

REPORT TO THE BOARD OF NOMINET UK ON THE GOVERNANCE AND OPERATING SYSTEMS OF THE COMPANY

This report summarises the conclusions and recommendations I have reached as a result of the work that you asked me to do.

I was commissioned to work with the board and to explore both current governance and related arrangements but firmly in the context of the board's ongoing work to develop its accountability and to prepare the company for the challenges ahead.

A. MY REMIT

- To assess Nominet's current position as regards its operating model and governance arrangements. In the first instance by interviewing board members and a selection of key stakeholders determined by Nominet and any others felt by mutual agreement to be relevant as the project progresses.
- In the light of the evidence gathered, and your assessment of the regulatory environment in which Nominet operates, to determine whether or not the current model, structure and organisation is '*fit for purpose*' in terms of meeting stakeholder expectations and the challenges of the future.
- To advise the board of the risks (regulatory or otherwise) which Nominet faces in its current operating model and whether in your judgement there would be advantages to changing the current operating model and, if so, the risks and challenges of making such changes.

B. CONTEXT

This section relies on material provided to me by Nominet and reflects the company's view of the context in which this exercise was commissioned

1. How the .uk ccTLD was created, and how it ended up with Nominet

Today the .uk ccTLD is a small but important part of the UK internet ecosystem. However its origins date back 30 years to when the internet as we know it now was largely a US research project. At that time a small community of computer science academics were involved in setting the standards and protocols, and a key member of this community was Professor Jon Postel of the University of Southern California's Information Sciences Institute. Professor Postel, together with his colleague Paul Mockapetris, is generally credited with the invention of the DNS, and it was the practice of Professor Postel to delegate the responsibility of any particular ccTLD to a trusted individual within that country's internet community. There was no exchange of money or contract involved, and the procedure was purely a technical administrative one. The first such individual was Professor Peter Kirstein of UCL for the .uk domain, and shortly afterwards many others followed suit for their respective countries.

By the early 1990's the .uk delegation had passed to Dr Willie Black of the UK Education and Research Networking Association (UKERNA). Together with an informal group of volunteers, the UK Naming Committee, .uk domain names were individually allocated. With the advent of Tim Berners-Lee's invention of the world wide web, a commercial demand for .uk domain names arose, and at a scale that was not feasible to be administered by a manual process.

Following discussion amongst the key players in the UK internet industry at the time, it was decided that a specific special purpose company, Nominet, would be formed in order to take over the .uk ccTLD operating in the public interest for the whole of the UK internet community. In 1996 Nominet was created and took over the delegation of the .uk domain. From this point on however, .uk domain registrations started to be made subject to terms and conditions and payment of a fee. Nominet's founding Managing Director was Dr Willie Black, and there were initially fewer than 100 members of the company. As a UK company limited by guarantee Nominet has no shareholders (and no dividend or share of profits is possible, recognising that Nominet was never intended to be a profit maximising company) but the company is ultimately accountable to its members. In reflection of the fact that they recognised they were effectively dealing with a public asset, the company's founders set up a constitution which provides that in the event of the company being wound up or dissolved, any surplus property should be transferred to another institution having similar objects or, if no such institution can be found, applied to a charitable object.

It should be noted for completeness that in 1999 the technical activities previously carried out by Professor Postel and his colleagues were transferred to ICANN, and it is within the ICANN structures that Nominet operates today.

2. Nominet's membership structure

Nominet has an open membership structure. Any company or individual who so wishes may apply for membership. There is a £400 joining fee and an annual membership fee of £100. As at 30 June 2015 there were 2,690 members, representing a huge cross-section of UK internet. However in practice the reason for membership of Nominet is that this allows for registration of .uk domain names at the substantially discounted member rate and membership is effectively a transactional relationship between a resource provider and its customers. The explicit link between membership and discounted domain name registration pricing was intentionally made in order to effectively ensure the participation of all industry players in Nominet, particularly taking into account that the company was started from scratch. However while the Nominet board have reviewed – and decided to retain – the link between membership and discounted pricing, in practice this introduces inherent competitive tensions and conflicts of interest, and the issue continues to be controversial.

The founding members of Nominet decided that there should be a board of six directors, of whom four would be directly elected by the membership.

There exists a rather complicated voting system at Nominet. Essentially one quarter of the votes are allocated on a 'one member, one vote' basis, and the remaining three quarters calculated by reference to the domains which a member administers as a Nominet registrar. On top of this allocation, any individual member (or associated group of members), has their maximum voting rights capped at 3% of the total votes cast for most votes. With a relatively small number of Nominet's members participating in votes (12% at the 2015 AGM), and over 90% of the .uk domain registrations administered by less than 25 members, the current arrangements have been subject to criticism.

3. Nominet's success story to date

There can be no doubt that Nominet has been a highly successful technical and commercial endeavour. Automated registration systems, coupled with a policy of 'first come, first served' registration under .uk have resulted in a rapid growth in registrations from less than 30,000 in 1996 when Nominet was created, to over 10 million today

making Nominet effectively the second largest ccTLD in the world after Germany's .de domain.

Whilst this is a fraction of the total number of .com domains registered worldwide, the majority of domain names registered in the United Kingdom are administered by Nominet (generally the popular .co.uk domains). From humble beginnings, Nominet now has very substantial balance sheet reserves of over £34 million as at its last financial year end (30 September 2014), more than its annual turnover. In addition, since the creation of its own charitable foundation in 2008 it has donated a total of £39 million to charity.

Not all has been plain sailing however. As noted above, Nominet was created by the UK internet participants in the mid 1990's, following a personal delegation to trusted individuals in the UK computing sciences academic community. There was no involvement of government or public authorities; neither has there ever been any public funding of the .uk domain. In 2008 an internal dispute over good governance practices led to Nominet commissioning a review by Professor Bob Garratt. One of the outcomes of Professor Garratt's review was a membership vote in 2010 to expand the board to include independent non-executive directors in order to bring the company in line with better corporate governance practices.

4. Key challenges and decisions ahead

The internet is rapidly evolving. Technology seems to transform in new and innovative directions every year. Whilst the .uk ccTLD – and consequently Nominet as a company – has been very successful to date, the board is mindful of the future and what it may hold.

In the domain name space itself for example, there is now much more choice available. From the original handful of publicly available gTLDs – .com, .net, .org – there has been a process of creation of new extensions, slowly at first with the introduction of .biz, .info and others, but more recently a much more rapid expansion to potentially over 1,000 new gTLDs. Some of these are targeted towards specific interests (.photography), some geographic (.nyc, .scot, .berlin) and others for use by a company for its own business interests (.samsung).

The number of new registrations of domain names under .uk in the period 1 October 2013 to 30 September 2014 fell by 8.8% compared to the previous year, and the total number of domain names registered now appears to have reached a plateau following many years of strong growth.

Consequently Nominet has been in the process of evaluating its business strategy and has started to expand into new areas in order to reduce its reliance on its original special purpose remit. Whilst the board fully intends that the principal activity of the company continues to be the administration of the .uk ccTLD, within the next three years it hopes that a significant minority of its turnover will come from other sources. To date limited progress has been made, although the company is investing in an R&D function, and has participated in ICANN's new gTLD program by starting specific TLDs for Wales for example.

Nominet is therefore now taking the opportunity to obtain an external perspective to help shape the board's thinking on some of the big questions faced by the company today.

C. METHODOLOGY

This report draws on a total of 37 interviews embracing 43 individuals conducted during April, May and June 2015. Most of these were conducted face to face but in a number of cases it was only possible to arrange telephone discussions. I was also able to attend the company's AGM on the 2nd of June 2015 and had the benefit of discussions with the Nominet board as a whole on two occasions. I received a wide range of documents from Nominet and written submissions from a small number of members. Details of participants and correspondents are shown at Appendix 1.

Distilling the views of 2,690 Nominet members from a limited number of interviews was bound to be a challenge. I conducted a total of eleven interviews with members, mostly selected with the help of the company, with the intention of providing a representative view of member interests and including individuals who have established a track record of interest in the company and its governance. (This sample included a number of individuals who had previously been board members and four who regarded themselves as having been part of the founding membership.) To ensure that I did not exclude any member with a strong desire to contribute, I offered an 'open mic' session in July. In the event, there were no takers for the discussion in this form but it prompted a number of individuals to contribute by e-mail and I have included their views in this summary.

I was also asked for a meeting by Andrew Bennett, together with Lucian and Emily Taylor, which inevitably ranged over the painful history of Emily's departure from the post of Company Secretary and the ensuing industrial tribunal, which considered her case for disability discrimination and unfair dismissal (March – July 2011).

I should stress that the company members elected to be directors of the company's board were also an important source of material on member perspectives as well as board discussion and policy.

The views and interests of Government departments were explicitly included in my remit and rightly so. Government is responsible for the national infrastructure and is considering whether the domain name system and particularly the 'dot.uk' registry should now be explicitly recognised as part of the Critical National Infrastructure a move which would be likely to have obligations for Nominet. I enjoyed open and instructive discussions with well-informed representatives of DCMS, BIS and Ofcom.

Only a limited number of my interviews involved individuals who are not part of the company (whether that be board or executive) or members. I interviewed a small number of other voices, although stress that they were all well-informed. They are striking for, in the most part, they echoed concerns voiced by others.

At this point I should thank all participants especially for the candour of their contributions. I would also like to thank Eleanor Bradley, Nick Wenban-Smith, Richard Plater, Dan Kelleher and Louise Maishman who provided me with critical logistical support (especially in arranging and taking notes of meetings) as well as guidance on the history, policy and practice of the company.

These conclusions and recommendations are mine alone.

D. CONCLUSIONS AND RECOMMENDATIONS

D.1. INTRODUCTION

Looking back over the interviews and discussions I have held, it is clear that there is widespread, if not unanimous, agreement on the following:

1. Nominet has been highly successful in building the dot.uk registry to be amongst the largest and most highly respected in the world. It has at least three million customers and is consistently praised for the quality and reliability of its service. It is also supported in the introduction of new services and choices for customers. Whilst it does not have a consumer brand, it has established a strong B2B identity and loyalty.
2. It has a strong balance sheet and currently enjoys annual revenues of over £28m with a healthy operating profit of £4m. It has a talented workforce and has already begun to invest in new products and services. It has scope to raise its prices and probably scope to reduce its costs too.
3. There are challenges ahead. Total registrations were down slightly, year-on-year, (0.7%) for the first time in the financial year ended 30 September 2014, and there are reasons to believe that this may be the beginning of a trend that could accelerate as competition from an increasing range of new TLDs, and other market and technological changes, make the ownership of a memorable domain name less essential to internet life for individual businesses and public agencies.

There is less agreement over the likely speed in market shrinkage and therefore the urgency of seeking to diversify. And, quite separately, whether Nominet could and should do more to protect its core market by more energetically promoting the value of domain names which would also be to the benefit of registrars, who are both customers and members. Concern about the prospect of diversification is also, for Nominet, marked by fears that such diversification will favour some member customers above others.

These are the sort of business dilemmas facing many companies, especially those trading in the fast-moving digital economy. They are complicated, for Nominet, both by the events of recent history and, more importantly, by the company's constitution. It is these latter factors which have preoccupied the board in much of its recent strategic planning and prompted this exercise.

D.2. UNFINISHED BUSINESS

The recent history of the company, and especially the period 2008 – 2010 which was marked by a struggle for power and control of the company's direction, has left scars both within the company and beyond. It is not in my gift to reach granular conclusions on the rights and wrongs of actions taken during that period or to weigh the strength and value of opposing views. However, one of my earliest conclusions was that the ghost of these experiences still walks the corridors of Nominet and haunts much of its engagement with the company's members. This is problematic because it affects the company's confidence to move forward and that is a potentially serious handicap. Despite the fact that many personalities have changed and that, by widespread agreement, the company is now more open and better run, there are continuing trust issues and a real fear that the tensions which snag the company in that earlier period are not all resolved and could resurface to hold it back, at what might be a critical commercial moment.

So Nominet has unfinished business and there are fears that this has to be resolved if the company is going to approach its strategic choices, and the risks they inevitably involve, with confidence.

D.3. WHO DOES NOMINET SERVE?

These recent historical events sit within a set of more fundamental questions for Nominet. Who does the company serve? What is it for? Unlike other companies, it does not have owners whose interests it exists to serve. The original founders may not have anticipated such a commercial success when Nominet was created in 1996 but, by common account, they were clear that in the ccTLD they were dealing with a public asset and were at pains to ensure that it should be developed and exploited for wider public benefit and not for the narrow financial interests of a few. This is the background to the company's not-for-profit status which prohibits distributions and its tightly defined Mem and Arts which, in 2010, were amended with the agreement of virtually the whole membership to make that wider public purpose explicit. However, the founders were equally clear that this public asset could only be developed effectively with the contribution of the wider industry and so its membership was extended to include registrars, domain name traders, ISPs, solicitors and others interested in IP protection and a wide range of other related businesses.

Whist membership was not exclusive to these firms and is, in fact, open to anyone, it is perhaps fair to say that the founders recognised the importance of the investment and technical capability of this commercial community and perhaps also hoped that it would collectively ensure that the operation of the ccTLD stayed independent of undue state influence and regulation.

D.4. THE NEED FOR A STRONGER NARRATIVE

Nominet's membership was established to provide stewardship, but not ownership, of the company and members have played a part in the success of the company. They have a right, and a responsibility, to be fully engaged in the debate about the company's future strategy and the decisions stemming from that. Going one step further, members collectively hold the key to the company being able to confidently define its forward path and to execute the necessary actions to pursue it. **It is clear to me, therefore, that the board's efforts to effectively engage the membership need to be extended and, most of all, there is compelling need for the membership to be given a strong, clear narrative about the company's future.**

What do I mean by a stronger narrative? Simply, a clear storyline which captures the distinctive nature of Nominet and seeks to answer the key questions of what it's for, whose interests it serves and how it sees the future challenges and opportunities ahead.

The objective here is to establish closer alignment between the board and the existing membership, so that the company can take confident decisions about the future direction of business planning and investment. Equally significantly, it will provide a stronger foundation for the board to be held to account for the decisions it makes.

D.5. DOES IMPROVED ACCOUNTABILITY MATTER?

Some might argue that the exercise I suggest will distract the board from its immediate tasks of strong business planning and diversification. My conclusion is that this step

is essential to laying a strong foundation for that planning and investment. I base my conclusion on the evidence that I have presented earlier in this report.

- The company continues to reflect on how it should respond to changing market conditions but understands, well enough, that the decisions it reaches will benefit some and disadvantage others (members, customers and wider stakeholders). It also recognises that all business decisions involve risk and an ambitious diversification strategy could risk not only the company's accumulated assets but possibly even its survival.
- There are different views, in different parts of the membership, but some priorities are almost certainly widely, if not universally, shared:
 - The continued strength and resilience of the ccTLD registry is crucial for the foreseeable future and many businesses depend on it for their own success and survival.
 - The stability of Nominet is important. This was particularly underlined by interviewees from the larger member companies.
 - Nominet's continued independence from Government is important, especially in a post-Snowden world. Not only is Nominet able to act as a buffer against the fluctuating pressures for greater surveillance of internet communications but also, the larger companies in particular understand that its efforts help to maintain a healthy, honest and trustworthy registry on behalf of its members, reduces the pressure for greater regulation by OFCOM or some other new, dedicated regulator.

Furthermore, it cannot be stressed strongly enough that any changes that Nominet may wish to make to ensure a more engaged membership; to address the skills it needs for strong governance and business planning; any changes intended to hold the executive more clearly to account or to reflect the company's wider public purposes – all will depend on the support of the existing membership. History has shown that the membership will support the company to take risks and to make fundamental changes but will, in whole or in part, assert itself if it does not feel confident about the direction the company is taking.

D.6. CAN NOMINET RELY ON GOVERNMENT SUPPORT?

It should not be taken for granted that Government will always adopt the relaxed, broadly supportive approach that has marked the company's life to date.

The most pressing priority for Government is, again, one of stability and resilience for the ccTLD which, after all, underpins the Government's own digital communications network as well as those of businesses, communities and households across the United Kingdom. This seems likely to be formalised in the designation of critical national infrastructure status and the company can anticipate that this would involve explicit obligations.

Government can expect to prove intolerant if it sees signs that the company is not protecting its registry function or is being distracted by other interests. It is likely to be equally concerned by any evidence that the membership is at odds with the board and the company faces a rerun of its 2005/2008 experiences. The key differences, compared to that time, is that Government now has the power to intervene directly using its powers under The Digital Economy Act.

There is a second reason for focusing on a stronger alignment between membership and board, relating to future possible action by Government. The pressures to meet the deficit, whilst maintaining public services, has inevitably put a premium on finding innovative ways to fill the gap and especially the scope for asset disposals. (*Examples include the sale of shares in TSB and discussion of the privatisation of Channel 4.*) The search for those contributions has encouraged commentators, and Government itself, to take a closer look at ostensibly independent organisations whose public body status is ambiguous or where assets have been built up, often with support from the public purse, which have no private ownership and yet are not formally in public ownership. The pressures being placed upon the English housing associations (some the children of long-established charitable bodies e.g. Peabody and Guinness Trusts) see Housing Today 23/9/15 “ Think Tank issues association privatisation warning) and the recent speculation that the Belfast Harbour Board might be a suitable case for privatisation (Belfast Telegraph 13/02/15 and 5/8/2013), despite it having been seen, by its own board and its surrounding community, as an independent body for many years. I have also been made aware of an interesting case involving Cogi gas fitting accreditation which has some possible parallels with Nominet’s situation¹.

Nominet should not assume that it might not attract similar attention, if either its resilience is seen to be under threat or, equally, if its value were to be further enhanced by a vigorous programme of diversification.

In conclusion, I see a compelling case for the company building on its recent efforts to engage effectively with its membership around an agreed understanding of the company’s purposes, plans and accountabilities.

D.7. THE QUESTIONS TO BE POSED

Developing a strong narrative about the company and its future plans must go beyond business planning and address the issues of the company’s purpose, who it serves and what its not-for-profit status means. Taking those one at a time:

- 1. What are Nominet’s wider social purposes?** The members that I interviewed, all understood clearly that Nominet’s objectives go beyond the generation of profit and it is equally clear that there is no useful comparison here with the objective of ‘growing shareholder value’ that is found in most private companies. It is not clear, however, that the membership have been fully engaged in a debate about what the company is for and who it serves. The board has been developing that work but it has not yet been fully exposed to the membership and, certainly, not endorsed by it. The exact shape of those wider purposes is for the company to propose but I do see it as the opportunity to outline how the company might contribute to the further development of the UK’s digital economy and, indeed, the internet, both through the maintenance and development of its registry function, but also through the deployment of its existing resources and future surpluses.

As an illustration of what statement of public purposes might look like, I have included, as an Appendix 2, the public purposes defined for the BBC in the last Royal Charter of 2006. Drawn up by DCMS, these provide a clear public statement of the wider objectives against which the BBC was intended to be held to account. They may, of course, be revisited as part of the current charter renewal exercise but many believe them to have been one of the most successful elements of the 2006 charter. Nominet’s purposes will be quite different, of course.

¹ See [2006 HSE Review of Domestic Gas Safety](#)

The importance of defining and agreeing such public purposes is that they would provide direction to the board and its executive team in their planning and decision making and, equally important, they would provide a cornerstone of strength and accountability for those decisions. For not only should the company's future commercial decisions, including pricing, investment etc, reflect those purposes, but so should the work of the Nominet Trust.

For the members, and other stakeholders, the definition of clear purposes would provide the opportunity for the company to be clear about the importance of maintaining its registry activity and show clearly the principles which should guide future investment and diversification. It is not enough to argue that Nominet fulfils its wider public purposes by making a profit or that the bigger that profit, the bigger the social benefit. Nor, for that matter, that it meets its social responsibilities by donating some, or all, of its profit to charitable purposes. This exercise would, instead, be clear that what it does to make a profit, and which charitable activities it chooses to support, are legitimate topics for agreement with the membership. Not case by case but, more efficiently, in the creation of a framework within which the board can confidently make those decisions. A shared commitment of members and board provide a strong foundation for the company to be clear about what it is seeking to achieve and, in broad terms, the purposes to which it would deploy any surplus. That platform should provide a stronger foundation for confident decision about the balance between protecting the existing registry foundation versus investment in diversification and, indeed, which of the possible diversification options are likely to be the most appropriate.

To some extent, this is a reassertion of what I believe to have been the original founding principles: Namely that Nominet was created to develop the ccTLD registry in the interest of a stronger internet and digital economy which served both the narrow business interests of the firms within the wider industry but also a much bigger constituency of households, communities and businesses. Interviews with members (again, recognising that they were limited in number and possibly not fully representative) left me with a confidence that the membership should be able to speak more effectively, not only for their own business interests, but as citizens and participants interested in those wider objectives. I will come back, later in this section, to how that might be further strengthened with better engagement with other stakeholder voices.

Other issues which might be tackled in the rapid advancement of work on the company's wider public purposes might include the following:

2. **What are the implications of Nominet's not-for-profit status?** I contend that these are wider than the simple constraint that profits cannot be distributed to members. A not for profit company has the freedom "to do things differently" putting a different weight on the impact of its commercial activities on other parties than might normally be the case for a company solely promoting the interests of its shareholders for instance or taking a longer term view on returns. It is for Nominets board to consider this question and to share its views with its membership. Some interviewees suggested that the company might consider a more "open source" approach to the distribution of some new services and products so as to maximise the social benefit. The BBC for example has shared much of its development work on signal compression and on demand technology with manufactures and others without charge as part of its own public purpose work.

Closely related to the question of what does Nominet's not-for-profit status mean, in terms of company behaviour, is the issue of how the company deals with competitive impact. Discussions with the members were clear that this is a very important issue within the company. Few argue that Nominet should deny itself the opportunity to introduce new products or services just because they might involve competition with some members. It is clear that such a policy would virtually rule out diversification. But it can, I think, be argued strongly that Nominet should take a close interest in its competitive impact and especially where new products or services, or changes in business practice, would consistently have a negative impact on some part of the membership, and even more so if that effect reinforced the economic strength of other member companies. (Some might say that this would be particularly important if it led to UK-based companies being disadvantaged in favour of large organisations based and owned overseas.) There might also be a case, however, for Nominet establishing whether it should take care not to have a severe competitive impact on small and medium sized companies in the wider economy.

Some members are already sensitive to this issue about potential allegations of unfair competition, given the public asset upon which Nominet's business is founded. **My conclusion is that the board should consider this issue, actively, and perhaps introduce a competitive impact test particularly focused on exposing the impact of its commercial decisions on its members.** This could be coupled with a commitment to ensuring that Nominet will always seek to increase public value in its work.

D.8. OBLIGATIONS AND WELL AS ENTITLEMENTS FOR MEMBERS

In preparing and seeking to agree a clearer statement of the company's public purposes there is, I believe, an opportunity to engage with members on the subject of their responsibilities. Again, there is evidence that, within the membership, some have already thought in these terms. Stressing the wider public purposes of the company provides a platform for discussion with members about the contribution they make. That discussion might include:

- How they might contribute more fully to the company meeting its objectives, particularly in the part they play in electing non-executive directors and otherwise contributing to future governance arrangements;
- Their conduct towards the company and its employees;
- **The most appropriate channels for future communication between the board and the membership** – and here I am inclined to believe that this should reflect the bi-annual nature of business planning with formal reports to members at the AGM with an interim update at the half-year period. There is clearly room for reflection and discussion about how that reporting is done most effectively and what it should cover. In terms of content, I would not expect a wider range of issues than those covered in the annual report, with the possible exception of the introduction of KPIs governing target cost reductions and possibly more detailed progress with diversification projects and the roll out of the dot.uk TLD. Getting that reporting on to a more formal basis might make it possible to free up the resources currently devoted to the member forum, an institution more appropriate for a club than for a successful commercial operation closely aligned with its steward members; and

- **Perhaps opening up, for at least initial discussion, the current link between membership and discounted fees.** The concern that current arrangements distort the pattern of membership and, in turn, may act as a barrier to effective engagement between Nominet and its broader membership is clearly widely-shared. I recognise that this would be a controversial matter and was considered and retained at an earlier occasion (2011) but, in the context of trying to find a secure path which better aligns the interests of the membership and the company, the subject has to be approached.

D.9. THE IMPORTANCE OF TRUST

The exercise of drafting and agreeing wider purposes will also provide the company with an opportunity to discuss the subject of trust and should, perhaps, be taken to draw a line under previous experiences without needing to go back over them but, perhaps, by acknowledging that lessons have been learned and committing the company to greater openness and transparency in the future. This is, of course, a subject for further discussion by the board, for that commitment can only be made if there is an acknowledgment that the company has, at times, acted somewhat defensively (perhaps inevitably so, given the pressures it was facing) and exploring how it can avoid such situations in the future.

D.10. THE IMPORTANCE OF TIGHT FOCUS AND LEAN PROCESS

I know that there will be some members of the board, perhaps particularly amongst the executives, who will be concerned that these recommendations point to a protracted, open-ended set of discussions which might be distracting in terms of the business challenges ahead. I understand and am sympathetic to those concerns, however, I think the company is right to have focused intently on strengthening its accountability and establishing new relationship with the membership undoubtedly must be the first step to doing that.

How can this be done in a streamlined way? I do not accept that the exercise that I am suggesting has to be open-ended: Quite the reverse. I think it is for the board to establish, with some urgency, what it regards as the wider purposes of the company and to work through the implications of that for diversification, pricing etc, and to find means for effective agreement with the membership at large. Critically, this cannot be usefully limited to only the largest member companies but should be time-limited and the board's commitment to building confident foundations for the future should be underlined.

This clearly implies some intensive work for the board, drawing together work that is already in hand, but I would underline the importance of ensuring that messages emanating from the various officers of the board are congruent. I was struck, both in interviews and in attending the AGM, by the important differences of emphasis, and in some cases principle, reflected in board contributions. This suggests that the board has more intensive work to do to ensure that it agrees not only on the proposals that it wants to place in front of its members but also perhaps on the language that is used to explain and describe them. In a simpler company, focused solely on the improvement of shareholder value, this would be less of a challenge but the complexities of Nominet's position, with respect to history, regulatory environment and Government interest, as well as competing interests amongst its members, suggests that care to hone consistent messages is important to achieving the new sure footings which, I believe, are important to the company's continued success.

Wider accountabilities and consideration of alternative corporate structures

When I was first asked to undertake this review, the board expected a rather fuller exploration of alternative corporate structures for the future. They were particularly exercised by a concern that Nominet has wider accountabilities that are not fully reflected in its current structure. I found widespread agreement across board, executive members and other interviewees that Nominet must look beyond the narrow commercial interests of its membership, especially to take on board the views and interests of end-users, including business users, but also the views of Government, in its responsibility for economic management and the protection and safety of the public.

One of my earliest conclusions, however, was that the company has much work to do in better aligning the interests and ambitions of the current membership before it would be possible to open up discussion of new corporate structures - the introduction of which would all require the support of the membership. My own substantial experience of the search for better governance arrangements, in a range of organisations, is that it can often prove a distraction from the core business (public or private). Structural changes rarely live up to early expectations; can be a drain on resources (especially the energies of the most senior management); and usually bring new, different problems, even where they do resolve weaknesses initially identified.

In my July report to the Nominet board, this reasoning formed the basis for my recommendation that there should be less emphasis on the search for a stronger structure of governance and more emphasis on strengthening the current model, particularly in terms of accountability. I emphasised then that this was, by no means, the easy option.

I was strengthened, in reaching this conclusion, by my discussions with representatives of the membership. Underlining, once again, that these individuals may not be representative of the whole body of members, I was, nonetheless, impressed by their understanding of the company; its history, challenges and especially its wider obligations. Many of them shared with me their belief that the current membership has sufficient diversity, as well as detailed understanding, of both technical and political issues involved in the development of the internet that, if fully mobilised, could provide the company with strong support and effective accountability for its wider social purposes. It is, of course, obvious that those who own and run businesses are citizens in their own right and can respond effectively to discussions about social purpose and benefits, if engaged effectively on those subjects.

The nature of social benefit and the role of the Nominet Trust

As I have said above, it is for the company, led by its board, to define the wider purposes. I do not attempt to do that here. However, there is one point that I would like to underline and that is the importance of taking a wide view of social benefit and so avoid focusing solely on welfare benefits. There may be a danger that this has marked the early days of the Nominet Trust, where the board appears to have put an emphasis on separation and independence for the new Trust (both important issues for charitable status to be secured) but, perhaps, inadequate consideration of purpose.

Much of what the Trust has undertaken appears to be valued by the beneficiaries and other commentators but does not appear to be widely understood, or valued, by the membership. In part, this may be remedied by clearer communications in the future, and that is certainly on the agenda, but I believe it may also offer some lessons for the definition of the company's wider purposes. Lessons, in terms of both the importance of clearly-defined purposes but also of ensuring that they are based on a wide view of social benefit. Most crucially, the interest of the original founders in establishing

Nominet as a company capable of contributing to the further development of the internet was, itself, a clear purpose of social benefit. Whilst I believe that objective now needs to be revisited and, perhaps, broken down with a set of purposes reflecting the company's current understanding of the internet and the wider digital economy, I strongly encourage the board to give weight to objectives which offer economic as well as social benefits. Not least, because these are likely to be more appealing to the membership.

There is nothing inconsistent in Nominet strengthening its not-for-profit status by focusing on actions which bring social benefits in the form of a stronger UK digital economy, even were that to benefit the membership as a whole by offering them a larger market and wider economies of scale. Inconsistency would only arise, in my view, if such benefits were only captured by a few and, worse still, if that asymmetric benefit was predictable at the beginning.

D.11. ENGAGEMENT WITH OTHER STAKEHOLDERS

Whilst I am discouraging the board from exploring new structures at this stage, **I do strongly endorse the fact that the board is committed to strengthening its relationships with other stakeholders and recognising that this is essential to it discharging its wider public purposes.** Discussion of this subject, in the interviews reported earlier, clearly pointed to some difficulties in defining the full set of other stakeholders. Putting Government to one side, for a moment, there was common agreement that this category should include the voices of end users, whether they be individuals, communities or businesses, and might properly include informed organisations interested in the development of the internet (and perhaps the digital economy) for wider public good. Determining the right organisations to represent these interests is no simple matter and Nominet already has experience of working closely with organisations in this space. Indeed, it has received positive feedback for its work with relevant third sector organisations and some of that is reflected in the material I have collected.

I would encourage Nominet to try to capture as wide a range of voices as possible, representing different end users and also those organisations interested in the future development of both the internet and the digital economy as they act upon consumers and citizens. The existing stakeholder committee may well be the right mechanism but I would suggest it might need some modification in two respects:

- The nature of this dialogue is essentially one of consultation so as to inform the board. It is therefore clear to me that Nominet should not use the same channel to engage with members or representatives of Government. The nature of its relationships with those are qualitatively different.
- I will address the issue of relationship with Government below but the main point I want to stress here, again, is that the relationship with members is different from that with other stakeholders and it is important to both sides that that is recognised and reflected in the arrangements that the company establishes. In my view, the company is most likely to make progress if it limits the stakeholder committee to the groups I have referred to but then makes diligent efforts to ensure that, in its own discussions with members, it is able to present its findings from consultation with wider stakeholders (and Government – see later) as evidence to support the policy developments and practice changes that it may, from time to time, want approval for. This would have the effect of ensuring that the dialogue with elected members was better informed about wider views and perspectives without, in any way, seeking to dilute that primary accountability.

Nominet's relationship with Government

Whilst the UK Government may not have been very firmly sighted on the importance of the internet in 1996, when Nominet was founded, that is certainly no longer the case. The importance of the digital economy to the UK's economic prospects is clearly recognised in Government strategy for growth and the Government takes, what would appear to be, ever greater interest in the role of the internet in all aspects of modern life, with particular emphasis on its resilience; public safety; commercial security; and its protective responsibilities. So, it might be better to regard Government as a special form of stakeholder interest, given its interests as a user of the ccTLD in its own right; its responsibilities for UK economic management; and its responsibilities for public safety and protection.

As I said earlier in this report, the company's relationship with Government has changed following the DEA 2010 and seems likely to change again with the agreement of critical national infrastructure status. I have also stressed the importance of transparency in the company's dealings with Government and Government departments and want to underline here the importance for Nominet of the board being seen to protect the company's independence.

That **Nominet should take early steps to clarify its own view of its regulatory responsibilities. In my view, it is not a regulator.** The industry regulator is OFCOM although it currently takes a very cautious view of regulation in this, still developing, sector. Nominet has responsibly engaged with Government departments and responded to Government pressures over a range of issues including fraudulent business practices and public protection. In doing that, it sought to avoid the need for more draconian regulation, the impact of which, on member companies, would be difficult to predict. However, it has done that not as a regulator but as a responsible steward for the ccTLD registry, seeking to ensure its honesty and public esteem whilst, from time to time, questioning the expectations and purposes of Government. There will be different views about how well it has done that in the past but there can be no doubt of the importance of this questioning in the future, where Government access to the communications of individuals and companies must be more transparent.

Following through the principles that I have outlined for engagement with other stakeholders, I believe that **Nominet would establish a stronger foundation for the future if it establishes separate, more open, arrangements for consultation and dialogue with Government and finds ways of reporting conclusions emerging from those discussions to the membership in the context of policy changes or new practices that it is seeking to adopt.** The whole exercise would be made all the stronger if Government itself responded to this challenge by more openly demonstrating the expectations that it has of the company and establishing the legitimacy of dialogue and pushback, in the interests of ensuring the continued trustworthiness of the ccTLD.

In summary, there are tensions inherent in the relationship between Government and Nominet and, in my view, these will be better managed to the benefit of all, if they are more transparent and if Government is able to make clear its expectations in a way that the membership and wider stakeholder community can clearly see.

This might point towards a Memorandum of Understanding between Nominet and DCMS but, crucially, it would need to cover not only those subjects that Government might want to monitor in the context of CNI but also the corresponding interests of Nominet and those it serves.

Nominet: a trusted independent voice?

One consistent message emerging from the interviews across all groups was the potentially important part that Nominet can play in future debate about the development of the internet and the UK's digital economy. Nominet's voice already commands respect in both national and international debate because it is well informed; is currently almost free of commercial interest and has a strong track record of delivery to underpin its contributions. The UK Government seems to share the view seeing Nominet as an important, *credible ambassador*.

There is strong encouragement for Nominet to continue to play an active part in shaping policy and regulation for the internet both within ICANN and more domestic debate. That encouragement usually goes hand in hand with the suggestion that Nominet should be bolder and should more be more assertive of its independent opinion. Some suggest that Nominet should play an active part in encouraging more cooperation between European registries and more especially between public purpose bodies working in the UK.

I am clear that Nominet has an important part to play in both national and international debates about the development of the internet embracing issues which include the protection of personal information and future regulation. Its voice will be the stronger if it underlines its independence from Government and avoids pursuing narrow commercial interests. The Company will wish to consider the resource implications of this role carefully but it does currently appear to have both the relevant skills and authority.

Nominet should therefore continue to play an active part in national and international debate about the future of the internet and especially any steps to bring new regulation. In doing this it not only serves the interests of its members but can also serve a wider public interest. Nominet should therefore seek to show the costs of this work as part of its wider social dividend.

D.12. OTHER ISSUES RELATING TO THE CURRENT OPERATING SYSTEM

In this section, I seek to summarise my conclusions and recommendations for a range of possible changes to Nominet's current operating system.

The current structure of board sub-committees and working parties

The current pattern of sub-committees and working parties is shown in Appendix 3. It is already complex and places very considerable demands on both the executive team and the non-executive board. I strongly believe that the process of alignment, which the board is seeking, calls for a pruning in the number of sub-committees and working parties so as to sharpen the focus of the board's work and to reduce the time expended on supporting discussions. I do not think that I am in a position to dictate the final pattern but I would be very disappointed if my suggestions for reshaping the stakeholder committee and conducting separate bilateral discussions with Government department led to the creation of additional machinery. **So, I therefore recommend an early review of the structure of working parties and sub-committees with a view to reducing its complexity and, particularly, the demands placed on board members and executive support.**

Should there be separate governance arrangements for the registry function?

This suggestion was raised by a number of those who participated in my work and whilst my headline conclusion is that Nominet should not consider alternative board structures at this time it is worthy of further reflection in its own right. On one level, it is a rather odd characterisation of what is currently the core business of Nominet. However, there is an issue to be addressed: Members, Government and other stakeholders will want reassurance from Nominet that, if it pursues a policy of diversification, it will not, in any way, threaten the development and protection of the registry function. I have suggested that, in defining its current public purposes, the company might underline its commitment to the maintenance of a strong, respected ccTLD but that could be further underlined by some structural measures to reinforce the importance of these functions and to ensure that there are strong corporate champions capable of arguing for the capex and other investment resources which might be necessary in future.

The board has already looked at examples of other ccTLDs, most notably Australia and New Zealand, where there is a more formal separation of the registry activity from other business lines. Such thinking needs to be developed with care and there may be lessons to learn from Nominet's early experience with the Nominet Trust. Key priorities in any such discussion should be as follows:

- What measures could be taken to strengthen the governance of the registry function and to ensure that it continues to enjoy a high priority in Nominet's business planning – particularly in terms of resources for its maintenance and development?
- Is there an appropriate mechanism in which discussion of possible diversification initiatives can be given effective scrutiny and positive consideration and by which the risk involved in pursuing any such diversification is ring-fenced and therefore cannot put at risk the parent company and the registry?

Taken together these 2 considerations might point in the direction of the creation of separate subsidiaries at some point in the future. However where that to be attractive and supported by members it would essential to ensure that both subsidiaries remain clearly accountable to the main Nominet board and any positive returns from diversification return to the parent company and are not trapped within the subsidiary, other than in the context of transparent tax planning approved in detail by the main board In the meantime **the Board may wish to consider whether any immediate steps would help to further demonstrate its commitment to the protection and enhancement of the ccTLD registry function and to ring-fence the financial risks involved in diversification**

The Nominet Trust

Here I believe the new arrangements, following the change in trust membership, are probably moving in the right direction with clearer agreement on the priorities that the Trust should pursue and more regular, transparent reporting to the Nominet main board, so that it, in turn, can clearly demonstrate, to members and the wider public, the benefits that are being secured through the funding of the Trust.

A supervisory board?

Several individuals suggested that Nominet might consider the creation of a supervisory board to maintain corporate oversight of registry; commercial diversification; and Nominet Trust and other charitable activities, all of which would have their own boards. Supervisory boards are more common elsewhere in Europe, particularly Switzerland and Germany and, in Germany in particular, were introduced as a way of providing employee representatives with greater oversight of business activities within complex companies.

It has also been suggested that this might help Nominet to define and secure the skills that it needs for the future and I will pick up that point later in this section. My own view is that it is premature to consider the introduction of a supervisory board at this stage but the company might bear the proposition in mind, as it develops especially if it decides to adopt the separate subsidiary structure discussed above. In the meantime, it is important that, whether Nominet chooses a structure of sub-committees or subsidiary companies for its diversification activities, the main board is clear about its responsibilities for the oversight of the whole company; for the protection of the registry function; for engagement and accountability to members and other stakeholders; and for dialogue with Government and the regulators – a critical part.

My discussion with board members suggests that they are acutely aware of the need for sharper focus, particularly as they face the challenge of decisions about diversification and the commercial risks inevitably involved.

Skills

Amongst those closest to the company; members of the board, executive team and members who have previously been board members or were otherwise close to its operations, the question of skills, especially in the context of plans for diversification, ranked highly. There was praise and recognition for the skilful contribution of different board members but there was a widespread concern that the board does not have adequate business skills and financial skills in particular. Again, the contribution of recent and current board members, particularly some of the co-opted members, was underlined but there is a concern that the board does not have a resilient process for securing all the skills that it needs. This leads me to suggest three possible steps:

1. **The board needs to be clear about the skills that it needs for the future and, more routinely, to define board positions in terms of the skills that are needed**, at any point in time. In practice, this can only ever be a guide for personal chemistry, style etc, all play a part in defining an effective board member and, given the inevitable changes from time to time, the board will need to be flexible in looking for complementary skills. However, particular focus in examining the skills needed when vacancies arise and when the next election of member non-executives takes place, would represent a step in the right direction. When it comes to the elections, **I feel the board should step back from being so closely involved in issuing advice on preferred candidates but should, instead, be clear about the characteristics and skills that it needs for the future of the company and invite all candidates to indicate how they measure up against those skills**. Stepping back from the recommendation of individual candidates but also making it easier for the board to engage with members to encourage a wider range of non-executive directors to come forward.

Let me underline, none of this is to detract from the contribution being made by current or recent elected non-executives. The problem is not with individuals but with the collective pattern of skills currently emerging from the electoral process.

2. Use co-option more frequently. As I have outlined above, a model which, building on Nominet practice, sees the main board increasingly playing a highly focussed supervisory role and business decisions being made in either sub-committees or subsidiary companies, should enable the company to more regularly co-opt skills which are not on the board and which do not emerge through the electoral process. This might also encourage member companies to release relevant members of staff, who would not be willing to consider the electoral process, but do feel committed to the future success of Nominet. A similar approach would be to increase the number of appointed non-executives on the board, with a much sharper focus on the skills required, but I recognise that this might not be an early step that the board want to take so, **instead, I favour the model of leaving the current pattern of non-executives unchanged for the main board and, instead, strengthening the skills around the table for sub-committees and any subsidiary companies.**
3. Financial skills were mentioned consistently by those concerned about the skills that the board needs to strengthen and, indeed, this would appear to be a matter of some urgency. I am surprised to find the main board operating without a finance director, despite the fact that four seats are allocated to the executive team and I think the board should address the question of whether it has adequate financial support, particularly strategic finance, as it considers diversification and possibly acquisitions. Because it does not, at present, rely on external funders to any extent, it has perhaps been sheltered from some of the challenges that might be made by banks, or other investors. **I believe it will want to get ahead of the game and, if not ready to appoint a finance director to the board, to ensure that it continues to have at least one financially qualified and experienced non-executive director, although this alone will not fully meet the need.**

As I close the issue of skills, let me make one further point and that is that I was struck that an experienced non-executive underlined, to me, their concern that the company should not continue the practice of extending the term of office of existing post-holders. They felt strongly that this was bad corporate practice and eventually likely to lead to the company being criticised. I share that view. I understand why the company has done this: To retain the contribution of experienced individuals with a strong understanding of the company's distinctive practices and background. However, it leaves the impression of a closed organisation and so, as Nominet thinks through the skills it needs and how it should recruit them, it **should also give some emphasis to acting with speed so that it does not have to extend the term of office** of anyone once that comes to an end under current company rules.

Comply or explain

Nominet should move, without delay, to adopt the key principle of the UK Corporate Governance Code. This is clearly a matter of choice for the Code does not automatically apply to companies of Nominet's size or constitution but, for a company which prides itself on its public purpose, it would represent a further clear indication of the board's intent to meet good business practice and, more

importantly, to be entirely transparent to its members and wider stakeholder public about how the company is run. **Most particularly, Nominet should adopt the ‘comply or explain’ principle which would require it to be open and provide explanation for any points on which it diverges from recommended corporate practice.**

Introduce clear KPIs for cost control and return on Research & Development

As part of the process of building trust with the membership and ensuring even further transparency in its practices, I strongly **recommend to the board that it considers making public the KPIs (Key Performance Indicators)**, it has adopted to hold the executive team to account along with the links to bonus payments reflecting at the minimum:

- Registry costs, perhaps expressed in the cost of maintenance and development per thousand names registered.
- Similarly, perhaps, a family of indicators to reflect progress with diversification investments. I recognise that this will require careful consideration but the building of confidence, both within the board and the membership, is, in my judgement, likely to be progressed by a much more open approach to measuring investments against their predicted pattern of expenditure and return and simultaneously attempting to be clear about the aggregate risks that are being run at any one time.

Representation of the Executive Team on the main board

For the newcomer, looking at the Nominet board, the strength of representation of the executive team is a striking feature, not least because it excludes a finance director. This structure was introduced following the Garrett Review and appears to have been an attempt to provide the board with greater stability and resilience at a time that it was under challenge. However, I think there is reason to question whether it provides the right balance, given the challenges ahead. I think it may create two separate types of problem:

1. It gives the executive team a very strong voice for any proposals they bring forward and might be expected to reduce the challenge from non-executive directors. Commentators have suggested that there is not adequate challenge at board meetings and this structure may contribute to that.
2. The second area of complication is for the Chief Executive in establishing leadership of his executive board, if quite so many members of that board sit beside him at the main board and have their own relationships with non-executive board members.

Neither of these issues represents a defining case for change but, nonetheless, the board may want to consider whether it is best served by current arrangements.

D.13. IN CONCLUSION

I now return to the three questions that were posed for me in this exercise:

- To assess Nominet's current position as regards its operating model and governance arrangements. In the first instance by interviewing board members and a selection of key stakeholders determined by Nominet and any others felt by mutual agreement to be relevant as the project progresses.
- In the light of the evidence gathered, and your assessment of the regulatory environment in which Nominet operates, to determine whether or not the current model, structure and organisation is '*fit for purpose*' in terms of meeting stakeholder expectations and the challenges of the future.
- To advise the board of the risks (regulatory or otherwise) which Nominet faces in its current operating model and whether in your judgement there would be advantages to changing the current operating model and, if so, the risks and challenges of making such changes.

In summary, I find Nominet a strong and well-led company, which has proved a strong home for the dot.uk ccTLD and has built a strong balance sheet. It has had difficult times and is still, to some extent, 'snagged' by those experiences. It faces challenges and opportunities ahead and needs to be confident to make the right choices, particularly in terms of the right choices for diversification, given the inevitable commercial risks involved.

In looking at the existing arrangements for governance and accountability, I recognise that they are distinctive and pose their own challenges but conclude that the company would not be well advised to look for an alternative structure at this time, instead, its priority must be to build a new, more secure, relationship with its stakeholder members and further improve its, quite separate, consultation with other interested parties, as well as its dialogue with Government. I conclude that the risks involved, in seeking to make changes without a stronger level of understanding, trust and support from the membership, would produce instability which might not only affect the commercial strength of Nominet but also cause Government to look for alternative solutions.

I emphasise the importance of clear public purposes, effective engagement with members, but all done in a focused and streamlined way. I emphasise the importance of revising current governance arrangements, particularly in terms of separating decisions about the protection and development of the registry function from investment in diversification; improving the skills available to the board and tackling some of the problems which have been suggested by interviews with board members and others.

These recommendations are offered for exploration and discussion by the board in the full knowledge that they are based on a limited exercise and that there are many ways to meet the aspirations of the company itself for improved accountability and more confident policy-making for the future.

D.14 SUMMARY OF RECOMMENDATIONS

1	The Nominet board need to extend efforts to effectively engage with the membership. A key part of this is the development of a strong, clear narrative for the membership about the company's future.	Action
2	Nominet should define and agree its public purposes.	Action

3	Consider the introduction of a competitive impact test as regards the introduction of new products and services, particularly focused on the impact upon members.	Consider
4	The company should discuss with its membership the most appropriate channels for future communication between the board and the membership.	Consult
5	Nominet should reconsider the link between membership and discounted domain registration fees.	Consult
6	The company should strengthen relationships with other stakeholders, including a wide a range of voices representing different end users and organisations interested in the future development of the internet and digital economy. The results of this dialogue should be shared with members.	Action
7	Nominet should clarify its own view of its regulatory responsibilities and ensure this is carefully and consistently reflected in all future public statements.	Action
8	Nominet should establish separate, more open, arrangements for consultation and dialogue with Government and finds ways of reporting conclusions emerging from those discussions to the membership	Action
9	Nominet should continue to play an active part in national and international debate about the future of the internet and especially any steps to bring new regulation	Action
10	Nominet should review the structure of the board's working parties and sub-committees with a view to reducing its complexity.	Action
11	The board may wish to consider whether any immediate steps would help to further demonstrate its commitment to the protection and enhancement of the ccTLD registry function and to ring-fence the financial risks involved in diversification.	Consider
12	Nominet should define board positions in terms of the skills needed.	Action
13	The board should consider stepping back from being so closely involved in issuing advice on preferred candidates but should, instead, be clear about the characteristics and skills that it needs for the future of the company and invite all candidates to indicate how they measure up against those skills.	Consider
14	The Board should not now seek to make changes to the current pattern of non-executive directors but instead strengthen the skills around the table for sub-committees and subsidiary companies.	Action
15	The Board should consider the addition of an executive finance director to the main board.	Consider
16	The Board should actively plan board succession in order that the term of office of board members does not have to be extended.	Action

17	Nominet should adopt the key principle of “comply or explain” as regards the UK Corporate Governance Code.	Action
18	Nominet should make public the KPIs by which it holds the executive to account reflecting at the minimum registry costs and progress with diversification.	Action
19	The Board should consider the current balance of executive representation on the board.	Consider

Michael Lyons

27th October 2015

APPENDIX 1

Nominet Model Review meetings

Date	Meeting with	Face to face / Telephone / Email
27th March	Eleanor Bradley, COO, Nominet	Initial telephone call
23rd April	Eleanor Bradley, COO and Nick Wenban-Smith, Senior Legal Counsel	Face to face
23rd April	Nora Nanayakkara, NED	Face to face
23rd April	Russell Haworth – CEO, Nominet	Face to face
23rd April	David Abrahams, Head of Government & Political relations and Tania Baumann, Head of Secretariat, Nominet	Face to face
28th April	Richard Plater, Policy Executive, Nominet	Face to face
28th April	Piers White, NED	Face to face
28th April	Simon McCalla, Chief Technology Officer, Nominet	Face to face
28th April	Alex Blowers, Director of Legal & Policy	Face to face
28th April	Denesh Bhabuta, NED	Face to face
28th April	Dickie Armour, NED	Face to face
28th April	Oli Hope, NED	Face to face
19th May	Met with Nominet Board	Face to face
21st May	Pete McDougall and Sarah Taylor, DCMS	Face to face
21st May	Nick Wood and Susan Payne, Com Laude	Face to face
02nd June	Attended AGM	
02nd June	Andrew Pinder, NED	Face to face
02nd June	Jennifer Peart, Acting Chief Commercial Officer, Nominet	Face to face
02nd June	Simeon Foreman, Head of Governance and Company Secretary	Face to face
08th June	Simon Yeoman, Fasthosts	Telephone call
08th June	Edwin Hayward, Memorable Domains	Telephone call
09th June	David Thornton, NED	Telephone call
23rd June	Alex Bligh	Telephone call
23rd June	Emily Taylor, Lucien Taylor and Andrew Bennett	Face to face
29th June	Received feedback from 2020 media	Email
30th June	Vicki Nash, Oxford Internet Institute	Telephone call
30th June	Jonathan Robinson	Face to face
30th June	Giles Smith, Dept for Business (BIS)	Face to face
30th June	David Hendon, Ofcom	Telephone call
01st July	Received feedback from Servitor Ltd	Email
03rd July	Martin Sutton, HSBC	Telephone call
03rd July	Sebastian Lahtinen, Netconnex	Telephone call
03rd July	Steve Unger, Ofcom	Telephone call
07th July	Susie Winter, The Publishers Association	Telephone call
07th July	Rob Goulding, Astutium Ltd	Telephone call
07th July	Steve Wright, LINX	Telephone call
08th July	Baroness Rennie Fritchie, Chair & Russell Haworth	Face to face
13th July	Received feedback from Powered by Vision	Email

14th July	Met with Nominet Board	Face to face
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APPENDIX 2

The BBC's Public Purposes

- To sustain citizenship and civil society
- To promote education and learning
- To stimulate creativity and cultural excellence
- To represent the UK, its nations, regions and communities
- To bring the UK to the world and the world to the UK, and
- To take a leading role in digital switchover

APPENDIX 3

