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**From:** Ben Foat [GRO]  
**Sent:** Wed 04/12/2019 10:29:45 PM (UTC)  
**To:** Watson, Richard - UKGI [GRO]  
**Cc:** Cooper, Tom - UKGI [GRO]; Nick Read [GRO]; Patrick Bourke [GRO]; Watts, Alan [GRO]; Catherine [GRO]; Emanuel, Rodric Williams [GRO]  
**Subject:** FW: GLO - Mediation and General Update - DO NOT FORWARD - EMBARGOED JUDGMENT REFERENCED - LEGALLY PRIVILEGED AND CONFIDENTIAL  
**Attachment:** 2019-12-04 - PO Settlement Agreement - Draft.DOCX

Hi Richard

I have sent Tom Cooper an email updating him on the mediation and other matters earlier this evening. Below sets out our update in respect of the mediation. We suggest a call with Tom and yourself tomorrow to take you through the details.

#### Mediation Update- Settlement Deed

As indicated in my previous email, the parties have focused on the non-financial aspects of the settlement over the last two days. Attached is the draft settlement agreement which is still a work in progress. Broadly, the non-financial aspects of the settlement include:

- **Agreed joint statement** by the parties which recognises the past experience of the claimants and our desire to learn the lessons and improve our relationship with postmasters as well as noting that the parties have engaged with each other in good faith in this mediation process
- POL's approach in respect of the **convicted claimants** and its undertaking to comply with its ongoing duties. This points out that although the proceedings are comprehensively settled Post Office has not made any payment to or of the benefit of the convicted claimant. Post Office undertakes to take advice from a leading criminal barrister and as a minimum to act upon and follow the legal advice it receives in respect of what position it should take if a convicted claimant obtains permission to appeal. If the convicted claimant's conviction was overturned as a result of the breaches by Post Office of which complaint is made in the action, Post Office will issue an apology. We make it clear that there is no admission to liability or wrong doing by virtue of this agreement.
- POL's support in respect of claimants who wish to **exit the business** post settlement
- POL to withdraw proof of debt or claim in respect of **insolvent claimants** as part of the settlement
- A support programme for claimant SPM and SPM in similar position of the claimants including **mental health support** for claimants
- POL to consult claimant group on the change process and for them to have some form of **consultancy role** advising the business, which could include input to consideration of the future of the Post Office, but no right to determine issues or make decisions. This gives rise to the creation of a "Idea Sharing Group" of which Post Office would listen and consider on a quarterly basis for no less than 12 months post settlement.
- POL would also set up a **historic shortfall group** to deal with any shortfalls which arose between 2000 and the effective date of the settlement deed with an internal escalation and ultimately arbitration as a resolution forum (rather than the public court process)
- POL not to enforce SPM debts pending implementation of the settlement agreement
- Emergency funding for hardship cases which is to be taken out of the funds of the settlement and administered by the claimant group.
- POL agrees to consider the giving of a bibliographical reference to postmasters which confirms the duration of their tenure and their appointment as a postmaster with the confirmation that they are agents and not employees.
- Claimants solicitors and funders not to solicit new claims

Given the amount of detail, could I suggest that we take you and Tom through these points tomorrow over the phone. We are bound to have some down time tomorrow in between offers.

Public Announcement – Mediation Outcome

Patrick has flagged to me that there could be a question from the shareholder as to whether it would be feasible to have the mediation settlement subject to HMG approval. This suggestion would be very difficult for a number of reasons:

- There would be a very high risk that it would derail the mediation process in two ways:
  - The parties have embarked on a process in good faith that each side had the authority to mediate and seek to resolve the matter on agreed terms. For Post Office to now advise on Day 6 of the mediation that any agreement would then be subject to further approval by the HMG risks being seen as having not operated in good faith.
  - If there is a further hurdle for the Claimants to clear to achieve settlement, tactically they may wish to not proceed to their best and final offers in the mediation because there is either a further round of negotiation with the government or they may think they can secure a greater financial settlement from HMG. I am not speaking to the accuracy of that assertion but the risk around that perception.
- It may not be in HMG interests to be seen publicly as making this decision.

Happy to discuss tomorrow on our proposed call.

Do let me know when is convenient time to contact Tom and yourself tomorrow (probably around lunch time is best if that's possible).

Kind regards  
Ben



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