



## Minutes of Meeting

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<b>GLO CONTINGENCY PLANNING GOVERNANCE</b>	
<b>Finsbury Dials / Telephone Conference</b>	
<b>15 August 2019 ; 16:00pm</b>	
<b>Attendees:</b> Ben Foat (BF), Andy Parsons (AP), Alan Watts (AW), Rodric Williams (RW), Belinda Fox (BF1), Amy Prime (AP1), Angela Van-Den-Bogerd (AVDB), Stuart Nesbit (SN), Melanie Corfield (MC), Catherine Hamilton (CH), Mark Underwood (MU), Julie Thomas (JT), Aimee Daughters (AD), Nick Beal (NB), Zoe Brauer (ZB), and Kate Emanuel (KE)	
<b>Apologies:</b> Amanda Jones (AJ), Kirsten Massey (KM), Patrick Bourke (PB)	

Agenda

<b>1</b>	<b>Update from 30.07.19 Board Meeting</b>
<b>2</b>	<b>Further Issues Trial</b>
<b>3</b>	<b>Approach to Criminal Cases</b>
<b>4</b>	<b>Update on Settlement</b>
<b>5</b>	<b>Costs Update</b>
<b>6</b>	<b>POLSAP – Fujitsu Data Centre Exercise</b>
<b>7</b>	<b>AOB</b>

<b>1</b>	<b>Update from 30.07.19 Board Meeting</b> <ul style="list-style-type: none"> <li>The Board have requested more information around the financial implications involved with any potential settlement. They have asked for settlement ranges, where this money might come from and the potential internal governance. The next board is 24 September. <b>See Action 1.</b></li> <li>HSF are producing this, currently working on categorising the claimants and the claims by reference to established legal principles and verifying them against Post Office's records.</li> <li>Losses fall into three categories: 1. Loss of Earnings (including loss of remuneration, post-termination losses) 2. Shortfalls 3. Personal injury/stigma damage.</li> <li>Different claimant types include: those with criminal convictions, those who settled through the mediation scheme and those who were declared bankrupt.</li> <li>The Board also requested a better understanding around mediation and the mediator chosen. This is to assure the Board that the right people are involved and have a good understanding as to how those chosen mediator has approached previous mediations.</li> <li>SN – will the piece on cost implications include any ongoing BAU costs that will arise from a potential settlement?</li> <li>RW – at this stage the overall approach to settlement is the first piece, second piece of work is how that will impact the rest of the business/BAU etc and what exposure there might be. Agent debt figures haven't been included at this point.</li> <li>JT – the impact of opex on operations has been considered and an increased cost run rate has been estimated but this is separate to the GLO paper. Retrospective claims and write off are separate, dependant on group litigation GLO paper. As it stands former agent debt are reclaiming more than current agent debt.</li> <li>AP – settlement is to be done without admission of liability and we will have to work out the impact of this, won't necessarily need numbers to work out impact on behaviours. Will need to be aware of this going into negotiations.</li> <li>Emphasised that if we do settle, we lose the right to appeal the Common Issues Judgment.</li> </ul>
<b>2</b>	<b>Further Issues Trial</b> <u>Directions and Governance through to Trial end FY 19/20</u>

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- There is now a Court Timetable through to March 2020
- Propose that SteerCo meetings are kept every fortnight, all agreed.
- Monthly Board SubCommittee meetings are scheduled to be held shortly ahead of each Board meetings, all agreed.
- August – focus is on disclosure.
- September – court proceedings are relatively quiet.
- October – focus on cost budgeting and pleadings.
- November – focus on responding to pleadings with defences.
- Still awaiting court decisions – Horizon Judgement and Common Issues Appeal decision. J.Fraser has said Horizon Judgement will be ‘definitely by December’.
- Reminder that the Teams Site is updated with all relevant records of minutes, dates and papers.

Approach to Further Issues Trial

- There is expectation that the Claimants will try to run the Further Issues Trial on sympathy rather than the legal implications, which leaves us with one of two options:
  1. Stick with the scope we have – very fact light, stick to the proposed scope of the trial; or
  2. Be prepared to respond to any facts that are put forward by the claimants by carrying out further deep dive work. This is strictly speaking out of scope but it means we will be prepared for a sympathy attack.
- Post Office won’t receive the pleadings until October and by then it won’t leave us with enough time to complete due to the depth of the analysis.
- There is only so much the work can be split over multiple resource, as need coherent forensic knowledge of each case. It’s not just work for the lawyers, analysis will also be accountancy and IT based.
- BF – what’s the likelihood of claimants going out of scope?
- AP - more than likely to happen
- ADVB – from a witness perspective, when this happened during the Horizon Trial we hadn’t done the deep dive and therefore couldn’t respond. If the factual work is completed, from an optics perspective we will be able to respond if it happens again.
- RW – a better understanding of the claimants, given a potential mediation isn’t wasted work if the claimants do go out of scope. We have received challenges about knowledge of the claimants, this will go some way to remedying this.
- BF – Given the adverse implications for witnesses, further investigation of claimants would be advantageous for knowledge purposes, shareholder has consistently challenged us for greater understanding and the extra cost compared to the overall litigation is minimal. Decision made to undertake the exercise.
- JT – completely agree. What is the split of the information between work that legal need to complete and the work the business need to complete?
- AP – challenge will be in the older cases where false accounting was admitted and full investigation wasn’t given, we are having to retrospectively review the cases from scratch. This will include forensic review of data (Post Office team), identifying key people who interacted with them (lawyers, interviewing POL staff) and IT analysis (Fujitsu).
- WBD are providing a detailed work plan and a costs plan, provide further detail. **See Action 2.**

Update on Disclosure

- The current position is that we are good to respond with what has been ordered, however to show willingness we are attempting to see whether we can go further to respond to some of their extra inquiries and respond positively.
- There are many further documents that we don’t have. We are not required to do an exhaustive search, only what is reasonable. Request to SteerCo on any further avenues of inquiry that could be made.
- Particular issue with Royal Mail held documents, as this would involve third party extraction.

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	<ul style="list-style-type: none"> <li>AP – can you look at the scheduled information of where we are missing information, look at this.</li> <li>AP to send a further email around, reminding to look at this schedule. <b>See Action 3.</b></li> <li>JT – The team drives that Royal Mail managed for this, did we lose access to these or did set up new ones and take the information with us.</li> <li>CH – In the split, we would have wanted to make sure everything relevant should have been transferred over. Catherine to investigate through some alternative routes. <b>See Action 4.</b></li> <li>General concern with some of the statements that don't feel accurate.</li> <li>ADVB – NBSC – a lot of work was done post separation on knowledge articles, everything prior to that was stored on Remedy – is this archived, is there anything we can do to extract this information.</li> <li>AP has noted the concern over particular statements and is to follow up and verify some information. <b>See Action 5.</b></li> </ul> <p><u>Counsel Availability</u></p> <ul style="list-style-type: none"> <li>Holding diaries of all Counsel as far as possible, but still don't have 100% clear coverage.</li> <li>Just for noting at this time as too premature for any decisions to be made.</li> <li>The 4<sup>th</sup> December CMC is worrying, and particular nervousness around the June/July period.</li> <li>This is a matter for HSF and the next Board SubCo.</li> <li>The preparation work for an appeal is a lot light than a full high court trial, one would hope that Helen may have availability around that time.</li> <li>There is the opportunity that if appeal is allowed we can front load the preparation.</li> </ul>
3	<p><b>Approach to Criminal Cases</b></p> <ul style="list-style-type: none"> <li>The criminal cases cut across a lot of issues: the trial, the mediation/settlement, also Post Office has a positive duty that if material comes to light it ought to have been disclosed to claimants before they pled guilty/took part in their trial.</li> <li>Understanding those with criminal convictions is important, as they are a cohort of claimants that could have a significant negative impact on the reputation of Post Office.</li> <li>A lot of what needs to be done is dependent on what will arise from the Horizon Judgment, but there concern is if we do nothing until Horizon Judgment lands, we will then be faced with a very busy period with a slower reaction time.</li> <li>Proposal is to review a sample of the criminal cases, identify the common themes of those cases and develop a list of questions for the criminal lawyers.</li> <li>Where somebody has accepted they are guilty for false accounting but put forward an excuse - duress etc, confused by the system, I was told do that; we want to understand how much of criminal law is available to those defendants.</li> <li>To the extent that the convictions stand, this is of significance in the civil litigation. It shows that Post Office was right to terminate those contracts.</li> <li>BF – entirely sensible to do this, BoardSubCo have repeatedly asked how we are approaching the criminal cases. Question asked whether Cartwright King are the right firm for this work?</li> <li>RW – at the moment they are the right resource as providing information they already have. For the bigger strategic advice we have looked to Brian Altman QC before to avoid Cartwright King marking their own work so to speak.</li> <li>Appropriate people to take this question away and think about the criminal resource considering the particular sensitivities. We will have to provide assurance to the Board and shareholder that the best team are in place.</li> <li>HSF to put together a work plan and costs document. <b>See Action 6.</b></li> </ul>
4	<p><b>Settlement</b></p>



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	<ul style="list-style-type: none"> <li>• HSF and WBD have discussed whether it is appropriate to chase again. Agreed that there is a point where we don't want to seem desperate.</li> <li>• If AP has to contact Freeths will mention the letter as a side note.</li> <li>• No further material updates.</li> </ul>
5	<p><b>Datacentre Disaster Recovery Exercise – POLSAP</b></p> <ul style="list-style-type: none"> <li>• A shut down of the system has not been carried out since 2013 and is currently the biggest IT risk in the register</li> <li>• A copy of POLSAP has been placed into Accenture, however as there were areas that there couldn't be 100% confirmation everything had been copied over the original was also kept.</li> <li>• The original is still there, running cold. The Disaster Recovery System involves shutting down the original and booting it back up again.</li> <li>• The recommendation is the most risk averse, nothing is being done with the system, it will just stay closed down.</li> <li>• Risk is then when it is booted back up, it won't do so correctly or will do so with some data loss.</li> <li>• Given it is an old system, there is no contractual vendor support only a best endeavours agreement.</li> <li>• BF – balancing out the risk of never having completed a disaster recovery exercise against risk of not recovering data. Best opportunity to do this is the August bank holiday.</li> <li>• ADVB – raised a particular concern given precious data loss that wasn't identified until the data was required and people started looking for it.</li> <li>• CH – this scenario is different to the one in which you previously lost data. This plan is as good as it can be and has been scrutinised by the appropriate SMES.</li> <li>• BF – key mitigation is that we have a shadow image of the POLSAP to rely on should the unlikely event be the system doesn't reboot. Agreement in principle to proceed subject to comfort for Angela that we can identify if any information is lost immediately after the event.</li> <li>• Once the disaster recovery has been done, can we have a report to show what has been completed. A verbal update to be brought to the next SteerCo.</li> </ul>
6	<p>AOB</p> <p><u>Board Paper in September/October/November</u></p> <ul style="list-style-type: none"> <li>• Expect a board paper for each board, can we map into in to diaries deadlines etc.</li> <li>• MU to provide paper deadlines and AD to update the calendar in Teams. <b>See Action 7.</b></li> <li>• Scope of paper/number of paper depends on what is going on in the legal workstream, to remain flexible at the moment.</li> <li>• One definite for the September board is the scope of settlement paper.</li> </ul> <p><u>Meeting with new CEO</u></p> <ul style="list-style-type: none"> <li>• BF has updated new CEO on the GLO. He has handled big piece of litigation before, very keen to understand what the strategy is and the pathway.</li> <li>• This is a material matter on his remit and he will be joining the Board SubCo.</li> </ul> <p><u>Meeting with Shareholder (Richard Watson UKGI)</u></p> <ul style="list-style-type: none"> <li>• To the extent following settlement analysis, anything that will be necessary under articles to obtain consent of Government, UKGI have requested legal advice from HSF on liability and the legal basis of this payment. To include why it would be rational and reasonable to make such a payment.</li> <li>• AW – the question is what is this higher number, what authority from shareholder do we need and how do we obtain authority whilst ensuring there is no leak of a number.</li> <li>• Ideally, it will be a figure that doesn't invoke the necessary shareholder authority.</li> <li>• NB – will the claimants have to pay tax on any settlement figure?</li> </ul>



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	<ul style="list-style-type: none"> <li>AP – very dependent on the wording of the settlement, what payments are being made for etc.</li> </ul>
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**Actions**

No	Description	Owner	Status
1	Paper on settlement for the Board	HSF	
2	Work Plan and Costs document for further claimant review	WBD	
3	Re-circulate disclosure paper and prompt for further feedback	WBD	
4	Investigate further avenues for obtaining historic data	CH	
5	Follow up and verify statements of concern in disclosure paper	WBD (AP)	
6	Work Plan and Costs document for review of Criminal Cases	HSF	
7	Update Teams calendar with Board paper deadlines	AD	

Author of Minutes: AD

Date: 15 August 2019