

# Consultation on proposed changes to Nominet's Articles of Association

## Introduction

The Nominet Board wishes to consult with stakeholders on proposed changes to Nominet's Articles of Association ("Articles"). Whilst there have been changes to address specific issues over the years, the Articles have not been reviewed in full since 1996 when Nominet was first incorporated. The Board believes that the Articles would benefit from modernisation to make them easier to read and reflect actual practice within Nominet. We are not proposing any substantive changes in this proposed version, which aims to reflect the way we now work with greater clarity. By doing so, we hope to create a clear and common understanding about how the company is run and build a stronger foundation for the future.

Where possible and appropriate, some sections of the Articles have been replaced with the current standard wording for a company like Nominet (a Private Company Limited by Guarantee) which are known as "Model Articles."<sup>1</sup>

As part of the proposed changes, we have incorporated the relevant provisions of Nominet's historic Memorandum of Association document into our Articles, leaving us with one main constitutional document rather than two. Again, this change reflects current legislation.\*

## About the consultation

The Board is seeking your input on our proposals to modernise the Articles. Please tell us if there is anything we can improve on, have overlooked, or remains unclear. Equally, if you are supportive of the changes proposed, let us know.

This document outlines the proposed change(s) for each section, the reason for the change and requests your views on those changes. You can save your progress and return to complete it later. The full [redline version is available here](#).

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<sup>1</sup> <https://www.gov.uk/government/publications/model-articles-for-private-companies-limited-by-guarantee>  
Issued in September 2018 ("Model Articles')

\* section 28 of the Companies Act 2006, which provides that provisions contained in a company's Memorandum of Association should be treated as provisions of its Articles.

We are also asking for views on whether there is a consensus from stakeholders for the Board to consider any substantive changes to the Constitution in the future.

This consultation is primarily aimed at Members. Members play a vital role in the governance of the Company, but we recognise that Nominet operates in the interest of all our stakeholders, so we welcome their feedback too.

The consultation is open from Wednesday 7<sup>th</sup> June – Wednesday 9<sup>th</sup> August 2023.

Following the period of consultation, the Board will consider the feedback, make any necessary adjustments, and put the proposed Articles to a Members' vote at the AGM later this the year.

We want to thank all respondents in advance for expressing an interest in helping us ensure that Nominet's constitutional documentation is improved and represents a solid foundation for any changes in future.

If you require a version of this consultation in an alternative format due to accessibility needs, please email [articles@nominet.uk](mailto:articles@nominet.uk) to discuss so we can understand better how we can best meet your needs.

We are looking forward to hearing your views on this and are grateful to you for taking the time to share your feedback.

## Relevant documents

Below are the documents that are relevant to this consultation. Please note the deleted numbering in the red line version of the Articles may not always correspond exactly to the numbering in the existing Articles:

[Existing Articles of Association](#)

[Existing Memorandum of Association](#)

[Red line tracked change version of the proposed Articles of Association](#)

[Clean version of the proposed Articles of Association](#)

[Voting Rights Bye-Law](#)

[Subscriptions Bye-Law - New](#)

[Elections Bye-Law](#)

For further information please visit the [Nominet website](#).

## About you

Please provide some details about you so that we can verify who you are. As it is not our practice to consider anonymous responses, this information will help us ensure your feedback is included.

Following the close of the consultation the feedback will be summarised and provided to the Board. A summary will also be published on the Nominet website. Direct quotes from responses may be included in the summary but will not be attributed to individuals or specific organisations.

We respect your privacy and are committed to protecting your personal data. Details will be processed in accordance with [Nominet's privacy policy](#).

We are using SmartSurvey to manage our consultation responses. By filling out a survey or visiting this site, you agree to their [Privacy Policy & Notice](#).

### I am a Nominet Member

Yes/No

Yes:

#### Your details

**Please provide your details below:**

Name:

Membership account name:

Nominet Account ID:

No:

#### Your details

**Please provide your details below:**

Name:

Organisation name:

Sector:

## Sections

This document is split into sections. You have the option to review in detail all sections and changes or let us know if you support the approach. Section 15 asks for your views on anything not covered in the consultation. Section 16 asks for your views on future change and whether you would be supportive of the Board considering more substantive changes to the Constitution in the future.

We have not included the minor changes made to sections relating to Committees (articles 78,79), Policy to publish .UK policy consultation papers (article 80), Secretary (81), Seal (82), Notices meetings and resolutions (83-88). The changes include numbering, gender neutral language, grammar or the name change of a relevant external body). If you have comments on this, please use section 15.

You can save your responses and come back to complete later.

**Section 1: Interpretation**

**Section 2: Public Purpose**

**Section 3: Objects (formerly set out in Clause 3 of the Memorandum of Association)**

**Section 4: Admission of Members**

**Section 5: Retirement of Members**

**Section 6: Membership subscription fees**

**Section 7: Liability of Members**

**Section 8: General meetings, new sections on general meeting procedures**

**Section 9: Votes of Members**

**Section 10: The Board**

**Section 11: Directors' interests**

**Section 12: Proceedings of the directors**

**Section 13: Unanimous decisions**

**Section 14: Bye-Laws**

**Section 15: Any other views?**

**Section 16: Future change**

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|--|--|
| <b>Would you like to see the detail of all changes in each section?</b>                    |  |
| Yes, I want to see the detail of all changes in each section                               | Radial button 'yes' – takes you to Section 1 |
| No, I don't want to see the detail of all changes. I am broadly supportive of the approach | Takes you to Section 16                      |

## Section 1: Interpretation

We are proposing updates to the definitions within the 'Interpretation' section that are set out in the tables below.

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| <p><b>1.1</b></p> <p><b>Change:</b> Remove the reference to the Companies Act 1985 and update to Companies Act 2006.</p> <p><b>Proposed wording:</b><br/><i>'the Act'</i> means the Companies Act <del>1985</del> <u>2006 (as amended from time to time)</u>;</p> <p><b>Reason:</b> We've changed this to reference the latest legislation.</p> <p><a href="#">See pages 1-2 of the proposed Articles.</a></p> |
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|   |  |
|---|--|
| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## 1.2 Interpretation

**Change:** Delete the 'communication' and 'electronic communication' interpretations which are now not used, and update the definition of 'writing' to include electronic communication.

### Delete:

~~'communication' includes a communication comprising sounds or images or both and a communication effecting payment;~~

~~'electronic communication' means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa):~~

- ~~(a) By means of an electronic communications network; or~~
- ~~(b) By other means but while in electronic form;~~

~~Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, fax and other methods of representing or reproducing words in a visible form other than electronic communications;~~

~~References to the execution or the signing of an electronic communication include references to its being executed by such means as the Board may from time to time approve (including for the purpose of establishing the authenticity or integrity of the communication). Except insofar as these articles expressly require a communication to be in writing, any electronic communication purporting to contain a copy of a document need not be in writing provided that it faithfully and intelligibly reproduces all the relevant information given in writing in the document. References to anything given, sent or received by, or contained in, an electronic communication include references to its being published on a web site and such publication being notified (by electronic communication or otherwise) to the relevant person in such manner that, where relevant, that person would be deemed to have notice of it, and access on that web site to it, for at least the duration of any relevant period of notice or availability prescribed by these articles or by the Statutes, provided that nothing in these articles shall invalidate the proceedings of a meeting where failure to publish the documents throughout the period is wholly attributable to circumstances that it would not be reasonable to have expected the Company to prevent or avoid.~~

### Proposed wording:

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

**Reason:** This change is about reflecting how we do business today. Email is the main means by which we update our Members, and it has been a long time since we have used fax. We want to update this to recognise the significant changes to how we all communicate since Nominet was first incorporated. We have used the updated definition used in the current Model Articles<sup>2</sup> and which is considerably shorter and easier to read than the current wording.

[See pages 1-2 of the proposed Articles.](#)

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| <p><b>What is your view on the proposed change?</b></p>                  | <p>Radial button</p> <ul style="list-style-type: none"> <li>• This seems reasonable and I would support this change</li> <li>• I have questions and need more information</li> <li>• I have concerns and would not support this change</li> <li>• No view</li> </ul> |
| <p>Please tell us why</p>  | <p>Free text box</p>   |
| <p><b>Any suggestions for changes or improvements we could make?</b></p> | <p>Free text box</p>   |

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<sup>2</sup> <https://www.gov.uk/government/publications/model-articles-for-private-companies-limited-by-guarantee>



### 1.3 Interpretation

**Change:** Insert the word 'former' before Memorandum.

**Proposed wording:**

*'the Members'* means the members of the Company from time to time, and "Member" and "Membership" shall be construed accordingly and any reference in the former Memorandum to "Steering Committee" shall be deemed to be reference to the Membership;

**Reason:** When Nominet was incorporated in 1996, our objects clauses were set out in our Memorandum of Association, in keeping with the legal requirement at the time.

Section 28 of the Companies Act 2006 introduced a change by stating that the provisions of a company's Memorandum of Association should now be treated as provisions of that company's Articles of Association. We have therefore merged the relevant provisions of our old Memorandum of Association into the Articles, therefore effectively 'retiring' the Memorandum.

[See pages 1-2 of the proposed Articles.](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

#### 1.4 Interpretation

**Change:** Delete the footnote

~~1 As amended by a special resolution passed at the Annual General Meeting on 22nd September 2020~~

**Reason:** If the proposed Articles are agreed, this footnote not required.

[See pages 1-2 of the proposed Articles.](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 2: Public Purpose

**Change:** The addition of a constitutional commitment from the Board to make Members aware at the AGM of any foreseen change in scope:

*2. The Board shall provide the Members at each annual general meeting with an overview of the company's activities and objectives for the previous and current financial years, together with an explanation of any change in scope and how these relate to the Company's objects for the public benefit*

**Reason:** Our intention here is to ensure Members are informed if the Board is contemplating any significant new areas of business that represent a clear departure from the existing scope of activity. While there are no plans to do so, this addition would commit the current, and any future board, to share and discuss any such plans with Members.

[See page 2, article 2.](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 3: Objects (formerly set out in Clause 3 of the Memorandum of Association)

**Change:** Our core Objects remain unchanged. We are proposing some minor changes which are not material, as summarised below:

- The references to clauses of the Memorandum have been replaced by revised references to the amended Articles
- The reference to the 'Steering Committee' and 'Council of Management' have been replaced with 'Membership' and 'Board'
- Amended references to articles numbers where these have changed

**Reason:** The changes reflect general 'housekeeping'.

In proposing this change, we have been mindful of clause 4 of the former Memorandum, which states 'No alteration may be made to this clause'. Because the scope of the Objects themselves remain unchanged, we believe it is acceptable to amend these references to make the document internally consistent and readable, as long as over 75% of Members approve it as part of a special resolution at the AGM.

[See pages 2-10, articles 3-7.2 Memorandum of Association](#)

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| <p><b>What is your view on the proposed change?</b></p>                  | <p>Radial button</p> <ul style="list-style-type: none"> <li>• This seems reasonable and I would support this change</li> <li>• I have questions and need more information</li> <li>• I have concerns and would not support this change</li> <li>• No view</li> </ul> |
| <p>Please tell us why</p>  | <p>Free text box</p>   |
| <p><b>Any suggestions for changes or improvements we could make?</b></p> | <p>Free text box</p>   |

## Section 4: Admission of Members

**Change:** These changes make clear the current process for admission of Members. As a result, the proposed Article 10 has been moved from 'Votes of Members' to this section. The reference to Article 55 has been removed.

**Reason:** Moving Article 10 to this section makes it clear that Membership applications from multiple corporate entities within the same group are not accepted (reflecting current practice). This is important as it helps us ensure the voting rights are calculated correctly.

For many years now, Membership applications have been made through Nominet's website and not in the format set out in the Articles. The template referred to in Article 55 no longer exists, so we are tidying up the Articles to reflect that.

[See pages 10-11, articles 8-10](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 5: Retirement of Members

**Change:** These are minor wording changes which set out the circumstances under which membership terminates. These have not changed, but wording has been updated for clarity.

**Reason:** The Board felt the wording could be updated to make it easier to read and reflect current practice. Where possible and appropriate, some sections of the Articles have been replaced with the latest Model Articles for a Private Company Limited by Guarantee, issued in September 2018.

[See pages 11-12, articles 11-15](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 6: Membership subscription fees – New section

**Change:** Introduced a new section to include all clauses relating to Membership subscription fees. The proposed changes remove the requirement for the Membership fees to be related to commercial involvement in .UK and a [new Subscriptions bye-law](#) has been drafted. Also removed is the requirement for the Board to conduct a ballot with Members to seek views on options for changes to Membership fees. However, any changes to Membership fees will still have to be put to a Member vote.

**Reason:** Our long-standing practise has been to charge a joining fee of £400 + Vat and a £100 + Vat subscription fee and an annual renewal fee thereafter of £100 for all members.

**Process to change membership fees:** No changes to Membership fees can be made without a 75% vote in favour, and this will remain the case. We have no plans to increase the Membership fees, but would like to have a less complicated process established. The current wording suggests that potential options for a revised Membership fee should be put first to a ballot for the Members, and then again to vote for/against the change. The amended wording retains the need for Members to be consulted prior to a vote at an AGM. That means, Members would have the opportunity to provide their feedback for the Board to consider in its decision making but would only be asked to vote on any proposed change to the fee. Any change would still require 75% of Members to vote in favour.

[See page 12, articles 16 & 17](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 7: Liability of Members

**Change:** We have incorporated the relevant wording from the Memorandum into the Articles.

**Reason:** Section 28 of the Companies Act 2006 provides that provisions contained in a company's Memorandum of Association should be treated as provisions of its Articles and so we are therefore taking the opportunity to incorporate the relevant provisions of Nominet's historic Memorandum of Association document into our Articles.

[See pages 12-13, articles 18 & 19](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |



## Section 8: General meetings and new sections relating to the general meeting procedures

Matters around our AGM are governed by company law. We've used the latest Model Articles (last updated in 2018) that are relevant to us, changing wording that in some places originates from 1996.

- Attendance and speaking at general meetings
- Quorum for general meetings
- Chairing general meetings
- Attendance and speaking by directors and non-members
- Adjournment
- Voting at general meetings
- Content of proxy notice
- Delivery of proxy notice
- Amendments of resolutions

**Change:** This text replaces the General Meetings and Proceedings at General Meetings sections in the current Articles.

**Reason:** Where possible and appropriate, some sections of the Articles have been replaced with the latest Model Articles for a Private Company Limited by Guarantee - issued in September 2018. Some of the wording in these sections was drawn from previous guidance in place when Nominet was incorporated and so we think this is a good opportunity to update to more recent guidance. This should make these sections clearer and easier to read.

[See pages 13-21, articles 20-58](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 9: Votes of Members

**Change:** We propose removing any text which is either not required, has been moved into a different section or is reflected in the Voting Rights bye-law. We know that some Members would wish for further change in this area - please give us your feedback in section 16.

**Reason:** Where possible we have tried to ensure the Articles are clear, unambiguous and reflect current practice. This amended wording sets out more clearly that the poll vote/written resolution procedures are based on paid for .UK domains under management and that voting rights are subject to a cap which the Board can change following consultation with the Members.

[See pages 21-23, article 59](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 10: The Board

**Change:** Additional wording to set out clearly the composition of the Board. Introduced a procedure for the Board to appoint its Chair. Removed gender specific language.

**Reason:** Currently there is no procedure in the Articles for the Board to appoint a Chair. This additional wording makes it clear that it is the Board's responsibility and decision to appoint the Chair of the Board and sets out the process for appointing a Chair for the meeting if the presiding Chair is unavailable. The language has been updated to be gender neutral.

[See pages 23-25, articles 60-68.7](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 11: Directors' interests

**Change:** Wording replaced with the latest Model Articles for a Private Company Limited by Guarantee issued in September 2018.

**Reason:** The existing wording needs updating as it is difficult to follow. It also didn't clearly set out the process for declaring a conflict/interest or what happens if a director is conflicted. The proposed wording makes the process of declaring a conflict much clearer and confirms what a director who is conflicted can and can't do in relation to the proceedings at Board meetings and decision making.

[See pages 25-27, articles 69-69.7.](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 12: Proceedings of the directors

**Change:** 'Chairman' changed to 'Chair' and other gender specific terms removed.

**Reason:** Updated to be gender neutral.

[See pages 27-28, articles 70-73](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 13: Unanimous decisions – New section

**Change:** This is a new section to enable the Board to make decisions by email, in between meetings, so long as all eligible (e.g. non-conflicted) Board directors are in agreement.

**Reason:** In certain circumstances it is necessary for the Board to take decisions outside of the constraints of the board meeting schedule. This change ensures the Board can operate flexibly where required and respond to urgent situations.

[See page 28, articles 74-77.](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 14: Bye-Laws

**Change:** The existing wording has been changed to refer to specific articles. The templates for the membership application and the proxy form have been removed. References to previously deleted articles have also been removed. Gender specific language has been updated.

**Reason:** This section is now clearer and easier to read. The membership application form and the proxy template forms do not need to be included in the Articles as they are available elsewhere. The language has been updated to be gender neutral.

[See pages 30 -33, articles 89-91.](#)

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| <b>What is your view on the proposed change?</b>                  | Radial button <ul style="list-style-type: none"><li>• This seems reasonable and I would support this change</li><li>• I have questions and need more information</li><li>• I have concerns and would not support this change</li><li>• No view</li></ul> |
| Please tell us why  | Free text box  |
| <b>Any suggestions for changes or improvements we could make?</b> | Free text box  |

## Section 15: Any other views?

Do you have any general feedback or other views that you would like to provide that has not been covered in this consultation?

Free text box



## Section 16: Future change

The Board are aware that Members have expressed views on changes they would like to see to Nominet's Constitution which have not been incorporated into these proposed Articles. Our view is that it makes sense to first modernise the existing Articles before considering any significant changes.

However, we are keen to get an indication of whether there is consensus from stakeholders as to whether the Board should consider making more substantive changes in the future.

|   |                                 |
|---|---------------------------------|
| <b>We would be grateful if you could share your thoughts on the above.</b>  | I have no views<br>I have views |
| <b>I have views:</b><br><br><b>Please tell us if there are any other elements of Nominet's Constitution you would like the Board to consider in the future.</b> | Free text                       |

End:

**Thank you for taking the time to give us your views on the proposed changes to Nominet's Articles of Association.**

If you would like to save a copy of your response, please use the print response function and save as PDF.

You can now close this window.