POL00116321

From: Paula Vennells GRO
Sent: Mon 10/03/2014 12:26:52 PM (UTC)
To: Chris Aujard GRO
Cc: Belinda Crowe GRO; Mark R Davies GRO; Martin Edwards GRO; Chris M Day GRO
Subject: Fwd: PRINTED Sparrow

Chris, note from Alice as promised. The tone should be read as serious but supportive, that was the nature of our conversation. And the suggestion of a Board Sub-Ctte is a good one. It will help manage the comms., bring some reassurance to the NEDs, and help us - by having a smaller group to steer and shape rather than the whole Board.

Please note, I have said to Alice the Q's to the NEDs will be out on Wed. I want them out by end of play tomorrow. We need to get back on the front foot with this and so I'd like us to beat the expectation I have set.

See you later, Paula

Sent from my iPad

Begin forwarded message:

From: Paula Vennells < GRO
Date: 10 March 2014 12:21:01 GMT
To: Alice Perkins < GRO
Cc: Alwen Lyons < GRO
Subject: Re: PRINTED Sparrow

Alice, thank you that is clear and helpful.

I have only one addition which we agreed at the Board and that is the business should take advice from other external sources eg., FOS. (Fyi. The off the record meeting with FOS CEO is set up for next Monday.)

And a point of clarification related to points 2) and 6) which I ran past Alasdair this am and he agrees, the legal advice we are seeking is twofold: firstly, advice on options open to us, ie., the adviser role as requested at the Board; secondly, the legal 'bottom line' as Neil describes it. The two are clearly connected but we are looking for more than knowing our legal position: we are requesting advice on options to handle it.

I have already spoken to Chris A: we will circulate a list of questions to the Board on Wed at the latest. I have asked to see them this pm.
Chris reminded me that the Board timetable you set was for April; as we are only 10 days away from submission of papers for March, a good compromise to give Linklaters time to do a proper piece of work that they would stand by, is to ask for a partner to come to the March Board, with a draft paper circulated in advance. Are you ok with that?

Paula

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Sent from my iPad

On 10 Mar 2014, at 09:49, "Alice Perkins" <GRO> wrote:

Hi Paula,

Following our helpful conversation, I am setting out what I would like on this for a further substantive discussion at the March Board meeting.

1) The definitive view on all aspects of insurance ie organisational and personal. What policies do we have; what in practice, do we believe they will cover us for; and what have we been doing to fulfill our obligations under our policies?

2) Are we safe from legal challenge in what we are/have been doing? What is the position both since we became independent and before?

3) What is the worst case in relation to costs which could result from this (both admin and settlements)?

4) The position in relation to SS's costs and the absence of an engagement letter - what is the recommended action and what are the potential consequences?

5) The position on the lessons learned review - timing.

6) What options do we have to mitigate 3) above?

As I mentioned, I think someone should write to the NEDs this week and explain what we are planning for the 26th, list the questions which we expect to answer more precisely than I have here (taking into account the ARC discussions last week) and ask them whether we have understood their questions accurately and if not, what else they would like to see covered. That way we can be sure to cover the right ground.

Finally, I am going to propose a Board Sub-C'tee chaired by me with you and at least one other NED on it.

I hope that's clear. Please come back to me on anything that isn't.

All the best

Alice

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