

OFFICIAL - SENSITIVE

Briefing Note for Mark Russell re Meeting POL SID Neil McCausland 13 November 2014

Background

- Alice intends to step down from her role as Chair in July 2015. This is confidential.
- The objective of your meeting with Neil is to persuade him to remain in place beyond his current term which ends in September 2015, even for a short period of say 6-12 months, to provide some continuity at senior Board level.
- Intelligence from Alice suggests he is minded to step down at the end his current term

Plans for Alice & the new Chair

- Alice does not yet want to tell the business she is going in July, for fear of de-stablising it at a time of significant change.
- We are recruiting for a new "Government NED" who would be the likely future chair. The current plan would be to appoint him to the Board soon as a NED, with him becoming acting Chair in July.
- We would then have to run an OCPA process for the chair role sometime after that point (with the acting chair in the box seat for the role).
- Deborah Loudon of SaxBamf is discussing this process with David Normington of OCPA to ensure it complies with guidelines, and to see if there are better alternatives that could avoid a second competition.
- The four preferred candidates in this process would be told of these plans so that they are clear that a) they are going for the Chair role and b) they will have to go through two recruitment rounds (albeit with a significant advantage in the second).
- The proposed shortlist of candidates is: IRRELEVANT
IRRELEVANT They will be interviewed by Neil, Virginia Holmes, and either me or you (to discuss).

Other NEDs

- Two other NEDs' terms finish next year - Virginia Holmes in April and Alasdair Marnoch in May.
- After initial doubts, both have said they wish to renew, which is positive:
 - Alasdair is head of the Audit & Risk Committee, and with a new CFO coming in it is important to maintain continuity
 - Virginia's knowledge and oversight of financial services is crucial given POL's expansion in this area and the relative lack of oversight at the executive level
- Given these two are willing to stay on the board, the need to secure Neil is less significant than it was. However, an extension of 6-12 months would provide further continuity at the senior board level whilst the new chair gets settled.
- Neil also offers the Board significant chair experience in his own right, particularly from a retail perspective (he is currently chair of Snow & Rock and Skin).