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Sent: Fri 21/02/2014 5:32:12 PM (UTC)

To: Angela Van-Den-Bogerd[] GRO; Belinda Crowe[] GRO; Chris Aujard[] GRO; Mark R Davies[] GRO

Cc: Chris M Day[] GRO; Martin Edwards[] GRO

Subject: Board papers - questions

Hi there, thank you for what is clearly a great deal of work!
And as I am using up my holiday to go through all this, please excuse the brevity/lack of grammar etc....

Questions as follows:

BSP paper (Angela)

- how does 3.2 relate to 5.1? I.e., a long list of areas vs 9 workstreams?
- 6.1 £9m potential benefit: I assume as he has checked the papers that Chris D is comfortable with this - it is risky giving the Board a figure before the ExCo has signed off a business case. Pls can I have a breakdown of how we get to £9m. If it is validated, even approximately, is it in the scope of Colin's cost reduction programme? And/or Brian's BTr?

ICR/Mediation paper (Belinda & Chris A & Mark)

- serious query: is there anything going well? Not at all looking for it if not, but (rightly) this paper sets out many risks (very well thank you). It would be good to voiceover any positives. (Don't find them if not there.)
- 3.1 legal assurance process more complicated (therefore adding time), why? Have we resolved the Fujitsu issue? Who are the new investigators referred to (internal)? And are they ok?
- 3.2 how do we/will we know our report quality is ok?
- 3.3 draft report stage for who? PO or SS?
- Settlement claims policy - did CA/CD sign this off (is it draft or confirmed) and are CD/CA comfortable to talk to it if we have questions? I remember the steering group looked at a BDickenson proposal - could you remind me of the content and the principles behind how we decided on the different levels? Has it been shared with the working group or advisers?
- 3.5 advisers negotiating: what did we make clear in the details of the mediation scheme? Eg., no consequential losses, no right of compensation, etc, etc? I.e., what could we go back and remind advisers/Spmrs of, in order to stop scope creep and manage the expectation gap? It seems to me we need to be very clear that if there are expectations that cannot be handled within the boundaries of mediation, then the Spmr needs to consider other action. If however, we said that, could it lead to class action? I am sure the Board will want to understand more on this. I do.
- 3.6 potential cost £10m+ serious. When we went into this, the motivation (Alice and me) was to find out what was really going on to create so much noise and to put in place processes that we felt were closer to the way we wanted PO to be run (more supportive) going forwards. The system that was in place at the time was when we were a division of RM and accountable to their Legal and Security Directors. Sparrow was our opportunity to reset the dial for PO as a stand alone business. We did not intend it to result in major compensation for policies that were followed and applied to thousands of others who did not have problems, and which were operating in a different corporate context. We seem to have lost this focus and I am looking for advice on how we regain it. It should be part of the SS/TH pre-meet in Monday. And will be a question from the Board. (Chris, Mark, Belinda).
- 3.7 what is the wider scope the working group want to go for?
- 3.9/10 what did we agree for advisers on fees? Can we go back and reconfirm this and the nature of mediation? Have they all signed up for scope and fees? What is the point re TH and engaging him re advisers?

Prosecution paper (Chris A & Mark)

- 3.3 3rd bullet: why don't we know 31 were subject to some kind of recovery process? Presumably poor record keeping? Do we now have the correct systems in place?
 - 3.4 if we are likely to take forwards fewer of the stacked cases - what is the reason and what is the comms line to explain that? Presumably this is genuinely a PO view of lessons learnt and/or closer to the supportive mutual culture we want in place. If we were to explain it like that, does it then lead to a need for further disclosure re past legal cases - presumably not as they were subject to the policy at the time?
- How quickly can we move on stacked cases? I am uncomfortable keeping people waiting - this will be a big deal for some of them and stressful.
- Comms appendix: is there a 'higher ground' statement ref my point 3.6 above?

Thanks again everyone. This feels particularly difficult and I am grateful to you for all the time and effort and support you are putting into this. There was and still is a good reason for us seeing this through, and Angela's paper also points to it.

Paula

Sent from my iPad