

EXHIBIT 12

COMMERCE



159 employees are leaving Automattic as CEO's fight with WP Engine escalates

Ivan Mehta — 12:51 AM PDT · October 4, 2024

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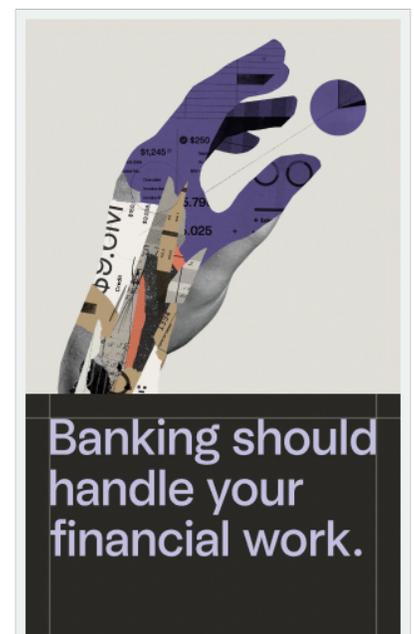
Automattic CEO Matt Mullenweg said on Thursday that 159 employees (roughly 8.4% of staff) [accepted a severance package](#) that the company had offered to those who disagreed with his direction of WordPress and his [handling of the tussle with web hosting provider WP Engine](#).

In [a blog post](#), Mullenweg said the package offered \$30,000 or six months of salary, whichever is higher, but the employees who took it would not be eligible to be re-hired by Automattic.

Nearly 80% of people who took the offer worked in the company's Ecosystem / WordPress division, and the rest were in Automattic's Cosmos businesses, consisting of apps like Pocket Casts, Day One, Tumblr and Cloudup.

Mullenweg, who co-created WordPress and is arguably the face of the [open-source project](#), tried to put a positive spin on the announcement, writing that the company "decided to design the most generous buy-out package possible, we called it an Alignment Offer."

"HR added some extra details to sweeten the deal; we wanted to make it as enticing as possible," he wrote, and later added: "150 people took the offer





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"HR added some extra details to sweeten the deal; we wanted to make it as enticing as possible," he wrote, and later on added: "159 people took the offer, 8.4% of the company, the other 91.6% gave up \$126M of potential severance to stay!"

"It was an emotional roller coaster of a week. The day you hire someone, you aren't expecting them to resign or be fired; you're hoping for a long and mutually beneficial relationship. Every resignation stings a bit," Mullenweg wrote.

Some employees who left the company include the head of WordPress.com (Automatic's commercial WordPress hosting arm), [Daniel Bachhuber](#), head of programs and contributor experience [Naoko Takano](#), the Principal architect for AI, [Daniel Walmsley](#).

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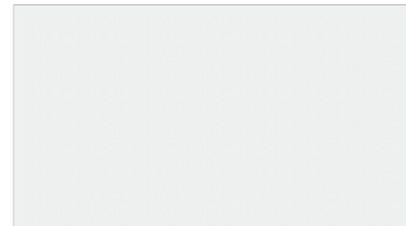
Mullenweg and Automatic have been in a skirmish with WP Engine for almost two weeks now, in which the CEO has called WP Engine a "cancer to WordPress," accusing it of wrongfully using the WordPress and WooCommerce trademarks, and [banning the company](#) from accessing the open-source WordPress.org resources.

Both WP Engine and Automatic have [sent](#) each other [cease-and-desist letters](#). And WP Engine earlier on Thursday [filed a lawsuit against Automatic and Mullenweg](#), accusing the company and its CEO of "abuse of power," extortion, and saying the WordPress co-creator has conflicts of interest in handling WordPress as an open-source project.

Automatic has so far called all of WP Engine's claims meritless. "I stayed up last night reading WP Engine's Complaint, trying to find any merit anywhere to it. The whole thing is meritless, and we look forward to the federal court's consideration of their lawsuit," the company's legal representative, Neal Katyal, said in a [blog post](#).

Over the last few days, [several people](#) on X have hinted about a severance offer being circulated among Automatic employees. Mullenweg also [allegedly DM'd a former employee who posted about the offer](#) and accused her of attacking the company and him.

Today, [some Automatic employees](#) who opted to keep their jobs [posted messages](#) in support of the company and Mullenweg.



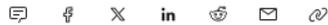
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You can contact this reporter at im@ivanmehta.com or on Signal: [@ivan.42](https://signal.me/@ivan.42)

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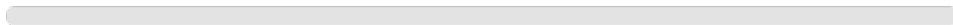
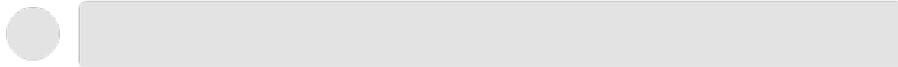
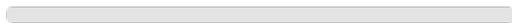
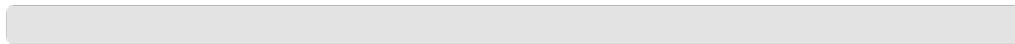


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Ivan covers global consumer tech developments at TechCrunch. He is based out of India and has previously worked at publications including Huffington Post and The Next Web. You can reach out to him at [im\[at\]ivanmehta\[dot\]com](mailto:im[at]ivanmehta[dot]com)

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