

OFFICIAL SENSITIVE AND SUBJECT TO LEGAL PRIVILEGE



Post Office: Horizon Trial Contingency Planning

17 October at 1600
House of Commons

External attendees:

Jane MacLeod, Group Director of Legal, Risk and Governance at Post Office Ltd (POL)
Paula Vennells, Group Chief Executive, POL
Alisdair Cameron, Group Chief Financial Officer, POL
Mark Davies, Group Communications, Brand and Corporate Affairs Director, POL

Internal attendees:

Alex Chisholm, BEIS Permanent Secretary
Gavin Lambert, Post Office Policy Champion, BEIS
Gareth Evans, Deputy Director, BEIS Legal Advisers
Tom Cooper, Director, UKGI
Richard Watson, General Counsel, UKGI

Purpose of meeting and handling:

For you and the Permanent Secretary to familiarise you with POL's preparations for the Horizon Trial, which commences on 5 November 2018 (with the "Common Issues Trial") and continues in March 2019 (with the "Horizon Issues Trial"), and their contingency planning to manage the potentially serious financial, reputational and operational implications of any adverse rulings and media coverage on the case.

POL have sent you a background "Briefing Paper" for today's meeting (attached), particularly in respect of the agenda items below. The note is a good summary of the current position but Section 5 (Contingency Planning) is quite light on risks and mitigating actions, as well as on indicating likelihood of outcomes. You may want to press POL for more detail on the implications for the business and the shareholder.

Agenda:

This agenda was agreed with POL who have submitted advance material covering this

No	Item	Time
1.	Background	5 mins
2.	Key issues at stake in November trial	10 mins
3.	Implications of losing: financial, operational, comms	20 mins
4.	Pros and cons of settlement and report on views of board and management	10 mins

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Points to make:

Implications for business and shareholder

- Can POL confirm that there are no circumstances where additional funding will be required? This is not mentioned in the paper but officials have discussed with the company.
- The briefing paper lists mitigation actions but not how much they will cost. Can POL provide more detail to officials as a follow up to this meeting?

Settlement

- There is a consensus that it is not appropriate or feasible to settle in the short term but there will be a mediation window in March 2019. We will need to be in a position to take a collective decision on settlement so that POL can enter into any negotiations in good faith. **POL will need to support BEIS and HMT in preparing for this.**

Communications

- Communications will be crucial, particularly as POL is unlikely to win on all points (para 3.6). We welcome the Communications Strategy outlined in the briefing paper and the engagement scheduled for tomorrow.

Relevant context:

The background to this meeting is POL's "Briefing Paper" of 11 October (attached).

Media handling and social media:

On 18 October POL's Group Communications, Brand and Corporate Affairs Director, Mark Davies, will meet with UKGI and BEIS to discuss the communications and public relations challenges in more detail, including POL's communications plans and how HMG should handle any media enquiries around the trial. This will also provide the opportunity to follow up on any communications issues raised at today's meeting.

Our long-held position has been that this is an operational matter for POL and that HMG is unable to comment further as legal proceedings are underway. However, we need to consider whether this position will be sustainable in the face of greater media scrutiny expected once the actual trial starts.

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Paula Vennells, Chief Executive Officer, Post Office Limited



Paula has worked for Post Office Limited since 2007 in a number of senior roles, including Managing Director, becoming Chief Executive on 1 April 2012. Prior to Post Office, Paula spent five years with Whitbread plc, latterly as Group Commercial Director. She began her career with Unilever and L'Oreal and has held directorships in sales and marketing with a number of major retailers, including Dixons Stores Group and Argos. Paula is a Non-Executive Director of Morrisons plc, a Trustee for the Hymns Ancient and Modern Group and a member of the Future High Street Forum. At the weekend she works as a Pastor in her local church and community.

Alisdair Cameron, Chief Finance & Operations Officer, Post Office Limited



Alisdair joined Post Office as CFOO in January 2015. Prior to this appointment, from 2002 to 2014 he worked in a variety of roles for Centrica plc, a FTSE 100 company, including Director of Audit and Risk, Group Financial Controller, Finance Director of British Gas and Managing Director of British Gas Enterprise. Previously he was a partner with Deloitte and Arthur Anderson and served as a trustee of the e-Learning Foundation. Alisdair is a Non-Executive

Director of Dover Harbour Board and has just finished an 8-year term as a Non-Executive Director of Oxford University Hospitals NHS Foundation Trust.

Jane MacLeod, Group Director of Legal, Risk & Governance, Post Office Limited



Jane MacLeod is an experienced corporate lawyer and General Counsel. She joined Post Office Limited in 2015 as Director of Legal, Risk and Governance and previously was General Counsel for Phoenix Group Holdings. In both roles Jane has been a member of the Group executive committee with specific responsibility for legal matters and governance. Jane is also a trustee of Rennie Grove Hospice Care and The Postal Museum.

Mark Davies, Group Director of Communications, Brand and Corporate Affairs



Mark joined Post Office Ltd as Communications Director in July 2012 after two years as Communications and Campaigns Director for the charity Rethink Mental Illness. Prior to that he spent five years as Special Adviser to the Rt Hon Jack Straw MP, working in the Foreign and Commonwealth Office, the House of Commons and the Ministry of Justice. He worked as Special Adviser to Baroness Amos, then Leader of the House of Lords, for 18 months in 2004-05. Mark began his career in journalism in 1990 and during 13 years as a reporter, writer and editor he worked for the Liverpool Echo, the Liverpool Daily Post, CNN and the BBC.