

## Have your say!

This consultation covers a broad range of questions. If there are certain questions that you don't have an opinion on please feel free to leave them blank.

This document contains respondents between 24 and 24 inclusive.

What do you think the purpose of Nominet should be?

The purpose of nominet should be to manage the .UK domain and other items related to .UK such as ENUM .44

What do you think the Vision and Values of Nominet should be?

I think the current vision and values are apt.

What do you think the development strategy of Nominet should be?

I think Nominet should continue in light of #1 above and should work with international organisations to ensure that the Internet operates simply and is open to all.

Do you want Nominet to continue as a not-for-profit organisation?

Yes.

What do you think should be done about the commercial discount arrangements?

I agree with Garretts recommendation.

What do you think should be done about broadening membership?

I agree only with the two latter points:

- Revise voting arrangements to achieve a fair balance across the membership.
- Develop a membership strategy for the recruitment and development of active engaged members, and resource member development.

Do you want Nominet to reform the voting procedures to allow members to feel enfranchised?

Yes.

What do you think should be done about the membership and ownership structure?

Whilst I have no strong view against or for Garrett's recommendation I believe that Nominet should tread carefully when looking for participation outside the Internet industry. In the past this direction has often caused significant problems and in general bad strategy decisions. I strongly believe members should have equal rights in voting.

What do you think should be done about the entrenched provisions?

I think changes are needed to ensure Nominet cannot be captured but balances this with ensuring that the wider membership have a say in what Nominet does.

### Split the present Chairman and Managing Director role

The combined role is built into Nominet's constitution. The splitting of these roles has been mandatory for listed companies since 1992. It seems very unwise that Nominet continues what is seen as bad practice here. It reflects badly on Nominet as it does not allow for either role to be developed fully nor for effective Board oversight of each role.

- I agree with the recommendation
- I don't agree with the recommendation
- I don't know enough to make up my mind

### Create a separate role of Managing Director who is a full Board member

This is good corporate governance practice and mandatory under the 2006 Combined Code. If the Chairman is 'the boss of the Board of Nominet' then the Managing Director is 'the boss of the day-to-day operations of Nominet' and is held fully accountable for them. This suggestion would require that the Managing Director becomes a statutory Board member, and that the current role of Chief Executive is absorbed into the MD role.

- I agree with the recommendation
- I don't agree with the recommendation
- I don't know enough to make up my mind

### Revise Nominet's system of voting for directors

This is designed to clarify the present position in Nominet where a conflict can be acknowledged but the Board has currently no power to do anything about it. I am suggesting, for example, the keeping of a register of interests of Board members, the updating of these at each Board meeting and having a clear process for deciding if a conflicted Board member may speak to a topic, whether they can vote on a specific issue, and that these decisions are recorded in the Board minutes.

- I agree with the recommendation
- I don't agree with the recommendation
- I don't know enough to make up my mind

Give the Board the power to appoint at least two experienced and independent non-executive directors to the Board in addition to the present NED composition.

There are four reasons for making this proposal:

First, to add wider diversity to the industry-specific experience of Directors elected from the membership. This is always an issue in membership-based organisations as many elected Directors do not have any previous directorial experience.

Second, to allow Nominet to be seen to be acknowledging their wider role in creating the 'public good' by bringing in some externally-orientated Directors with their critical, independent oversight to balance the Board's risk assessment and decision making processes.

Third, to give the Board flexibility in bringing specific functional experience onto it where there is an obvious need.

Fourth, to allow the appointment of a Senior Independent Director who can act as a point of contact for members wishing to discuss issues such as the performance of the Chairman.

I suggest that good practice for these independent NEDs is that they are part of the Board's annual evaluation, and that they have a maximum term of three three-year contracts subject to satisfactory performance.

- I agree with the recommendation
- I disagree with the recommendation
- I don't enough to make up my mind

#### Comments

I strongly disagree with this. History has demonstrated that this path does not benefit the Industry or the users of the Internet.

I strongly believe that the board, including the chairman, should be made up of knowledgeable and experienced Internet professionals.

Ensure that the Board has on it three Executives who are also statutory Directors

This is a further step in achieving better balance on the Board by having the Managing Director and other supporting roles as Board members as part of their employment contract. This would allow broader regular Board oversight mechanisms of the business and the development of Nominet.

- I agree with this statement
- I disagree with this statement
- I don't know enough to make up my mind

#### Comments

I do not believe three is required. Two should be ample for pure succession planning purposes.

Appoint a professionally-trained Company Secretary as an Officer of the Board

This role has proved crucial in many Boards, especially those onto which many members may be appointed without previous directorial experience. The Company Secretary is expected to ensure good practice and legal compliance around the boardroom table and to act as 'the conscience of the Board' when necessary.

- I agree with the recommendation
- I disagree with the recommendation
- I don't know enough to make up my mind

Comments

I agree on the basis that the Company Secretary was not a director.

Create a clear job description for each director

This is to go beyond the existing job description that is contained currently within the call for members' nominations to the Board. It needs to state their corporate legal duties and responsibilities, time commitments and the personal liabilities to which they will be committed. Such job descriptions must apply equally to the Chairman, the Managing Director and any other executives who are statutory directors.

- I agree with the recommendation
- I disagree with the recommendation
- I don't know enough to make up my mind

Create annual evaluation and development plans for the Board itself, each committee and each individual director

This is standard practice and is contained in, for example, the Combined Code, the NHS Monitor Code, and, please note DBERR's Building Better Boards recommendations. They, and others, advocate using the Learning Board Model in which I declare an interest.

- I agree with the recommendation
- I disagree with the recommendation
- I don't know enough to make up my mind

Comments

I agree as long as the board can deal with poor performance.

Ensure that the Board nomination, selection, induction, competence building, evaluation, renewal and de-selection processes are reviewed regularly

This can be started immediately without the need for constitutional change.

- I agree with the recommendation
- I disagree with the recommendation
- I don't know enough to make up my mind

Publish in the Annual Report the reasons for, and cost of, the legal fees for directors seeking independent advice concerning their directorial roles

This is to make these costs transparent and, given the recent experiences, to demonstrate the future effectiveness of the induction and competence building processes. Hopefully, it will reduce the tendency to litigation amongst future directors.

- I agree with the recommendation
- I disagree with the recommendation
- I don't know enough to make up my mind

Review and publish the remit and membership criteria of the Audit, Remuneration and Nominations Committees

In March 2009, I realise that a start has been made on the Audit Committee. In many businesses it has been found wise to combine the Nominations and Remuneration Committees.

- I agree with the recommendation
- I disagree with the recommendation
- I don't know enough to make up my mind

Reconsider the role and processes of the Policy Advisory Body so that it becomes more an 'outward facing' part of the membership's connection and sensitivity to the external stakeholders and the public good.

- I agree with the recommendation
- I disagree with the recommendation
- I don't know enough to make up my mind

Comments

I think the PAB should have more influence in company strategy.

What does being a member of Nominet mean in this changing world?

A safe and stable Internet advocate.

## What do the answers to these questions mean to redesigning the governance system of Nominet?

Resolve some of the voting issues and I think this will resolve many of the challenges that Nominet faces. I strongly believe that Nominet should be steered by experts within the Internet Industry.

## Please give us your contact details

### Name

Neil McRae

### Company name

Cable & Wireless