

AUGUST 2008 COMMUNIQUÉ

Nominet's Board of Directors met on 19th August 2008. Certain matters were adjourned to 28th August.

Foundation

Our application to have the Foundation registered as a charity has been submitted to the Charities Commission.

A Foundation Officer and Foundation Administrator have now been appointed on a part time basis, to work with the Trustees. At induction will be held for Trustees in November.

Plan on a Page

The Board unanimously approved a new plan on a page, with a revised mission, vision, values and strategic priorities. This will be published on our website and come into effect from 1st October 2008.

Events & Feedback

- The Board congratulated the marketing team on the launch of the campaign to promote renewals of .uk domain names. The Board noted that feedback from registrars was being taken into account.
- The Board congratulated the technical team on a highly successful ENUM registrar day, which was held on 28th July.
- We held a successful Company Day for all Nominet staff at the end of July. The staff were updated with the latest on the strategy development process for the year and also introduced to the new Vision, Mission and Values. In the afternoon, Dr Tanya Byron delivered a motivational speech.
- The Board congratulated the DRS team on a successful launch of the revised Policy, Procedure and new online system.
- We will be sponsoring the Parliament and Internet conference to be held at Portcullis House on 16th October. Further details will become available at <http://www.parliamentandinternet.org.uk/>
- The Board was pleased to note a significant decrease in the number of pro-forma renewal invoices being issued, as a result of enhancements to our online services.

New Director of Finance

The Board welcomed Glenn Hayward, Nominet's new Director of Finance, and approved the budget for the financial year 2008-2009.

Board Matters

Following a complaint received by Nominet, and after taking advice from Leading Counsel, the Board concluded that Mr Jim Davies' role as legal representative to parties using Nominet's Dispute Resolution Service did present a conflict of interests. Mr Davies agreed to propose a solution to this matter by close of business on 1st September.

The Board invited Mr Davies' proposals to resolve the issue.

Meeting with Leading Counsel

The Board met with Leading Counsel to discuss outline proposals either to reduce prices, or offer rebates to members. Counsel advised that any scheme (such as a rebate) would amount to an illegal distribution of profits, and was forbidden by Nominet's constitution. Any proposal to offer differential rebates or loyalty schemes potentially fell foul of both competition and corporate law, and should be treated with extreme caution.

In summary, Counsel's view was that the least risky option appeared to be a straight price cut, offered to all members, but this would of course be subject to a 75% majority in a membership vote. Directors would also need to consider whether such a price cut would promote the success of the company.

In addition, Counsel advised on general duties of a director, including:

- A director owes a duty to promote the success of the company, and this overrides any promises made in a director's election statement
- A director is bound by a majority board decision, and cannot undermine it
- Promoting the success of the company includes promoting the success of the company's services, and having regard to the interests of its staff.

Operational Statistics

There were 2893 active members and 4161 active tags as at 31st July 2008. Since June 2008, 6 new members have joined. The number of new registrations in June 2008 was 141346 and July 2008 was 145622. The average renewal rate for the year was 70%. The net growth of the register for the last 12 months was 13%.