



15 September 2022

Dear Nominet Directors

Nominet Voting Rights “clearly unlawful” Concludes KC’s Opinion

We are group of concerned Nominet members and former directors.

There has been longstanding and widespread concern and debate about Nominet’s Weighted Voting rights. Those concerns relate to both whether it is fair for some members to have more votes than others; but also whether those rights break company law.

Focussing only on the question of legality, Angus Hanton (Dulwich Storage Company and former Nominet Director) asked Jim Davies (Former Nominet Director and current Board Election Candidate) to brief a KC to provide an authoritative and independent legal opinion.

Iain Mitchell KC (Scotland and England & Wales) has provided a balanced and wide-ranging opinion, which has been shared with us. You will see that he concludes that Nominet’s Weighted Voting Articles are “*clearly unlawful*”. We attach a copy of the opinion. Relevantly, he concludes:

“...the wording of article 19 appears to allow for different voting systems for polls as opposed to written resolutions. That is clearly unlawful in terms of section 285A, with the consequence that the provision about how many votes a member has in relation to a resolution passed on a poll is void...”

Iain Mitchell KC concludes that Nominet Article 19 breaks company law.

This is a very serious issue for Nominet, particularly as there is an AGM and Board Election happening soon. Based on counsel’s opinion, we believe the only lawful way to conduct that meeting (and future meetings) would be one member, one vote.

We ask the Board to accept Mr Mitchell KC’s clearly expressed opinion. We ask you to:

1. acknowledge that the Weighted Voting Articles break the law;
2. agree that they are therefore void;
3. apply one member, one vote at the forthcoming AGM; and
4. then formally consult the membership on what to do next, on the basis that there are no valid Weighted Voting Rights in the current Articles.

Many members have been concerned for some time about the way Nominet has been run – resulting in the recent Public Benefit EGM that removed half the board, ongoing concerns about transparency and a continued lack of successful member engagement. Weighted Voting rights breaking the law must be seen in this context.

In the interests of transparency, we will publish this letter and the Opinion of Iain Mitchell KC for the benefit of the Nominet membership and other stakeholders. We are inviting others to sign up to this letter at WeightedVoting.uk

We hope that the new, changing, Nominet will react constructively to this important information and the spirit in which it is shared. In any event, we believe individual directors have a personal duty to ensure that the company is not breaking the law.

Yours faithfully

Angus Hanton (Dulwich Storage Company Limited and Former Nominet Director)

Jim Davies (Former Nominet Director)

Mr C Davies (Nominet Member)

Michael Joth (Lively Limited)