



PUBLICBENEFIT.UK

Mark Wood
Chairman
Nominet UK

By email only

26 February 2021

Dear Mark,

I write further to your letter of 15 February.

In just over 3 weeks, an EGM will take place at which those directors named in the first resolution will likely be removed from their respective offices as directors. The Public Benefit campaign continues to gather momentum, with over 350 members in support including 67% of the top 50 UK members. Hopefully now even the board can recognise this is not a "small minority".

I do not need to school you or any of the other members of the board on your duties as directors, both under the Companies Act 2006 and at common law. However, given the manner in which the response to the Public Benefit Campaign has been conducted and the content of the video embedded on the voting login page, which fails to acknowledge the Public Benefit campaign or the possibility of appointing someone other than you as proxy, I should remind you that each director has a duty to:

- act in a way that they consider *in good faith* would be most likely to promote the success of the company for the *benefit of its members as a whole* and in doing so have regard (amongst other matters) to...*the need to act fairly as between members of the company* (s.172(1) and (1)(f) CA 2006)
- exercise *independent* judgment (s.173(1) CA 2006)

Faced with the possibility of its entire executive team being removed from office imminently, the board therefore has a clear responsibility to consider what it will do following a successful vote at the EGM as a matter of business continuity.

While you have been particularly vocal over the last few weeks about the threat to "stability" should the resolution pass, we both know that an organisation of Nominet's size and stature has robust business continuity plans (required as part of Nominet's ISO 22301:2019 certification). As a member led organisation with a history of discontent amongst its members, this scenario has undoubtedly been catered for and even if it had been missed before must now have been discussed. I would appreciate it if you could share those plans with the membership before the EGM.

In response to your claim that the Public Benefit campaign has "no credible plan", I refer you to the relevant section of our website: <https://publicbenefit.uk/#plan>.

The members are quite clear on what they want to happen following a successful vote at the EGM and that is for the board to appoint Sir Michael Lyons and Axel Pawlik as interim directors of the company.

Of course, as Appointed Directors, they would be up for re-appointment at the next AGM in September. Sir Michael and Axel are seasoned professionals who understand the challenges faced by an organisation such as Nominet and they are more than capable of ushering Nominet through, what the members of course accept, will be a period of change.

Despite the removal of the second resolution from the ballot, the members fully expect the board of directors to properly consider the appointment of Sir Michael and Axel as Appointed Directors and, if they are unwilling to make such appointments, to clearly explain to the members why. Alternatively, the membership would be interested to know who the board of directors would appoint to take over the reins, if not Sir Michael and Axel.

In short, the board has a vital role to play when it comes to ensuring the ongoing stability of Nominet following a successful vote at the EGM; it is not entirely up to the members who are exercising their legal right to remove those directors who they consider to be the cause of the issues that are clearly set out at www.publicbenefit.uk.

At this juncture, I would be grateful if you could confirm the following important points of protocol:

- (1) That it is not appropriate for the Board to encourage or allow Nominet's Customer Support Team to make misleading statements to members about the success of its own campaign to defeat the resolution;
- (2) The date by which Nominet will publish the list of eligible members and their respective voting rights, as it has done previously;
- (3) That Nominet will recognise the right of corporate members to appoint proxies, as it has done previously;
- (4) That if any member in favour of the first resolution nominates you as their proxy, you must vote in accordance with their wishes (s.324A CA 2006
- (5) How you would propose that I exercise my right as a member to speak on behalf of the supporters of the Public Benefit campaign at the EGM on 22 March (to ensure a fair and democratic process);
- (6) Given previous errors in the calculation of voting rights, how Nominet intends to satisfy the membership as to the outcome of the vote and the basis on which it will have been calculated.

I look forward to hearing from you.

Yours sincerely,
Simon Blackler