

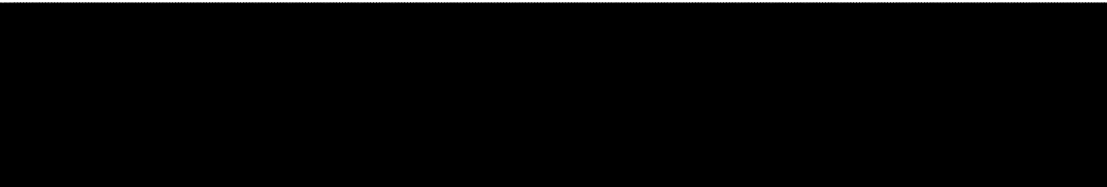
Update 20th February 2023

Strictly Private & Confidential

Morning Nick,

Hope you had a great holiday. Thought I would drop you a note, updating on the last 2 weeks. It has been a bit full on, to say the least!

Sycamore2:



In summary I am proposing that we dismiss with contractual notice, to either severe contract with immediate effect and/or place on garden leave for period of notice. These options will be outlined in the letter. There will also be an option to pay bonus and a payment for unfair dismissal.

The latter broadly falls into two areas:

1. Performance and capability; failure to deliver in his role – I will need your support on the evidence here.
The capability in performing in the XXX role in organising, influencing and reporting POL finances where;
 - a. there has been a consistent failure to operate the business within the financial agreements agreed by the Shareholder, to the extent that XXXX cost risen from XX to XXX
 - b. the above change costs are associated with the ongoing Enquiry have increased from XX to XX in the last year which were not anticipated, planned or alternative options investigated
 - c. the costs associated with the new technology programme to replace the Horizon system are showing significant unplanned variances (by XX£70m) and the ongoing planning, forecasting and understanding build up of costs, has not been managed or challenged by **GRO**
 - d. POL runs a three year planning cycle from April 2022 to March 2025. We are one year in to this three-year financial planning cycle and the plans are being submitted to the Board on 9th March (one year later than expected)
 - e. the costs associated with running POL operational business are year on year increasing and there is little evidence to show the **GRO** is playing a key role in driving cost management across the business.

- f. he has lost credibility as a member of the Group Executive team. He does not inspire confidence in his work and is unable to adequately articulate risks and opportunities. He does not take action to de-risk POL.
 - g. he is deliberately refusing operate in his role as a Statutory Board director and is unwilling to sign papers and docs (evidence XX Philippa)
2. Conduct and unacceptable behaviour; reviewing informal and formal grievances raised over the last 2 years. POL remain committed to changing the culture of the business, indeed this is one of their strategic priorities for 2022/3. XX behaviours are not progressive, nor do they represent the future leadership behaviours of POL. There have been (X) of informal and (X) of formal grievances raised again Sycamore2 since 2021, relating specifically to his behaviour from people within and outside his team (as detailed below). GRO behaviour continues to undermine the objective of cultural transformation;
- a. (insert informal grievances)
 - b. (insert formal grievances – bullying behaviour)
 - c. (feedback from NED's – 3 female NEDs are leaving, one has confirmed Sycamore2 behaviour significantly contributed to her reasons for leaving):
 - d. He does not demonstrate visible commitment to POL, i.e. he did not attend the recent Select Committee to support the CEO
 - e. He has a natural tendency to overshare sensitive and inappropriate information with his team and with GE, and often undermines decisions that have already been agreed. This is unsettling across the organisation when we need consistency and calmness of management.
 - f. We have received another grievance, based on same behaviours as raised before. Owen Woodley is investigating. Serious allegations have been made, the tone of email exchanges is unacceptable for an Exec (and doesn't represent POL), it demonstrates we are not learning lessons from the past and there is implied age discrimination.

GE recruitment: Code name: APPLE

I have commenced the confidential search process for 3 roles COO, CTO and Govt, Public Affairs & PR Director (I will talk about the latter role later) with;

- Korn Ferry
- Russell Reynolds
- MBS
- Sam Allen

The search firms may work on one or all of the searches (I have asked them to split them all out, so we can pick/chose who we want to work with). I am hoping to have a short list of 2 head-hunters to review with you on Thursday or Friday this week.

GE

We need to discuss the GE, and your feedback notes. They feel dysfunctional and we need to do some team building and focus on behaviours/development. Unfortunately, most of them think they are

doing great jobs. I feel you and I need to work together to address this over the coming weeks/months (and hopefully Lane4 / others can help). But just a couple of specific issues:

GRO There are ongoing serious concerns with **GRO** and his decision making. We have a strong HR professional joining next week **GRO** but I am very worried that we have an Exec who is out of control / out of his depth and there is a strong likelihood that decisions will have a detrimental impact on POL and yours/my reputation. These issues involve:

1. Significant issues relating to a number of compliance and contractor management (which can all be evidenced), a lack of control over costs (and day rate contractors), role definitions non-compliance, moving permanent employees to contractor status (one has had a Settlement Agreement and then moved the next day into a daily rate contracting position of £1500 per day), and an ongoing disregard for POL policy and inclusion of me!
2. Significant issues relating to cost management and numbers (NBIT budget doubled)
3. Ignoring my advice not to pursue the recruitment of 10 black interns, even though I advised him this was discriminatory on the grounds of race.
4. Focus is on the wrong matters, he still has 22 direct reports and has not bothered to follow up on the CV's I have sent to him, but instead spends so much time on disruptive and/or ill thought out matters.
5. Recruitment requirements not forecasted or understood, but asking for 67 heads **GRO** sent me an email on this, and said he might have to get 'brutal' with **GRO** (I advised him not to!).
6. Unable to recommend clear and definitive solutions, and seeking your steer/ guidance on tech matters (rather than using his own expertise) : 1. partners/approach to implementation, 2. Motivation and engagement of the NBIT change team 2. the governance structure in last week's GE meeting. These are three examples, but there's so many more.

GRO

I have been working with **GRO** over last few weeks. It is quite shocking the lack of detail, planning, focus on feedback, creativity, fun and overall general 'lack' of energy. He is not managing the external press (it is mainly reactive) and external PR, we have got such a big year coming up with the Enquiry, but we do not appear to be on the front foot. I asked to see all the channels we use internally, that request was 2 weeks ago, and despite chasing I have not received anything (Alice confirmed she is pulling this together and will share with me, once **GRO** has seen it). It begs the question why the 'channels' we use are not already documented!! I have no confidence he has the ability (and interest) in making a step change in our approach to comms. I have attended two meetings on the April colleague conference, and both meetings were insufferable, the presentation and ideas from **GRO** were very poor, in essence drab and lacked any creativity or step change. I completely agree with your sentiments in your year-end performance appraisal note. I am therefore recommending that we restructure his department and effectively make his role redundant at the end of this month (I did ask him if he would let me manage the PM and Colleague comms, but he was reticent to hand this over voluntarily). I am pulling together a paper and a contingent plan, to manage my recommendation, including the script and costs for him.

My team:

GRO has put another GRO until the end of February. I am unclear what role he will be able to come back to, particularly as the Unions have asked to work directly with me. I feel we could be potentially looking at a redundancy but depends on whether he wishes to be considered for any other roles.

GRO is now seeking GRO I have sent this to Ben/and our external lawyers. Janene Mellor our head of ER received this GRO notification and interestingly, confirmed that we are GRO from an ex HR colleague (and ironically, GRO was part of the team agreeing that our stance should be that we do not entertain GRO) and even more ironically, GRO is one of the senior POL employees being accused in this case. On this basis, Janene was surprised, GRO was raising a GRO as in Janene's words GRO knows very well we are 'grievance friendly'. As her claims are unfair and unwarranted, I would be keen to make a stance on this; she is in breach of her contract and has left me having to manage the PSS. She also received GRO in December. We can talk about this later...but it has been awful!

I feel that I would like to retain GRO as our Internal Marketing & Comms Director (and move her away from culture), she would stay, if she could have full responsibility for internal comms. I believe she would be a breath of fresh air. I would also want to think through PM comms which is also woeful and have some ideas on this. Would be good to discuss, but essentially, GRO is part of the contingent plan for GRO as is the agency we currently use for Public Affairs.

GRO is managing PSS whilst we recruit (I will talk to you about my plans here). I would like to offer him a temporary uplift of £30k pro rata, whilst he holds the fort for the next 2 to 3 months (he is on £120k, GRO who he replaced, was on £150k and GRO was on £140k).

GRO is stepping into the culture space and supporting me on leadership behaviours. She is doing a great job. I would like to recognise her by providing her with a £15k increase to take her to £130k. This is still below benchmark for the role, but it would help cement her seniority and importance in the team and would provide stability for me (and I feel she deserves it).

GE 7th & 8th March

I will send through to you the detailed agenda for the 7th & 8th session with the GE. In summary the plan is to work with Lane4, Wil James. In summary, the Draft Outcomes are;

1. The 'team' are aligned and focused on their responsibilities and focus as a leadership team (Purpose and behaviours)
2. Individuals are more aware and appreciative of others in the team and how to work well together.
3. The Team have had time to stop, connect, understand and work together. They are engaged and committed for the next 6 -12 months of focused development (individuals and team)

I have spoken with Vicky (great person!) and Juliet and have said that we should do the Leading to Serve update later in the summer.

Further summary

1. CEO/CFO STIP bonus letter has gone through to the Permanent Secretary. LTIPs will be included in a subsequent letter.

2. Your pay increase has been confirmed again by BEIS, will take effect in July, but can be backdated to April, and this is likely to be 5% aligned to the Union pay deal.
3. I have got time in with you to run through STIP for FY23/24 later today.
4. I have been working on leadership behaviours, the engagement plan and POL storyboard and holding meetings with the GE; there has been some interesting sessions (and feedback from the GE). it would be ideal to get an hour with you, to update you more fully.
5. I also need to talk to you about Culture and how we move ahead with this programme of work. I am convinced we have a great culture; the problem is that we are not enforcing it in our leadership behaviours. The backbone (which could be incorporated into the 'WOW'), is where we need to focus. The latter needs to be part of our GE session on 7th/8th. It is exciting, and I believe we can change the dial, but I do need your full support and sponsorship.
6. I am also want to make some radical changes in PM engagement/comms area, which I would like to talk to you about. This is an area which isn't working. I have some thoughts on how we could make a step change in this area (working with Tracy and the PM engagement team).
7. I am concerned that we have not been proactive in managing a number of elements of the Managing The Surplace Agreement or ER. For instance, I have asked Lawrence to investigate if we can set up a new legal employment entity, where we are not tied to the Union. Apparently this is possible and is something we should explore).
8. Would like to discuss with you how we can direct any 'people' issues raised with you, to me, so I can handle them. Z is a good example here, where he should talk through his people matters with me. Also, can we discuss 121's with SLG, I notice Helen was in your diary.
9. I have got a paper coming to you on OD where we are looking at 4 area for cost reduction – at this stage the paper is for awareness and agreement will be sought from you before we proceed on any of the following;
 - a. Low hanging fruit where we can easily save some HQ costs without too much 'noise'
 - b. Medium to longer terms cost savings, which will require some more strategic OD
 - c. Outsourcing back office
 - d. DMS closure

I am sure there's a lot more, but be good for us to discuss and get your thoughts/direction on some of the above.

As I said, glad you are back.

Talk later,

Jane