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**From:** Cooper, Tom - UKGI[/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=97888B27D7034E80AB21DE4583305D52-THOMAS.COOP]  
**Sent:** Thur 25/07/2019 7:50:08 AM (UTC)  
**To:** Russell, Mark - UKGI[REDACTED] **GRO**; Watson, Richard - UKGI[REDACTED] **GRO**  
**Subject:** Fwd: Post Office bonuses

Mark

Grateful if we could discuss.

Tom

Sent from my iPhone

Begin forwarded message:

**From:** "Chisholm, Alex (BEIS)" <[REDACTED] **GRO**>  
**Date:** 25 July 2019 at 08:32:21 BST  
**To:** "Cooper, Tom - UKGI" <[REDACTED] **GRO**>, Permanent Secretary  
<[REDACTED] **GRO**>  
**Cc:** "Putt, Lilv - UKGI" <[REDACTED] **GRO**>, Creswell, Carl (Other....)  
<[REDACTED] **GRO**>, "Aldred, Tom - UKGI" <[REDACTED] **GRO**>  
**Subject:** Re: Post Office bonuses

Tom,

I appreciate the need to respect contracts, that the financial performance of POL has been quite strong, the fact the litigation is ongoing - and that it largely relates to decisions made some time ago under a different regime - and that the executive most directly responsible has paid with her job. I also recognise that POL is a company and not a division of government. Notwithstanding the above, the judgements in the case from both the High Court and the Appeal Court reflect very poorly not only on the Post Office as it has been but the Post Office as it has prepared for and conducted this litigation. I do not accept that this is all from yesteryear or can be blamed largely on one legal executive. There is a shared accountability. On all scenarios considerable damage has been done to the Post Office's reputation, and tens of millions (conservatively calculated) of costs run up in a company that depends on continuing public subsidy and is expected to perform an important public role to the highest standard. In these circumstances I believe POL Board and Remco should exercise their discretion to make a significant deduction to the executive remuneration. I have not discussed with the new SoS but that would be the position from which I would expect to advise her when the time comes. (Noting that I have not yet received legal or AO advice, though I am sure Carl is organising this). Please reflect, consult and revert.

Alex

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**From:** Cooper, Tom - UKGI <[REDACTED]>  
**Sent:** Thursday, July 25, 2019 7:11:03 AM  
**To:** Chisholm, Alex (BEIS) <[REDACTED]>; Permanent Secretary <[REDACTED]>  
**Cc:** Putt, Lily - UKGI <[REDACTED]>; Creswell, Carl (Other....) <[REDACTED]>; Aldred, Tom - UKGI <[REDACTED]>  
**Subject:** Post Office bonuses

Alex

An unhelpful heading on my original email - not a draft!

Remco is on Tuesday. Grateful if you could get back to me before then.

Tom

Sent from my iPhone

Begin forwarded message:

**From:** "Cooper, Tom - UKGI" <[REDACTED]>  
**Date:** 23 July 2019 at 19:09:33 BST  
**To:** "Chisholm, Alex (BEIS)" <[REDACTED]>, "Creswell, Carl (Other....)" <[REDACTED]>  
**Cc:** "Aldred, Tom - UKGI" <[REDACTED]>  
**Subject:** FW: Draft email for Alex

Alex

Post Office have proposed performance bonuses for approval at the Remco next week, covering both STIP (2018-19) and LTIP (2015/16-2018/19). Profit (EBITDAS) is above the stretch target, so payments will be close to the maximum possible. The STIP covers the Executive Team and the wider leadership group of 1400 members of staff. POL want to make payments in August.

The accounts are being finalised and the only outstanding issue relates to the disclosure and the size of any provision for the litigation. Any provisions wouldn't hit EBITDAS, so a reduction in entitlement would require Remco to make an over-ride.

Bonus payments have the potential to be sensitive in light of the ongoing litigation. While the case largely relates to historic issues, the judge has not spared POL's current leadership in his judgments as you know. The proposed amounts for the executive team are detailed below.

My own view is in line with that of the company, Tim Parker and Ken McCall (who Chairs Remco) is that (in principle) it is appropriate to pay these bonuses for several reasons:

- The litigation is still ongoing and hasn't been finally determined
- The litigation is historic and none of the current executives were running the company when the cases arose nor have they been directly involved in handling the case

- The individual most involved in handling the case, Jane MacLeod, was asked to leave the company after the first trial and so management has paid a price for the outcome of the trials so far
- The management team is in flux at the moment: the new CEO starts in mid September, the CFO's intentions are uncertain and the CIO, who is leaving the company, needs to be replaced

So my intention is to support the payment of bonuses at Remco unless instructed otherwise. I'd be grateful if you could let me know your thoughts on this and whether you believe I should take a different position (eg not participating in the decision and passing on any views that BEIS wants to express).

This email is addressed just to you and Carl at this stage. Please also let me know if you think this issue should be aired further within BEIS.

Tom

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