brief**

This is a particularly challenging role. In addition to being the primary linkage with members and other stakeholders, with a central duty to sustain member engagement and trust, the CEO will be responsible for operating Critical National Infrastructure and meeting all the obligations placed on Nominet by the UK Government; and for continuing Nominet's long public benefit tradition of supporting the digital economy and making a wider contribution to society. The role therefore demands strength of character; clarity of thinking; strong interpersonal skills; credibility with members, the technology community and senior government officials; an impressive track record of operational and financial performance; underpinned by a passion for public benefit.

The brief for the CEO position was developed during the Summer with the support of Russell Reynolds; it has been updated following the recent release of the Chairman's statement to reflect the current view of direction for the company. The statement is now the primary material as we discuss the role with candidates.

### **Remuneration**

Remuneration for this role will be lower than previously, in line with the approach set by our Remuneration Committee under the new leadership of Eva Lindqvist, and following the closure of the company's former long-term incentive (LTIP) scheme. Following an appointment, details of the CEO's remuneration will be shared in the annual report and the remuneration report.

### **Member involvement**

We are taking great care to ensure that a membership view is at the forefront of the selection process for this role—while respecting the important need to keep proceedings confidential in the interests of the candidates.

In Nominet's governance model, four of our NEDs are elected by the membership. They are directors of the company and carry all the associated obligations under the Companies Act; but they bring particular experience of, and focus on, the wider membership. One of those elected directors, Anne Taylor, serves on the Nominations Committee and is directly involved in assessing candidates from a 'member fit' perspective, as she was during the Chair and NED searches earlier this year. Other elected directors have provided valuable input and will be further involved in the

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appointment once the selection process returns to the Board.

### **Involvement of other stakeholders**

The appointment will be made solely by Nominet, in line with UK governance practice. In assessing each candidate, the Nominations Committee is considering how well the candidate understands Nominet's stakeholders including members, government, employees, charity partners and the wider public.

While the government does not participate in the appointments process, the successful candidate may be required to meet the "SC" level of government security clearance prior to appointment. This is a normal step for a CEO in, for example, any regulated provider of critical services (Nominet is classed as an Operator of Essential Services).

### **Next steps**

We will let members know when the selection process has concluded. Andy will keep members updated along the way through his regular member calls and at the AGM in November.

Stephen Page

Senior Independent Director

Nominet

October 2021

# Position Specification

Nominet

Chief Executive Officer

## Overview

This is a rare opportunity to lead an operationally excellent, purpose-driven public benefit company at the heart of the UK's digital infrastructure.

## Our Client

Nominet is a private company limited by guarantee, responsible to its membership and the wider public for the smooth and secure running of the “.uk” internet infrastructure. Millions of businesses, individuals and brands around the world rely on Nominet's Domain Name System (DNS) services, which underpin a critical part of the internet economy. Every .uk email address and website relies on Nominet's services.

Nominet's purpose is to help create a digital society that is **connected, inclusive and secure**. All of Nominet's activities are driven by that purpose.

Since its inception in 1996, Nominet has developed a formidable reputation for excellence. Its operational services and customer handling are highly regarded; its technology skills are strong. Nominet has consistently played a key role within the internet community, collaborating with technical experts around the world and playing an active role in both policy and technology debates about how the internet should develop.

Nominet employs over c. 240 staff primarily based at its Oxford head office; and has a current annual turnover of c.£50m. The company is financially robust and has built up both a permanent reserve to secure its critical public services against market failure or disruption, and short-term reserves to fund upcoming registry IT investments and social benefit programmes.

**Nominet exists for the public benefit:** Public Benefit is not just about contributions to good causes. Nominet's services, not least the infrastructure supporting millions of organisations, forms a large part of the positive contribution it makes to the wider world.

As a company limited by guarantee, it has no shareholders and is prevented by its constitution from distributing profits directly or indirectly to its members. Members play a vital role in the governance of the organisation.

## Nominet's services

Nominet is focused on services for public benefit. It is categorised by government as an Operator of Essential Services (OES): the company faces, and exceeds, very high expectations for resilience, security, quality and stability. There are three integrated areas where Nominet provides services that are critical to the UK:

- **the .uk registry**, Nominet's core business. The registry holds over 10 million domain names; and processes 12 billion data requests per day. Nominet's registry systems have over 12 million lines of code delivering 100% uptime for the DNS and over 99% uptime for support systems.
- services to **secure the .uk namespace**. Addressing rapid growth in cyber crime and online threats, Nominet has gained an increasingly vital role working with government agencies, charities, and law

enforcement to identify and close down criminal activity including fraud, modern slavery, child abuse, and terrorism; and to handle domains that, knowingly or not, are not being run securely.

- the **Protective DNS (PDNS) service**. In a joint programme with the National Cyber Security Centre, Nominet operates a sophisticated cyber capability that has become a significant part of the company's work. PDNS, part of the government's Active Cyber Defence programme, uses advanced technology and Nominet's unique expertise in the UK DNS to intercept threats at scale. PDNS protects over six million public sector workers in over 900 public sector organisations and over 1000 health and social care organisations, including the NHS.

Nominet acts as the **wholesaler and industry facilitator** at the centre of the UK domain name industry—companies who buy and sell domain names, or who bundle domain names with other IT services; ranging from one person microbusinesses to large international hosting companies. It conducts a range of activities for the industry including consumer education, lead generation, brand development, support and marketing promotions.

Nominet is committed to developing an internet that benefits all, and with its profits it has funded a growing **social impact programme** using technology to promote greater safety and security online, and to ensure the disadvantaged are not left behind. The programme supports innovative work by the Scouts, Samaritans, the Internet Watch Foundation, Devices.now and the Micro:Bit foundation—as well as public benefit initiatives developed in-house — and now reaches 1 million young people a year.

Over recent years Nominet has explored a small range of **commercial opportunities** adjacent to its registry work, to strengthen its ability to invest in its public services, its technology future, and its social impact programme; and to protect its core services against declining volumes and rising costs over the longer term. Moving forwards any non .UK services will be strictly run to ensure reasonable paybacks; that they have a high chance of reducing the overall cost of running the core registry; and they fit with Nominet's vision and purpose.

Today Nominet provides registry services to around 75 localities, brands and businesses with their own top level domain (eg .wales, .bbc); and its success with PDNS has led to international contracts for equivalent protective services.

## **Current Challenges**

Nominet has embarked on a review of its purpose, strategy and structure; a “reset” of its member engagement is underway seeking to rebuild trust. The Chief Executive will lead the company as it builds stakeholder confidence and adjusts its scope and operations.

Nominet has a wide range of stakeholders, including c.2,500 members ranging from sole traders to multi-national technology providers; the UK Government; law enforcement agencies; and charity partners. These stakeholders have differing views on the priorities for the company: for example, some members would like Nominet to return to a simpler, lowest-cost organisation focused only on its core registry service; whereas others would like to see Nominet remain innovative in pursuit of excellent service and world-class security of the .uk namespace. Nominet's Government stakeholders have emphasised that Nominet's PDNS service, and its activities to ensure the .uk namespace is safe

and respected, are critical for national security. An interim statement from the Chair has set out the proposed future direction of the Company.

In early 2021 a group of members led a campaign demanding a change in strategy, culminating in a General Meeting which led to the removal of 5 Directors including the departure of the CEO, Chair and SID. Nominet has already committed to a programme of significant change, including strategy and structure, and made a range of commitments to its stakeholders. Nevertheless, the organisation faces a challenge to rebuild trust between the company and many members; and to steer a path which balances the needs of its stakeholders.

These tensions may to some extent be inherent in Nominet's governance model and to ensure long-term stability Nominet will be looking carefully at how to improve governance and gain the support of members. This matter will be considered at a later stage once trust between Nominet and its members has been restored.

Subject to further refinement as this review progresses, Nominet has adopted an interim vision: *To be a force for good in the UK digital economy and the global internet community, with the .UK registry at the centre of our work, delivering services that make our world more connected, inclusive, and secure.*

Nominet has also adopted this interim mission:

*To provide a world class .UK namespace that the UK can rely on; operate critical national infrastructure that is safe, secure, and resilient; and protect public services from cyber threat.*

The CEO will be building on a strong base, leading a company with a reputation for quality and a strong financial starting position; and they will take on a capable team. Supported by the Chair, the CEO will build stakeholder support, sustaining Nominet's vital role at the heart of the UK's digital infrastructure.

### Current Board

Under Nominet's constitution the Board comprises four appointed NEDs, four NEDs elected by the membership, and up to four executives.

Current Board membership is as follows:

#### **Non-executive Directors:**

**Andrew Green CBE**, Chair - appointed to the Board in July 2021 #~+\*^

**Rob Binns**, Chair of the Audit & Governance and Chair of the Code of Conduct committee - appointed to the Board in January 2019 #~\*^

**Stephen Page**, Senior Independent Director and Chair of the Nominations and Investment Committees - appointed to the Board November 2017 #~\*^

**Eva Lindqvist**, Chair of the Remuneration Committee - appointed to the Board in July 2021 #+

**James Bladel**, Elected Non-executive Director – elected to the Board in July 2018 +\*

**Phil Buckingham**, Elected Non-executive Director – elected to the Board in September 2020 \*

**Anne Taylor**, Elected Non-executive Director – elected to the Board in July 2019 ~+

**David Thornton**, Elected Non-executive Director – elected to the Board in June 2015 #+

An election will be held in November 2021 at the end of the terms of two elected NEDs.

Two executive seats have been appointed on a short-term basis pending a review of the business strategy and executive complement:

**Rory Kelly**, Company Secretary – appointed to the Board in March 2021 ~

**Adam Leach**, Chief Information Officer – appointed to the Board in March 2021

*# Member of Audit & Governance Committee*

*~ Member of Nomination Committee*

*+ Member of Remuneration Committee*

*\* Member of Investment Committee*

*^ Member of Code of Conduct Committee*

For more information, please see the website [www.nominet.uk](http://www.nominet.uk)

## **The Role**

Nominet is looking for a first-class Chief Executive to lead Nominet through its next phase of development.

The Nominet CEO will lead the business, internally and externally, delivering both for today and tomorrow. This is not a ‘business as usual’ leadership role but one with a transformation agenda, building on strong foundations.

The incoming CEO will be responsible for the continuing strong operational performance of all parts of the business, creating and maintaining a cohesive performance-focused culture and further building on the public benefit mandate.

Working with the Chair and Board, the CEO will ensure public benefit is at the centre of the business and that the significantly increased funds are well spent. This will therefore draw on skills in change and transformation, including reviewing and strengthening existing projects.

Nominet is looking for an effective leader of people and relationships, internally and externally. Externally they will build strong relationships with members, industry partners and government, commanding respect, and trust. They will work effectively with the Chair and Board to develop a vision and strategy for the business. Internally, the CEO will lead c.240 people, requiring excellent communication skills and an ability to connect with, inspire and build trust with people.

### **Core objectives for the CEO’s first two years in post will be to:**

- Rapidly gain an understanding of the current culture and dynamics of the business, where it has come from, its KPIs, stakeholder expectations and the market in which it operates.
- Continue to deliver operational excellence, fulfilling Nominet's role as a provider of critical national infrastructure.
- Lead Nominet's engagement with members, creating strong relationships characterised by openness, greater transparency, and a willingness to listen and learn from diverse stakeholder perspectives in a balanced way.

- Lead the company to find new ways to increase the impact it can have on wider society.
- Provide strategy, vision, and leadership across the organisation as a member of the Board and executive leadership team. Set the standards and expectations for leadership culture and behaviour, fostering, and maintaining an open, co-operative and dynamic culture across the Group. Ensure that all staff understand what is required of them and feel inspired to give their best.
- Develop a future medium and longer term strategy for the business and inspire the organisation with the strategic vision.
- Ensure operational effectiveness to deliver all key priorities.

### **Candidate Profile**

Candidates could be proven chief executives or first-time chief executives who have worked in businesses of similar or greater scale to Nominet.

The CEO should have experience of change and transformation and ideally have experience in technology businesses and/or critical national infrastructure. Experience in the domain industry would be helpful but not mandatory. The CEO should have commercial energy balanced with an understanding of a CNI / public-service models and be prepared to run the core registry on an efficient basis.

### **Personal qualities**

- Motivated by leading a purpose-driven organisation.
- An established and impressive track record as CEO/MD with full profit and loss, balance sheet and cash flow responsibility
- An accomplished leader with the energy, gravitas and stature to engage and inspire confidence both internally and externally, with colleagues, senior leadership team members, the Board, industry partners, members and other stakeholders.
- Service focused with a track record of customer engagement and stakeholder management. Experience in a membership organisation would be advantageous but is not a prerequisite.
- Operational discipline and rigour, with experience of change management.
- Understanding and experience of operating in a regulated environment.
- Excellent strategic skills, with the track record of leading the development of strategy, and seeing through implementation.
- Performance orientated with sound business judgement and common sense.
- Confident and resilient with a hands-on management style. A fast paced, energetic leader and an excellent motivator, able to take difficult decisions but at the same time, known for their good listening skills and an accessible style, able to hear dissenting voices and to learn from the experience within the business.

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- A low ego, pragmatic and apolitical approach with a robust and hard-working style. A team player with drive and commitment.
  - An open individual with high integrity and a strong commitment to organisational and ethical values.

**Diversity and Inclusion**

Nominet is committed to maintaining and strengthening its diversity.

**Security**

As an operator of Critical National Infrastructure, Nominet is required to conduct security checks on its staff. The CEO may be expected to pass the Security Check (SC) level of clearance.

**Location**

Nominet's headquarters are in Oxford (Minerva House, Edmund Halley Road, Oxford OX4 4DQ).