

Our Ref: DR/MS/044

Your Ref:

Date: 29th August, 2018

The Director General,
Communications Authority of Kenya,
Waiyaki Way,
P.O. Box 14448 - 00800
NAIROBI

Dear Sir,

RE: COMPLAINT ON THE UNETHICAL RUNNING OF KeNIC BY THE BOARD

The above matter and our meeting of 29th August 2018 between your Mr. Vincent Ngundi and Mr. Jackson Cheboi and the Board members of DRA.KE refers.

Firstly, we would like to thank you for giving us audience to discuss this matter that is of utmost importance to DRA.KE and its' members.

During the meeting, the DRA.KE Board Members present raised their concerns with regards to the management of the KeNIC Board in particular: -

- *Conflict of Interest and Special Interests by members of the Board – DRA.KE noted that there were obvious conflicts of interests and Special Interests in the Board contrary to Corporate Governance rules particularly pertaining to the selection process of a new C.E.O.*
- *The election of an Associate Director as the Chair of the Board, against the counsel of the Company Secretary, and licensing rules.*
- *The sidelining of DRA.KE and Registrar interests within the Board, leading to a failure of KeNIC to effectively adapt to the market needs effectively.*
- *The irregular assessment of the C.E.O without proper input from the relevant committees and to further embellish the findings of the Technical Committee to cast the C.E.O. in a negative light. Through these actions of the Board, KeNIC is now at risk of losing a competent leader who has managed and grown the Registry effectively.*

DRA.KE as an organization that represents the interests of Registrars in Kenya, noted that, the actions of the KeNIC Board and the decisions made, impacts the Registrars hardest as they are the most invested in the Registry.



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The parties present agreed on the importance of the KeNIC registry to the country as a critical infrastructure that creates an ecosystem which fosters economic growth in the country. It is therefore imperative for KeNIC to be effectively run for the benefit of the country.

Mr. Ngundi observed that, the KeNIC Board had failed to communicate effectively with C.A., and noted particularly that: -

1. The Board had failed to notify the Regulator before new Associate Directors are co-opted into the Board. It was noted that this information is important to the Regulator so as to give them an opportunity weigh in if need be;
2. There was a failure of the Board to inform the regulator of a decision to halt the AGMs, thereby changing the makeup of the organization;
3. The Board failed to inform the Regulator of the results of elections of officials to the Boards, particularly in the position of Chairperson. The Board failed to notify CA when they elected an Associate Director as Chair of the Board, when her election was nullified or even the election of an Interim Chair.

The parties discussed the most effective structure for the running of the Registry with DRA.KE maintaining their position that the best practice would be for a registry run by Registrars. This position is informed by research indicating that Registrar run registries are better run, more successful and respond to the market more effectively.

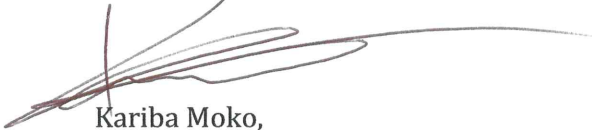
DRA.KE raised concerns that there is a high level of attrition in the Board and the Staff most notably, the resignation and or contract-end of the Company Secretary, the Head of the Finance Committee, the Marketing Manager and the C.E.O of KeNIC. Following the meeting, we were informed that the Senior Systems Administrator recently tendered his resignation. This has led to a loss of institutional memory and vacancies in very key positions.

DRA.KE would like to put forward the following proposals:

1. To institute a rotational Chairmanship as it was noted that since the inception of KeNIC Drake was yet to hold the Chair position with both TESPOC and KENNET holding it severally;
2. To create a structure for mandatory communication with the Regulator for the purpose of allowing the Regulator an opportunity to weigh in on the Board's decision if need be;
3. A thorough review and amendment of the Board Charter, Articles of Association and Licensing rules for the purposes of curing the current problems prevalent in the KeNIC Board.
4. To explore the best model of running the Registry keeping in mind that DRA.KEs position is that the Registry ought to be run by Registrars.

We thank CA for listening and engaging with DRA.KE and we believe that this is the first step towards the path to a better KeNIC.

Yours faithfully,
For Dra.KE;



Kariba Moko,
Chairperson.

