

Governance Review PAB Issues

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Introduction

At its May 2006 meeting, the PAB considered a detailed paper presented by the Executive. Much progress was made, notably the adoption of a policy development process, which has now been published.

In the light of the discussions, the Executive agreed to come back to future PAB meetings on:

- A draft work programme
- Register of interests
- Code of conduct
- Payment or recompense for PAB members
- Revised proposals on the PAB chair
- PAB title

Two issues (definition of Policy and Matters Reserved for the PAB) remain to be discussed in detail. However, as is clear from the draft work programme, there are a number of policy issues to be considered in the coming months. In order to balance the PAB's workload between these external policy issues and internal governance matters, it is suggested that governance is best dealt with over the next two meetings, with the aim of concluding our discussions at the September meeting.

It is therefore suggested that we discuss the following at this meeting:

- Work programme
- Register of Interests
- PAB chair
- PAB title

At the September meeting, we will discuss:

- Definition of Policy (using existing materials)
- Matters reserved for the PAB (using existing materials)
- Recompense for PAB members
- Code of conduct

Since the May meeting, suggestions from PAB members and consultation responses on other issues have raised a number of additional points, which could fit into our discussions on Governance Review PAB issues. These are:

- Whether we should introduce a scheme to ensure that the elected membership of the PAB reflects small, medium and large members (from Voting Rights consultation response).
- Whether there should be a selection committee to approve candidates wishing to stand in PAB elections (from a PAB member).
- PAB forum. Should the PAB have a forum where members and stakeholders can post questions, suggestions and grievances (from a PAB member)?

We suggest that these additional points together with any others that might arise before the next PAB meeting, should be added to the list for the September PAB meeting.

1. PAB Work Programme

As agreed at the May 2006 meeting, the Executive presents a draft work programme to May 2007 for discussion and agreement. Thanks to James Conaghan, who contributed suggestions on this.

It is recommended that the PAB adopt the work programme at Appendix A.

2. Register of Interests

During discussions at the May 2006 meeting, there was general support for a system of recording and declaring conflicts of interest.

With thanks to Dave Evans (ICO), we have produced a draft at Appendix B.

A particular item for debate is whether or not the register should be made public. This is the case with the Information Commissioner. An alternative could be for the register to be held by the Company Secretary, and for the register and processes for declaring interests be reviewed annually as part of the company's audit. It could then be reported in the Annual Report.

The more transparent option would be to publish the register on Nominet's web site. However, some PAB members may feel uncomfortable with having personal interests (for example share ownership), and those of their close relatives, published in this way.

The alternative would meet privacy concerns, but would be less transparent. It is the method currently adopted by Nominet's board members. It is felt that by including it in the audit, good corporate governance is ensured, and accountability is maintained by reporting in the Annual Report.

It is recommended that the PAB adopt the Register of Interest paper, and that the register of interests is not public, but held by the Company Secretary, reviewed as part of the company's annual audit, and reported on in the Annual Report.

3. Code of conduct

There was a useful discussion of this issue at the May meeting, and it is suggested that the best way forward would be for the PAB to form a sub-committee to advise the Executive, to report back to the September PAB meeting.

4. Payment for PAB members

This issue was raised during the May meeting. Since then, only two PAB members have made their views known to the Executive. Please would all PAB members who have a view on this make their views known between now and mid-August, so that the Board can consider the matter at their August board meeting.

5. The PAB Chair

During the debate in May 2006, the consensus amongst the PAB members appeared to be against shifting the appointment of the PAB chair to September, as there were concerns over what would happen should the PAB chair fail to get re-elected in March/April. Others felt that new members of the PAB (joining with the PAB elections in March/April) were unlikely to want to stand as PAB chair so soon after joining.

There appeared to be a consensus that it would be helpful to have a formal call for nominations, and a system of proxies for voting on the PAB chair.

An issue which has been discussed in regular meetings between the previous PAB chair and the Executive is whether or not there should be a limit to the number of terms served by a PAB chair. Advantages of a limit would be promoting independence and fresh blood. A disadvantage is that a good chair could be "timed out".

Corporate governance best practice (whilst designed for a different function) is that non-executive directors should ordinarily serve a maximum of 6 years in order to preserve independence. This might be a useful limit to borrow. Given the fast moving nature of the Internet, and the fact that the PAB chair is currently elected only for a 1 year term, it is suggested that a time limit of 4 years would be appropriate.

Our amended proposals are:

- Call for nominations will take place at the March meeting each year, prior to the PAB elections. Nominations to be received by the PAB secretariat within 1 month. The names of candidates for PAB chair plus statements will be published to the PAB list following the outcome of the PAB elections.
- Any member of the PAB who is entitled to vote is eligible to stand as PAB Chair.
- At the May meeting each year, the PAB chair will fall vacant. The incumbent may stand for re-election.
- All PAB members entitled to vote will be invited to lodge a proxy with the PAB secretariat not less than 48 hours prior to the date of the May PAB meeting.
- A person elected as PAB chair will not be obliged to chair the meeting at which he/she is elected.
- A PAB chair would serve a maximum of 4 consecutive (1 year) terms.

6. PAB Title

Alternative titles are presented, taking account of comments made during the May 2006 meeting and subsequent emails from PAB members to the Executive:

- Policy Advisory Council
- Policy Stakeholder Council
- Policy Advisory Committee
- Policy Advisory Group
- Policy Advisory Panel

Some expressed the view that there was no need for change. We believe that change is necessary, given the frequent examples of confusion between the role of Nominet's Board and the PAB both from members and other stakeholders. We accept that there is a need to improve communications, and we believe that one way of improving communications is to make the title of the PAB less confusing.

Our recommendation is Policy Advisory Council, as we believe this goes some way to removing confusion and assisting communication, without in any way diminishing the PAB's status (which was not the intent of the original proposals).

7. Conclusion

The PAB is requested to consider the proposals set out in this paper. We suggest the following draft recommendations:

- The PAB resolved to recommend that its name be changed to the Policy Advisory Council.
- The PAB resolved to adopt the work programme set out at Annex A [subject to any amendments agreed at the meeting],
- The PAB resolved to adopt the Register of Interests set out at Annex B, and resolved that the Register should be maintained by the Company Secretary, reviewed as part of the annual audit, and a report included in the Annual Report.
- The PAB resolved to request all PAB members who have a view on payment/recompense for PAB members to make their views known to the Executive by 15 August.
- The PAB resolved to adopt the proposals set out in the Governance paper in respect of the PAB Chair
- The PAB resolved to defer its discussions on the outstanding items arising out of the Governance Review, as detailed in the Work Programme.

Appendix A: Work Programme 2006-2007

Date	Main Topics	Notes
July 2006	.net uk	Conclusion and recommendations (WG Chair)
	Governance review PAB issues (2 of 3)	PAB work programme Register of Interests PAB chair PAB title
	Internationalised Domain Names (2 of 3)	Executive's proposals as requested by the PAB
	Internet Governance Forum	Verbal update and discussion on the PAB's role.
	Issues log	Tracking action points and open work items (half yearly report)
September 2006	Phishing (1 of 3)	From May 2006 meeting. Executive paper
	Industry Standards	Feedback from consultation, and next steps (for information)
	Governance review PAB issues (3 of 3)	Code of conduct PAB payment/recompense Definition of Policy and matters reserved Other outstanding items
	Internationalised Domain Names (3 of 3)	Guest speaker: Sabine Dolderer, Managing Director, DENIC
	Differentiated Access limits	Executive's proposals
	Internet Governance Forum	Verbal update from Executive
November 2006	Registrars – dispute resolution and sanctions (1 of 2)	PDP (long) Consultation paper. PAB to form sub-committee for feedback
	Phishing (2 of 3)	Further discussion
	Internet Governance Forum	Feedback on the event from Executive
	Tag holder recent trends	Executive paper
January 2007	Registrar sanctions and dispute resolution (2 of 2)	PAB feedback to consultation
	Dispute Resolution Service review (1 of 2)	According to PDP (long). PAB will be asked to input into the consultation paper. Suggest the formation of a sub-committee to draft response.
	Phishing (3 of 3)	Conclusion of discussion. PAB makes recommendations
	Industry code of practice	Update from Executive
	Variable registration periods	Returning for further review (as agreed in March 2005)
	Issues log	Half yearly update
March 2007	Update on ICANN/International Governance	Guest speaking slot?
	Dispute Resolution Service review (2 of 2)	Feedback from sub-committee, adoption of response to the consultation

May 2007	Domaining (1 of 2)	Should Nominet have a policy on domaining/dropcatching?
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Appendix B: Register of Interests

Background and Purpose

The PAB acts as a route for stakeholders to communicate with Nominet, and as an advisory body on Nominet's policy direction. To assist in their role to represent stakeholders, members of the PAB are often elected or appointed precisely because of links with organisations other than Nominet.

In order to improve the accountability and transparency of Nominet, all PAB members are required to declare any private interests that might affect the carrying out of their duties as part of the Nominet team. They are also required to take steps to resolve any conflicts that arise in a way that protects Nominet and the interests of .uk stakeholders. To fulfil this requirement, any relevant interests must be declared on the Register of Interests.

The defining purpose of the Register is to provide information to the public about the relevant interests of the PAB members.

What has to be declared

Every PAB member is required to declare any interests that might affect the carrying out of their duties as part of the PAB. These are personal or business interests that might influence their judgment, deliberation or action as members of the PAB, or which might be perceived by a reasonable member of the public as doing so.

PAB members must consider whether they need to disclose personal involvement with persons or organisations which members of the public might reasonably think could influence their judgment.

Where there is uncertainty about whether a particular interest should be declared, advice should be sought from the PAB Chair.

When interests have to be declared

Any interest should be declared prior to discussion of any relevant agenda item at a PAB meeting, or at any other meeting attended. The declaration should take place irrespective of whether the interest has already been recorded in the Register. Once an interest is declared at a meeting, the rest of the PAB may resolve to:

- permit the full participation of the individual when discussing the item;
- permit the individual to participate in discussions but with no right to vote;
- ask the individual to leave the meeting for the agenda item.

It is each person's responsibility to inform the PAB Secretariat of any relevant changes as they occur and to register their interests. In addition, the Register will be reviewed annually.

Maintenance and audit of the Register

The PAB Register of Interests will be maintained by the Company Secretary, will be reviewed as part of the company's audit, and reported on in the Annual Report.

Failing to Disclose

Where there is a complaint about a failure to disclose a relevant interest, the complaint will be referred to the PAB Chair. A complaint about the PAB Chair’s failure to disclose an interest will be referred to the Chairman of Nominet.

Disclosure of Interests - for PAB Register of Interests.

The PAB are expected to use this form to provide details of all relevant interests. These are interests that might affect the carrying out of their duties as part of the PAB. If you are in doubt about whether to disclose a particular interest, please seek the PAB Chair’s advice.

1. Please give details of any relevant remunerated or non-remunerated directorships.

2. Please give details of any relevant employment - that is any remunerated employment, offices held, professions etc. that might affect the carrying out of your duties as part of the PAB.

Name of organization	Nature of organization	Position within organisation

3. Please give details of any voluntary and/or public offices held.

4. Please give details of any sponsorships or financial or material support that you receive from any organisation falling within the area of Domain Names or other activities carried on by Nominet.

5. Please identify any institution where you hold a total investment or other interest which has a value over £25,000 or which accounts for more than 1/100th of the issued shares or securities of that institution, or of any class of such shares or securities. This would include matters such as endowment policies and pension plans.

6. Please give details of any other relevant interests, including significant interests of close family members, i.e. ones which might influence your judgment, deliberation or action as a member of the PAB, or which might be perceived by a reasonable member of the public as doing so.

8. Signature and date.