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Witness Name: Thomas Cooper
Statement No: WITN00200100
Dated: 13 June 2024

POST OFFICE HORIZON IT INQUIRY

First Witness Statement of Thomas Cooper

I, Thomas Cooper, will say as follows:

1. I am employed by UK Government Investments ("UKGI") and hold the position of Director, a position I have held since November 2017. I make this statement in response to a Rule 9 Request made by the Inquiry dated 8 May 2024. I have sought to address each of the questions posed by the Inquiry in the course of this statement and I have referred to the relevant contemporaneous documentation, including the material provided to me by the Inquiry along with the Rule 9 Request. The focus of this statement is on my tenure as Shareholder Non-Executive Director ("Shareholder NED") on the Board of Post Office Limited ("POL" or the "Company"), and head of UKGI's shareholder team for POL (the "Shareholder Team"), between March 2018 and early 2020, with particular regard to the oversight of POL's conduct of the Group Litigation (the "GLO"), to which the majority of the Inquiry's questions are addressed.

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2. I would like to start this witness statement by acknowledging the devastating hardship and injustice suffered by so many sub-postmasters ("SPMs"). This Inquiry has a vital role in establishing the truth and ensuring that appropriate lessons are learned. I am grateful for the opportunity to contribute to the Inquiry by providing evidence. I sincerely hope that my evidence will assist in establishing the truth of what took place and helping to ensure that nothing like this ever happens again.

3. I have set out a number of reflections at the end of this statement. However one of the most important is that, in my view, there was a significant failure by POL's management and Board to understand the lived experience of SPMs running branches and the problems they faced dealing with POL and the Horizon system. This contributed very significantly to the failure to resolve the dispute between SPMs and POL in a reasonable timeframe and in a reasonable manner. In addition, in my view, adversarial litigation was not the best way to resolve the issues faced by SPMs.

Background/Work History

4. I began my career at KPMG as an accountant, and then moved to UBS Investment Bank for 21 years where, amongst various roles, I held the position of Head of European Mergers and Acquisitions ("EMEA"). More recently, from 2009 to 2017, I was Global Co-Chairman of Mergers and Acquisitions at Deutsche Bank. In addition to advising clients and working with them on transactions, at Deutsche Bank I chaired the Fairness Opinion Committee for EMEA and I was a member of the committee responsible for approving franchise loans to Deutsche Bank's corporate clients in EMEA.

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5. I joined UKGI in November 2017. I knew when joining that I would be working in UKGI's shareholder team for POL (the "Shareholder Team"). I was aware there was ongoing litigation but, when I joined UKGI, I did not know how significant the litigation would become or how much of a focus it would be for my role. That did not emerge until later during the course of 2018, as I began working with POL in the lead up to the Common Issues hearing.

6. I began by working at UKGI three days per week. At times, due to the volume of work, I have worked five days per week. At the moment, I work three days per week.

7. In March 2018, I was appointed as Shareholder NED on the POL Board. I left the POL Board in May 2023. While working at UKGI, I have also:

   (i) been a member of UKGI's Executive Committee ("UKGI ExCo");

   (ii) led UKGI's shareholder team for East West Railway, and was a Board member for 12 months;

   (iii) led UKGI's shareholder team for OneWeb and was a Board member for 12 months. Although I am no longer serving on OneWeb's Board, I remain UKGI's ExCo member responsible for the asset; and

   (iv) undertaken some cross-UKGI responsibilities, for example, I am responsible for UKGI's risk reporting for its assets and projects. I also chair UKGI's Project Review panel, drawn from colleagues, that reviews much of the transactional work undertaken at UKGI.

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8. Outside UKGI, since leaving Deutsche Bank in 2017, I have also conducted a limited amount of strategic consulting work.

My role in relation to POL

9. In addition to my role as the Shareholder NED at POL, I led the Shareholder Team. Initially, I had a team of around four people working either full or part time within the Shareholder Team in addition to myself. Members of the Shareholder Team were allocated our core tasks of advising the Department of Business, Energy and Industrial Strategy (now the Department for Business and Trade) ("BEIS", "Shareholder" or the "Department") on: monitoring POL's financial performance; POL's business strategy; POL's funding; appointments and pay for POL's Board members (which included the two senior members of management); and monitoring POL's network. The Shareholder Team drew on other resources within UKGI. For example, the Shareholder Team worked closely with UKGI's internal lawyers on a variety of topics including the litigation.

10. Reporting directly to me was an Executive Director, Tom Aldred, who was responsible for the management of the Shareholder Team. In broad terms, I led on the Company-facing aspects of the shareholder role and Tom Aldred led on the Department-facing aspects of our work. In addition to Tom and me, the Shareholder Team consisted of three further people working full or part time on POL matters. The Shareholder Team met regularly either as a team or individually, which would enable me to keep up to date with the work being done across the team. My primary source of advice and support on legal issues was UKGI's General Counsel, Elizabeth O'Neill and her successor Richard Watson.

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11. The size of the Shareholder Team grew over time, particularly in order to deal with the compensation workstreams that were put in place after the GLO settlement. In relation to compensation, the Shareholder Team supported BEIS most closely on the Horizon Shortfall Scheme and the Overturned Compensation scheme. At one stage the team grew to approximately 12 people, working either full or part time.

12. POL was my first role as a non-executive Director ("NED") but I did have significant experience of advising Boards and attending Board meetings. As a result, I do not think I was significantly disadvantaged by not having been a NED before joining the POL Board. Nevertheless, I did ask for NED training and I attended a two-day course with the Institute of Directors in April 2018.

13. In addition to my role as Shareholder NED on the POL Board, I was also a member of POL's Remuneration Committee ("RemCo") from April 2018, POL's Audit, Risk and Compliance Committee ("ARC") from May 2018, POL's Nominations Committee ("NomCo") from March 2021, and from August 2021, POL's Historical Remediation Committee ("HRC"). From March 2018 to March 2020 I was also a member of the Postmaster Litigation Sub-committee (the "Sub-committee").

14. A summary of these committees is as follows:

    (i) ARC: This committee considered issues of accounting, controls, risk and compliance at POL;

    (ii) RemCo: This committee dealt with pay for the leadership team at POL;

    (iii) NomCo: This committee considered appointments of senior individuals

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at POL;

(iv) the Sub-committee: The Sub-committee was created in March 2018 to oversee the conduct of the Horizon litigation. The Sub-committee ran until 3 March 2020, following which, and until the formation of HRC, litigation matters were dealt with by the whole Board;

(v) HRC: This committee was set up to oversee POL's compensation workstreams and cases of SPMs seeking to have their convictions overturned.

Tasks in relation to POL in 2018

15. Because I joined UKGI in November 2017, I had a few months to learn about POL and the matters I would be dealing with before joining POL's Board. During this time, I was briefed by my predecessor, Richard Callard, and other members of the Shareholder Team.

16. I was informed that BEIS's main objectives for POL during this time were twofold:

(i) Continuing to provide essential mails, banking and bill payment services to the public by maintaining POL's network of at least 11,500 branches and meeting the access criteria which governed the distribution of branches across the country; and

(ii) POL increasing its profitability such that it would become self-funding and no longer require financial support from the Government. The three-year plan to 31 March 2021 was intended to achieve this objective.

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17. In order to deliver the three-year plan, the main focus was for POL to complete the programme of franchising its directly managed branches. This programme replaced loss-making directly managed branches with more profitable formats. It was expected to deliver substantial cost savings and improve profitability. POL was also working on a large number of other key projects involving substantial expenditure including to upgrade its technology while continuing to operate the core Horizon system for branch accounting. There were also a number of key commercial issues for management to deal with, the most significant of which are listed below.

18. Consequently, in addition to the core tasks mentioned above for the Shareholder Team, in 2018 a number of additional tasks had been identified as needing the Shareholder Team's attention. These included:

(i) Reframing UKGI's relationship with BEIS in relation to POL;

(ii) Updating the key governance documents for POL, principally the Articles of Association, and putting a Framework Agreement in place for the first time;

(iii) POL's partnership with Bank of Ireland which was being re-negotiated and renewed;

(iv) The possible acquisition of Payzone;

(v) Material litigation, namely the Horizon litigation and an employment case; and

(vi) Obtaining State Aid approval for POL's funding that had been agreed by

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Government in 2017.

19. During the course of 2018, a number of significant additional issues emerged which required the attention of the Shareholder Team:

(i) The departure of Paula Vennells as Chief Executive Officer ("CEO") of POL, the appointment of Al Cameron as Interim CEO, retention arrangements for key executives and the search for a permanent CEO.

(ii) Discussions between the Cabinet Office and POL in relation to the Verify digital identity service for which POL was the largest provider.

(iii) The renegotiation of the Banking Framework which was POL's second largest source of revenue.

(iv) Preliminary discussions between POL and Royal Mail Group relating to a possible extension of the commercial agreement between the parties. Royal Mail Group was POL's largest source of revenue.

(v) A proposal from POL's management to change the group structure and to establish a new holding company for the group.

Knowledge of Relevant Issues

20. In March 2018 I was appointed to the position of Shareholder NED and joined the POL Board. I attended my first Board meeting in my capacity as Shareholder NED on 27 March 2018.

21. I was made aware that 2017 had been a difficult period for the relationship between POL and UKGI. In particular, I understood there had been difficulties

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in relation to budget and funding, the negotiations that year had been protracted, and there had been a degree of tension. It was therefore considered to be an appropriate time to change the leadership of the Shareholder Team and Shareholder NED.

22. On the specific issue of the Horizon litigation, and the history of the disputes that led to the commencement of the litigation, I received a high-level verbal summary of the background as part of my handover mainly from Richard Callard as well as Laura Thompson and Tim McInnis. This is likely to be the *"sparrow meeting"* referred to in an email sent to me by Richard Callard on 30 January 2018 [UKGI00020830]. I do not recall receiving any documentation relating to the history of Horizon issues in the context of that meeting. I note that I refer earlier in the same email chain to a bundle of documents that was being put together for me by Jane MacLeod, POL's General Counsel, to be read as part of my induction. As far as I recall, they did not include documents relating to the litigation but rather consisted of governance matters, such a summary of matters reserved to the Board, a summary of POL's material contracts and a list of proposed induction meetings with members of POL's management team (Email sent to Tom Cooper by Jane MacLeod enclosing Director Induction Pack dated 8 March 2018) [UKGI00020899], (POL Director Briefing Pack) [UKGI00020900], (POL Director Induction Document) [UKGI00007795], (Email sent to Tom Cooper by Jane MacLeod regarding POL Induction dated 16 February 2018) [UKGI00007794].

23. The essence of what I was told at the briefing was that there was an intractable problem between POL and a group of SPMs, which had been continuing for a

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number of years, and for which it had not proved possible to find a mutually satisfactory solution. I was told that a number of avenues had been explored to try to find a resolution including the investigation by Second Sight and the establishment of a mediation scheme (the "Mediation Scheme"), but these attempts had all failed. I do not recall being given an explanation for the reasons behind the breakdown of the Mediation Scheme and I gained the general impression that it had failed because the parties were generally too far apart to be able to find a compromise. As for Second Sight, I was not given any details as to their specific findings other than that no systemic issues with Horizon had been found. I also recall being given the impression that concerns had been expressed as to the quality of their work.

24. I also recall reference being made to the conclusions of a review commissioned by the Chairman, Tim Parker, although I cannot now remember precisely what was said in this regard. I recall being made aware that Baroness Neville-Rolfe, the Minister at the time, had asked Tim Parker to conduct a review and there was a letter produced following that review. I was not given a copy of the letter (Letter from Tim Parker to Baroness Neville-Rolfe dated 4 March 2016) [UKGI00008800] but Richard Callard told me that the feedback from Tim Parker was reassuring and no follow-up had been required at UKGI or BEIS. This appeared to have been a significant source of comfort for the Shareholder Team and Department at the time. In light of what I was told about the contents of the letter, I did not think it necessary for me to see a copy at that stage.

25. The litigation that was underway was presented as the only remaining option for reaching a definitive resolution of the SPMs' complaints. I was told that the

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litigation would determine whether POL's systems had failed (or not) and this would settle the matter. It was apparent to me from the outset, therefore, that an important part of my role as Shareholder NED would be to monitor the progress and conduct of the litigation.

26. In view of the fact that monitoring the litigation was going to be a significant element of my role as Shareholder NED, I also received an early briefing from Elizabeth O'Neill, UKGI's General Counsel at the time, which focused on the lessons that had recently been learned from the Magnox Inquiry on handling material litigation from a shareholder perspective and how those lessons should be applied in relation to the ongoing litigation involving POL. In very brief summary, at the time I joined the team, UKGI had recently been involved in the Magnox Inquiry, which was a non-statutory inquiry into the award of the Magnox decommissioning contract by the Nuclear Decommissioning Authority, a non-departmental public body for which UKGI provided a shareholder role on behalf of BEIS. UKGI was in the process of implementing the lessons learned from that inquiry, which included a number of recommendations relating to the effective Board oversight of litigation.

27. From Elizabeth O'Neill I understood that, based on the lessons learned from the Magnox Inquiry, the initial objectives of the Shareholder Team in relation to the litigation should be: to establish an information sharing protocol with POL ("the Protocol"); to establish a process of legal interaction between UKGI and BEIS; for POL to obtain a merits opinion and, if appropriate, a second legal opinion; for POL to carry out contingency planning addressing how to manage the consequences of an adverse judgment; and for POL to put in place a resolution

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strategy through settlement or other means. I set out below how I sought to address each of these issues during the course of 2018. Given that a number of these were actions for POL to undertake and given that neither the Department, the Shareholder Team (including the Shareholder NED) had the power to force POL to carry them out, implementing them would require the Shareholder Team working cooperatively with POL and persuading POL where necessary.

28. As far as I recall, the briefings I have described above set out the information I received concerning the issues relating to Horizon and the dispute between POL and SPMs in the period leading up to my appointment to the POL Board. I had also watched the Panorama programme in 2015 and so I had some general awareness of the seriousness of the issue, the allegation about remote access and the impact on individual SPMs reported by the programme.

29. The briefings I have described did not deal with the detail of the differences between Legacy Horizon, Horizon Online and the current version of Horizon (HNG-A), or the nature and extent of any bugs errors or defects in the systems; nor did they deal with the issue of remote access or the ability of Fujitsu to delete and replace transaction data. In simple terms, the dispute was presented to me as being one in which POL was convinced that the Horizon system was entirely reliable, and the SPMs were convinced that it was fundamentally flawed. I was given the impression that all attempts to reconcile these two opposing positions had failed and that it would only be through the litigation process that an answer would be reached.

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30. My recollection is that the briefings did not deal with the history of the Royal Mail Group, or companies within it, acting as investigator in cases of alleged theft, fraud or false accounting by SPMs. However, I believe my colleagues told me that a number of SPMs had been prosecuted by POL and that POL had stopped prosecuting SPMs some years earlier. It follows that I was also unaware of who within the Royal Mail Group was responsible for: decisions concerning the investigation of alleged offences: decisions about prosecutions; or how prosecutions were conducted.

31. I have been asked by the Inquiry whether I was aware of the existence, content or gist of a number of documents when I first started working on POL-related matters and, if not, when I became aware of those matters. I deal with my developing understanding of the issues relating to Horizon, including those raised by the specific documents to which the Inquiry refers, in the chronological account I have set out below but in respect of the specific documents the Inquiry has identified the position was as follows:

(i) I was not provided with, or told about, the Helen Rose/Lepton report (Draft Helen Rose/Lepton Report on Horizon data dated 12 June 2013) [FUJ00086811], nor was I given any information about its contents. I did not become aware of this document until March 2020 as it was mentioned in the Swift Review (Swift Review dated 8 February 2016) [POL00006355]. UKGI received a copy of the Swift Review in March 2020 in preparation for a Select Committee hearing (as I describe in further detail below). I do not remember receiving a copy of the Helen Rose/Lepton Report, although I did see a summary of it in April 2020.

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(ii) I was not provided with, or told about, Simon Clarke's advices of 15 July 2013 (Simon Clarke advice re Prosecutions – Expert Evidence dated 15 July 2013) [POL00006357] or 2 August 2013 (Simon Clarke advice re Disclosure dated 2 August 2013) [POL00006799]. The Swift Review, which I received in March 2020, refers to reports produced by Cartwright King which I understand are the Simon Clarke advices. Again, I did not read these advices.

(iii) I did not become aware of Deloitte's Project Zebra reports until I read the Swift Review which I received in March 2020. I obtained a copy of the 'Board Briefing' prepared by Deloitte [POL00028069] in June 2014 in order to help me prepare for a Select Committee, which had been scheduled in March 2020, but which had to be postponed as a result of the Covid-19 pandemic.

(iv) As I have explained above, I was told during the course of my briefing with Richard Callard and Laura Thompson that a review had been conducted by Tim Parker some years previously and that it had been informed by advice from a barrister. I do not remember if the name of Jonathan Swift QC was mentioned. I note from the documentation provided to me by the Inquiry that I was copied into an email chain in July 2019 (Email chain from Stephen Clarke to Tom Aldred, Tom Cooper and Richard Watson dated 1 July 2019) [UKGI00010324] attaching a number of documents relating to Tim Parker's review (not including Jonathan Swift's advice) and as far as I recall, this was the first time that

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I received any documentation relating to that review.

(v) I recall it was the 'Project Bramble' report [POL00028928] that caused POL finally to admit in November 2018 that remote access was possible. I recall that Jane MacLeod informed the Sub-committee that an admission either had been or was going to be made to the Court to that effect. I do not recall whether Deloitte's name was mentioned in that context. Subsequently I received a summary of the 'Project Bramble' report in April 2020. However I do not recall reading the report itself.

32. Of these documents, I selected to read those which I believed had been seen by the Board or Shareholder, and were therefore relevant for me to know about in preparation for the Select Committee.

33. The clear impression I gained at the outset of my tenure as Shareholder NED, which was subsequently reinforced by numerous assertions to the same effect by the POL executive, was there was no reason to doubt the integrity of the Horizon system and no reason to believe that there were systemic problems with it. I was told that while bugs, errors or defects did occur, these were detected and remedied and the cause of shortfalls in individual branch accounts was invariably caused by user error or fraud, rather than by the system. I also remember being told that remote access was a non-issue. It was not until after the conclusion of the litigation when I read the Swift Review that I first learned of the existence of documents produced prior to my appointment, such as the Helen Rose/Lepton and Project Zebra reports, which cast doubt on the integrity of Horizon and/or confirmed that remote access was possible.

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34. I have been asked the general question of whether I know what knowledge any Minister, Secretary of State, relevant Permanent Secretary or other DBT official, had of the matters I have described in this section of my statement. I am not able to speak directly to the knowledge of others and I can only recall one occasion on which a Minister, Secretary of State of DBT official expressed a strong view about the validity of the SPMs' allegations. I refer below to an occasion in March 2019 in the immediate aftermath of the Common Issues judgment when the then Secretary of State, Greg Clarke MP, expressed the view that he had always believed that the SPMs were right, but I do not recall him specifying the basis of that belief or referring to any particular sources of information.

Government Oversight of POL

The Crown's Interest in POL

35. I have been asked to describe the Government's interest in POL. I am aware that this issue has been addressed in some detail in UKGI's Opening Statement to the Inquiry and in the witness evidence of Charles Donald, UKGI's CEO, but, in short, the position since 1 April 2012 is that POL has been a Public Corporation wholly owned by the Secretary of State for Business and Trade.

36. As with other Public Corporations, POL is intended to operate at a distance from Ministers and Government, with accountability placed with the Board and executive team, as a separate institution from its shareholder Department. Neither the Secretary of State as Shareholder, nor the Department, are (or

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were) directly involved in the day-to-day operations of POL, oversight of which was, and is, the responsibility of POL's Board and management. POL's Board was, and is, accountable to the Secretary of State as POL's shareholder, for the performance of the Company.

37. It follows that I did not regard the Department, including the Secretary of State and Ministers, as having any direct responsibility for POL's operations, which were the responsibility of POL's executive team, subject to oversight by the Board. Whilst it was for the Department, and the Secretary of State in particular, to set the high-level strategic direction for the Company (and I have set out those strategic objectives, as I understood them to be, above) operational accountability for the delivery of those strategic objectives rested with the Board and POL's executive team. Neither the Secretary of State, nor any departmental official, has any involvement in the day-to-day operations of a public corporation such as POL.

38. As to the background to those arrangements, I am not in a position to speak to the development of the Public Corporation model but I understand, in general terms, that the conclusion was reached that a largely commercial businesses such as POL could not be run effectively by politicians and civil servants and so a structure was devised to enable such businesses to be run in accordance with conventional commercial principles, and subject to established structures of corporate governance primarily regulated though a Companies Act company overseen by a fiduciary Board.

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39. The existence of this 'arm's length' model, and the use of language such as 'operational matters', does not mean that the Department, both directly and through the Shareholder Team (including the Shareholder NED), should be uninterested or passive in relation to the operations of a Public Corporation, particularly for matters that are of significance to the Department, either financially, reputationally or otherwise. The Department and Shareholder Team should actively seek to understand, communicate their views on such matters and, where appropriate, instigate change either by persuasion or, if necessary, the use of the levers available to them. There are also instances, in my view rare, where the Department should not involve itself in this way. An example is the recusal decision where the Department maintained a *"clearly distinct and detached position"* (Email from Tom Cooper to Alex Chisholm dated 20 March 2019) [UKGI00009299].

The Role of UKGI

40. During my tenure, the remit and purpose of UKGI was essentially two-fold. First, it represented the shareholder on the POL Board through the Shareholder NED who is typically an employee of UKGI. In addition to performing the conventional role of a NED on the Board like any other, the Shareholder NED was also expected to provide the Board with insight as to the Department's priorities as shareholder and the Department's views on significant issues affecting the Company. Second, UKGI provided the Shareholder Team to offer advice and support to Ministers and officials in a number of areas. Specific aspects of the Shareholder Team's responsibilities included:

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(i) Monitoring and commenting, from a commercial perspective, on POL's financial performance, its budgets and strategic plans. UKGI would generally communicate to BEIS about its perceptions of risks affecting POL through the normal communication channels including quarterly updates and regular meetings with BEIS' policy team (the "Policy Team").

(ii) Supporting the Department, including providing advice where appropriate, in relation to shareholder-related matters requiring Departmental approval.

(iii) Advising Ministers and monitoring POL's performance against Government's objectives (for example in relation to POL's progress towards achieving financial self-sufficiency), assisting the Department to secure sufficient Government funding for POL to deliver the Department's objectives, and, where the Shareholder Team's role was relevant, supporting Ministers with Parliamentary or other stakeholder engagement.

(iv) Advising on appointments to the POL Board, including remuneration for those roles.

(v) Arranging and attending ad hoc meetings for members of the Shareholder Team, with POL's management team to discuss matters relevant to the above.

41. As to the 'rights and powers' UKGI had to fulfil its remit in respect of POL, the Shareholder NED had the same powers and responsibilities as the other NEDs and would participate in the collective decision making of the Board. As with any NED, the core responsibilities were those set out in the Companies Act

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2006 including promoting the success of the Company and exercising independent judgement in delivering effective corporate governance. The powers available to the Shareholder NED in discharging these responsibilities were included in the powers of the Board to: call for the provision of information from the executive; commission its own specialist advice; and hold the Company's executive to account in relation to its management of the Company. The position of Shareholder NED did not carry any additional powers or rights beyond those conferred on any other NED and did not carry a right of veto over collective decision making on the part of the Board.

42. The role of Government as the sole shareholder in POL was reflected in the Company's Articles of Association. The Articles provided that the Secretary of State would be a 'Special Shareholder' in POL and would have certain special rights, including the right to request information, the right to appoint or remove the Chairman or a Director (Article 70), and the right to receive an annual strategic plan from the Company (Article 72). The formal powers conferred on the Shareholder in the event of fundamental dissatisfaction with the strategy or operation of the business were limited and consisted principally of the power to remove the Directors. Other key documents that regulated the Shareholder's relationship with POL included the Funding Agreement (to which the Entrustment letter was attached), the Working Capital Facility Agreement and other relevant Government guidance, notably Managing Public Money. POL had also committed to comply with the UK Corporate Governance Code where appropriate.

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43. Within UKGI, internal oversight of the way in which the Shareholder NED and the Shareholder Team discharged their functions included: portfolio reviews, in which the Shareholder Team report on their activities to a panel of senior employees of UKGI; formal ExCo meetings; and informal meetings with the UKGI CEO. UKGI has its own Board which includes independent and experienced NEDs with private and public sector experience. UKGI's CEO and management team would report to the UKGI Board on the issues and risks affecting UKGI's assets including POL. Members of UKGI's Board were also available to provide support and advice to shareholder NEDs and shareholder teams. There would also be meetings between UKGI's CEO and/or Chair with POL's Chair and/or CEO at which any issues regarding the Shareholder Team's performance of its role could be raised; and it would always be open to companies in UKGI's portfolio to raise any concerns they might have directly with the Department.

44. Accordingly, there were various ways in which any issues relating to the manner in which UKGI performed its functions in relation to POL could be identified and addressed. During my tenure, issues relating to Horizon and POL's management of the litigation were discussed in these forums (see, for example, the portfolio review on 29 June 2018 [UKGI00042805] and reflections on POL's portfolio review of 5 July 2018 [UKGI00008215], the ExCo meeting on 30 May 2019 [UKGI00009951] and the UKGI Board meeting on 9 July 2019 [UKGI00016810].

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Role as NED

45. I recall a conversation with Mark Russell, UKGI's CEO, prior to me joining UKGI in which he told me of his intention that I should take on the role the Shareholder NED. I am not aware of the background to that decision, or whether there was some form of prior nomination or selection procedure that led up to it.

46. I have been provided with a number of documents relating to my appointment including a draft briefing [UKGI00020960] which refers to BEIS' internal controls and HMT Treasury Officer Accounts being content with an indemnity covering the 'NED's costs' where POL as a corporation is subject to criminal proceedings. I was informed after joining UKGI that as a shareholder NED, I would be indemnified by the Department, but did not participate in the drafting of the indemnity letter. Accordingly, I do not know why the reference to 'NED's costs' was included in the briefing or the background its inclusion in the indemnity.

47. There were no restrictions placed on my ability to share information, either with colleagues in UKGI or the Department, received from POL or elsewhere in my capacity as Shareholder NED or leader of the Shareholder Team, save in respect of material relating to the litigation, where particular considerations relating to legal privilege applied. I deal with that specific issue, and the steps taken to resolve it, below. Otherwise, the position was clearly set out in my letter of appointment and I understood there to be a 'one-way valve' in operation whereby I could share information concerning the Company within UKGI and the Department but the same did not apply in the opposite direction. By way of

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example, there would be material and discussions held within Government relating to POL's funding which it would not be appropriate to share with POL. This consideration meant that a Director's normal duty of disclosure towards the company on which they serve as a Director should not apply to the Shareholder NED. In general terms I would share Board papers with the Shareholder Team and report to colleagues in UKGI and the Department, as appropriate, on any other relevant information obtained through my seat on the Board. I do not consider that there were any restrictions on my ability to share information which were inappropriate or which had an adverse impact on my ability, or the ability of the Shareholder Team more generally, to exercise our functions in relation to POL. As with any Board, there is an inevitable degree to which the Board is reliant upon information being brought to its attention by the executive team, but I was able effectively to share whatever the Board received and whatever I learned through other contact with POL's management team.

48. There was plainly some scope for conflict between my responsibilities to POL as a NED on its Board and my responsibilities to the Department as the shareholder, although in practice the management of this potential conflict was usually straightforward. The most obvious context in which it arose was in relation to funding where, put simply, it was in the Company's interests to maximise funding from the Department and it was in the Department's interests to minimize expenditure, leading to a negotiation between POL and the Department within a range that the parties believed would enable POL to meet its obligations including to provide essential services to the public. When issues of this sort arose, I would need to make a judgement as to whether it was

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necessary to recuse myself from the decision making at the Board. In general terms recusal from the decision would not prevent me from expressing a view in the Board's discussion of the issue and I do not recall there being any particular instances where I was told that my level of involvement was inappropriate.

49. Another example of the scope for potential conflict, which I address in detail below, arose in the context of the Board's consideration of whether POL should make a recusal application in the aftermath of the Common Issues judgment. I received advice from Richard Watson who also consulted the Department, and was told that I should not participate in the decision making as the Government did not think it appropriate to engage with a course of action which sought to suggest that a member of the judiciary was biased (or might be perceived as such). I accepted that advice and recused myself from the decision and the Board was content to accept that approach.

50. I have been asked to consider a submission dated 19 January 2018 (Post Office - Appointment of Tom Cooper to Post Office Board dated 19 January 2018) [UKGI00007850] relating to my appointment, and to comment on the recommendation of a reporting regime for the UKGI Shareholder Team to the Department in the absence of a Memorandum of Understanding ("MOU") between BEIS and UKGI in relation to POL. My recollection is that UKGI was developing MOUs between UKGI and all of its client departments in relation to UKGI's activities with the department in general, to be supplemented with an MOU for each asset. There were a number of other UKGI assets in the same

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position as POL where UKGI and BEIS did not have an MOU in place. My comments in relation to the MOU between UKGI and BEIS can be seen at document [UKGI00007857] (Emails between Tom Cooper, Elizabeth O'Neill and Richard Callard dated 19 March 2018).

51. Pending the establishment of an MOU, it was proposed that there be a regime of regular update meetings attended by me, the Shareholder Team, the Minister and the Permanent Secretary. Specifically in relation to POL, I was aware that there was no Policy Team at the time and so I was keen to try to ensure that I had regular access to the key decision-makers in the Department. In the event, it did not prove possible to organise such meetings on a regular basis and so the reporting regime was modified to the provision of quarterly written reports. I would say, however, that I could obtain access to the Permanent Secretary as and when required, and, when I sought Alex Chisholm's or Sarah Munby's input on a specific important issue (such as the recusal issue I address below), I received a prompt and helpful response.

52. At the time I was appointed Shareholder NED, BEIS did not have a Policy Team, which was unusual, and which UKGI considered to be a departure from normal practice. POL was therefore an outlier compared with the rest of UKGI's portfolio, partly because of the tasks that UKGI was undertaking, such as responding to departmental correspondence, but also because of the absence of a Policy Team. These tasks had historically been undertaken by UKGI's predecessor, the Shareholder Executive ("ShEx"), when ShEx had been part of

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BEIS. UKGI needed to pass those tasks back to BEIS so that UKGI could focus on its core mandate as well as the other issues outlined above.

53. In addition, due to the absence of a Policy Team, I found communication with BEIS difficult, as there was nobody below the Permanent Secretary to speak to about POL. I raised this with Alex Chisholm, the Permanent Secretary at the time, early on in my tenure at POL. Following that conversation, Gavin Lambert at BEIS was assigned to lead a Policy Team, which meant that communication became easier, and the Shareholder Team was able to successfully move a number of non-core tasks back to BEIS. The Policy Team was established in August 2018.

54. Once the Policy Team was established there was regular interaction between the Policy Team and the Shareholder Team in addition to the regime of formal quarterly reporting to which I have referred. My recollection is that the number and frequency of interactions with the Policy Team grew over time. In addition to regular scheduled meetings there would be ad hoc discussions on specific issues.

55. Neither the Shareholder Team nor the Policy Team would typically have any significant involvement in contractual and personnel management within POL, which would have fallen squarely within the operational remit of the Company. Exceptions to this were limited to: the remuneration of POL's senior managers through my participation in RemCo; succession planning after I joined NomCo; contractual issues raised at Board level through my membership of the Board;

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and discussions of pay and appointments at Board level. I would also participate in the process of recruiting new Board members and obtaining Departmental approval for their appointment (including pay); obtaining Departmental approval for variations in the pay of Board members, principally bonus arrangements, retention arrangements and exit arrangements; and obtaining Departmental approval for contractual issues which fell within the scope of the Articles of Association or needed Departmental approval as a result of other Government guidance such as Managing Public Money.

56. As to the extent to which UKGI oversaw POL's investigation and response to allegations made by SPMs concerning the reliability of the Horizon system, by the time of my appointment the Sub-committee was the principal forum for the consideration and, it was expected, resolution of those allegations. The Protocol also entitled UKGI and the Department access to information relating to the litigation including privileged documents and updates on the progress of the litigation.

57. As to how I sought to discharge my responsibilities, I was aware at the time, and have seen from documentation provided to me by the Inquiry, that I was regarded by the POL management as being particularly 'executive' and interventionist in my approach. I did not make a conscious decision at the outset of my tenure as Shareholder NED, to take a more 'executive' or directive approach to the relationship with POL than had been taken previously, I simply sought to discharge my role in accordance with what I understood to be the obligations of a NED, which included challenging the Company's executive

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management on issues of potential concern. However, it soon became apparent that my approach generated a degree of concern on the part of POL's management.

58. During 2018, I remember receiving feedback both directly and indirectly from POL to the effect that I was being too difficult or too executive, for a Non-Executive Director. The approach I took to particular issues, such as the reporting of capital expenditure, was initially seen by certain individuals within POL as *"undue interference"* (Briefing for meeting with Tim Parker dated 11 September 2018) [UKGI00008374]. My general impression was that the POL executive expected a more arms' length approach from the Shareholder Team and Shareholder NED and were not used to the level of direct engagement I considered to be appropriate and necessary.

59. As a result of the feedback I received from POL, I took advice from Mark Russell, Jane Guyett and Robert Swannell (UKGI CEO, a NED of UKGI and Chair respectively at the time) on how to approach and resolve this. I spoke to Tim Parker, Chair of the POL Board, about how we should address it, and, at Tim's suggestion, followed up with Paula Vennells, CEO at POL at the time. Before meeting her, I sent her a list of the matters the Shareholder Team had a particular interest in (Emails between Tom Cooper and Paula Vennells dated 27 July 2018) [UKGI00008260]. In my meeting with her, which I believe took place in either late July or early August 2018, we went through the role I had been undertaking and the role the Shareholder Team and I were playing. She said that she considered my approach to be appropriate and that I was not

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overstepping my role. Following this conversation, I felt the relationship had stabilised. However, I see from correspondence provided to me by the Inquiry that, as late as July 2019, Tim Parker's view was that I was too involved in the business and spent more time *"tramping round the business"* and *"papering over the cracks of the executive"* than any normal NED (Emails between Tom Cooper, Mark Russell, Tom Aldred and Robert Razzell dated 17 June 2019) [UKGI00010195].

60. I am aware that there is a spectrum of views as to the appropriate remit for a NED on a Board, and the extent to which it is necessary or desirable for a NED to engage with the management of the business. In my view, the first task for a NED, having gained an understanding of the business and its management team, is to ask questions about the way the business is run across the broad range of activities that the company is involved in. Where this probing raises concerns about how a matter is being handled or the capability of the people involved, the first step is to discuss it with other Board members starting with the Chair to see if they share the concern. The next step is to encourage the executive management to address the issue, including by seeking assurances that they will take appropriate actions, enhance resources, improve reporting, obtain external advice or obtain assurance as appropriate. This could be done through a variety of means including by the Chair, the Board or Board sub-committee, or in discussion with the appropriate level of management, typically the CEO. If that proves to be insufficient then the second line of intervention is to raise the issue with the Department to see if it wants to express its views to the Company or take action if the issue has to be resolved using the levers

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available to the Department as set out in the suite of governance, funding and related documents. In any event, any significant issues would typically be reported to the Department either in discussion or through one of the formal reporting mechanisms such as the quarterly reports.

61. There were several occasions during my tenure when I escalated a matter to the Department. For example, when I considered, during the second half of 2018, that the Company was not taking adequate steps to contingency plan for an adverse outcome from the Common Issues hearing, and I was finding it very hard to encourage them to do so, I arranged a meeting between the POL executive and the Minister with the intention that this would help spur the Company into action. In the event, and as I explain below, little changed as a result of this meeting but, in principle, I saw this type of intervention as being both legitimate and potentially valuable, notwithstanding the formal, or public, separation between day-to-day operation by the Company and high level strategic direction by the Department. Another example was POL's reporting of its investment expenditure which, in the Shareholder Team's view, was insufficient. This led on two occasions to the Shareholder Team advising BEIS to withhold funding until the quality of reporting improved.

62. My position has also been that if a NED has the relevant skills or experience to add value to the management team in relation to an issue, the skills and experience of the NED should be available to and used by management, particularly where that issue appears to be being handled poorly. The NED should generally not be in a decision-making capacity as that properly sits with

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the executive and the Board (collectively). But NEDs can often add significant value to management in an advisory or coaching capacity. This activity would take place in a transparent way with the knowledge and approval of the Chair and CEO. In 2018, I believed there were a several major commercial issues that were not being managed effectively by POL and I sought to assist based on my experience and involved members of the Shareholder Team where appropriate. One example is the renegotiation and renewal of POL's contract with Bank of Ireland where we helped management identify the key commercial issues that POL needed to negotiate, helped them develop their negotiating strategy and encouraged them to obtain external financial advice. We also assisted with the appointment of financial advisers. We were not involved in the negotiations themselves and stepped back once we felt the Company and the advisers were addressing the issues identified by the Shareholder Team. Other examples include the renegotiation of the Banking Framework which led to a very material increase in POL's revenue, the acquisition of Payzone and the development of POL's digital identity business.

63. Notwithstanding these concerns regarding my 'executive' approach to the role of Shareholder NED, and in general terms, I think the relationship between the Shareholder Team and POL developed in a positive way during 2018. There were a number of areas in which we developed a more constructive relationship and the Shareholder Team was able to provide advice or other input that, directly or indirectly, was helpful in improving the outcomes that POL was able to achieve.

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64. I have been provided by the Inquiry with an email chain from early November 2018 in which I express the view to Paula Vennells that a lot of the issues that came up, in the course of the interactions between POL and the Shareholder Team, related to a small number of specific individuals, and that generally the relationship between POL and the Shareholder Team was co-operative and constructive (Emails between Paula Vennells and Tom Cooper dated 1 November 2018) [UKGI00008603]. The particular individuals I had in mind when I wrote that email were Al Cameron, Jane MacLeod and Rodric Williams.

65. At this point Al Cameron was Chief Financial and Operating Officer. The Shareholder Team had challenged POL on the reporting of its capital expenditure which, in the Shareholder Team's view, was insufficient and did not meet the requirements of the Funding Agreement. Despite a number of discussions with Al Cameron and members of his team, the information we felt we needed was not forthcoming and this led to two occasions on which the Shareholder Team advised BEIS to withhold funding. Subsequently POL provided a report of forecast expenditure which identified that POL was forecasting to spend approximately £84 million more than the funding that had been committed by the Department over the three years to March 2021 (UKGI POL Investment Funding for Q3 2018/19 Submission dated December 2018) [UKGI00008715]. This prompted POL to undertake a 'reprioritisation exercise' to control its capital expenditure to bring it into line with the available funding.

66. In relation to Jane MacLeod and Rodric Williams, the primary example of the difficult issues we had faced was the unduly protracted process of putting the

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Protocol in place. As I explain below, the Protocol was required to enable effective oversight of the litigation and was an urgent priority at the time of my appointment. Yet it took three months to achieve. I was frustrated by the delay and my perception was that POL's legal team, led by Jane MacLeod, was being unnecessarily difficult. I refer below to an email exchange I had with Rodric Williams about the Protocol which gives a sense of my frustration at the time. Again, this matter, which should have been straightforward, was something that generated a degree of tension between UKGI and POL during 2018.

Operation of the Board

67. In general terms, I was impressed by the Board when I joined in March 2018. I thought the NEDs were engaged and knowledgeable about the business and clearly had a strong commitment to seeing the business develop and succeed. I thought the Board benefitted from an able Chairman who seemed to have a strong grasp of the issues facing the business. Overall, there seemed to be a good mix of skills although, with the benefit of hindsight, it may have been valuable to have had a NED with a legal background on the Board.

68. From my perspective, POL's executive generally appeared to be open and frank in their dealings with the Board and I was not made aware of any concerns on the part of the Board about the important relationship of trust between the executive and the Board.

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69. That said, there were certainly areas where I believed that improvement was required and they are largely reflected in the Board evaluation questionnaire I completed at the end of 2018. In particular:

(i) I considered there were instances where issues were brought to the Board with insufficient time available to enable the Board to discuss and scrutinise the underlying strategy. The essence of my concern in this regard is captured in the comments I inserted into the questionnaire (PO 2018 Board Evaluation Questionnaire submitted by Tom Cooper dated 18 December 2018) [UKGI00017547]: "*There are a lot of talented people on the Board who I believe could make a more significant contribution to the decision making process. I believe the company would benefit greatly if individual NEDs could be involved throughout the life of a decision, particularly where they have expertise – helping management define the problem and identify the alternatives to be evaluated, assist with designing the work and analysis needed to support a decision, and making better informed contributions to the Board discission itself.*" This would only be possible if issues were brought to the attention of the Board at a sufficiently early stage.

(ii) I assessed the Chairman's encouragement of debate at the Board to require development because I thought there were instances where the Chairman would express his view on an issue before having adequately canvassed, and summarised, the views of the whole Board. In my view, an important part of the art of effectively chairing a Board is to elicit, and take account of, the full range of views held by the Directors. Tim Parker had a largely executive background and, from my perspective, there

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were occasions where he moved too quickly to his conclusions at the expense of facilitating debate.

(iii) As to my assessment of the quality of papers presented to the Board, the comments I made on the questionnaire accurately capture my views: "*In general, the quality of the Board papers are often poor (Banking Framework and Cyber Security are two significant recent examples). Often there is only one option presented to the Board with limited opportunity to discuss and evaluate alternatives*."

The Group Litigation

70. I turn now to the Inquiry's questions concerning my involvement in the decision making relating to the GLO proceedings and oversight of POL's conduct of the litigation. I note that I have been asked to provide a full account of my involvement in these matters not limited to the specific questions posed by the Inquiry and so I hope it will be of assistance if I provide my response by way of a chronological account of my involvement running from appointment to the Board in March 2018 up to October 2020.

The establishment of governance structures and processes: March – May 2018

71. During the first few months of my tenure, I considered it important to gain an understanding of the litigation whilst, at the same time, wanted to ensure that POL had the right governance framework in place that would enable me (and the Shareholder Team) to deliver on the objectives in relation to the litigation that Elizabeth O'Neill had outlined in my initial briefing with her.

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72. Although I was initially in 'learning mode', the focus of my interactions with POL during these early stages was on: (i) promoting the agreement and implementation of the Protocol; (ii) obtaining a detailed assessment of the merits of POL's case from the legal team; (iii) encouraging contingency planning within POL to ensure that it was adequately prepared for an adverse outcome; and (iv) understanding how the litigation was to be resolved and POL's strategy to achieve it.

Information Sharing Protocol

73. In relation to the Protocol, my understanding was that POL had consistently been reluctant for privileged material to be shared with the Shareholder for fear that it might then be disclosed to a third party and/or made public. On the other hand, as UKGI had learned from the Magnox Inquiry, it was important that the Shareholder should be sighted on key aspects of the litigation (including privileged documents such as merits advice) and have the ability to challenge where appropriate. It was therefore imperative to establish an effective information sharing protocol quickly.

74. In the event, it ended up taking far too long for the Protocol to be established and this was a source of frustration for me and my colleagues in UKGI. The Sub-committee was informed that POL and UKGI were discussing the Protocol at the first meeting of the Sub-committee on 26 March 2018 and yet, at the next meeting on 15 May, the Sub-committee was told that discussions were still continuing. Little progress seemed to have been made since the first meeting. My colleagues at UKGI had found that POL remained resistant to sharing

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information that was subject to legal privilege. In trying to agree the Protocol various emails were exchanged in which POL expressed its reluctance, for example see [UKGI00008128] (Email between Helen Lambert and Rodric Williams dated 17 May 2018). On at least one occasion, it was necessary for me to step in, for example, my email to Rodric Williams on 7 June 2018 in which I express my dissatisfaction at the flow of information relating to the litigation, and my view that we could not continue to operate in the way we were (Email between Tom Cooper, Rodric Williams and others dated 7 June 2018) [UKGI00008133]. I noted that the Protocol was still outstanding and requested an urgent meeting with him and Jane MacLeod.

75. I believe that the meeting I had requested did not take place but the Protocol was agreed shortly after this correspondence and it is dated 11 June 2018 [BEIS0000079]. UKGI found the Protocol generally to be effective, and after it had been agreed, a routine became established whereby we would receive fairly regular updates on the litigation from POL, although they tended to be process driven, factual updates rather than updates on thought processes, planning and strategy. An example of this can be seen at [UKGI00008970] (Email from Rodric Williams to Richard Watson and Joshua Fox dated 12 February 2018). We were also able to obtain information and documents from POL relating to the substance of the litigation.

76. Before the Protocol was signed, UKGI provided a briefing to the Permanent Secretary based upon its understanding of the litigation at the time. A draft copy of this briefing is at [POL00255125], but this was later updated and the final version that was sent is at [UKGI00019311] (see also emails between Richard

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Callard and Private Secretary to Alex Chisholm dated 22 May 2018) [UKGI00000998]. The Protocol was ultimately signed by enough relevant people in both the Shareholder Team and the Department that we were able to keep the Department, including Ministers, sighted on developments relating to the litigation thereafter (Litigation Protocol dated 22 July 2019) [UKGI00010421].

77. Although the information flow improved once the Protocol was signed, there were a number of points in the chronology where I found it difficult to get clear answers from POL and its legal team to questions I had regarding the substance of the litigation. My attempts to gain a proper understanding of the facts of the lead cases in the Common Issues hearing, and to understand why POL was taking a stand on all 23 contractual issues, are obvious examples referred to below.

78. It was important that the Protocol covered information sharing not only between POL and UKGI but also between POL and the Department. This view is reflected in an email I wrote to the UKGI legal team on 14 April 2018 during the process of agreeing the Protocol (Email between Tom Cooper and Helen Lambert dated 14 April 2018) [UKGI00007875] in which I made it clear that I thought "*BEIS legal should have a direct nexus with POL*". As I explained, "*I'm not a lawyer or a litigator and I don't think it is appropriate for me to have to make judgments about what information is important for BEIS and, more importantly, what questions need to be asked of POL and its legal advisors*."

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79. The direct interest of the Department in the conduct of the litigation was reflected in the Protocol itself, in which it was expressly recorded, at paragraph C [BEIS0000079], that: "*The Secretary of State and UKGI share with POL a common interest in understanding the matters in issue in the Postmaster Complaints, POL's position on them, and the exposures they present to POL's operations, finances and reputation.*" The Protocol set out that the Department and UKGI had the same rights in relation to receiving information and reports from POL in relation to the litigation.

80. In practice, however, it was made clear by the Department that it expected UKGI to take the lead on monitoring the litigation and keeping the Department informed. As I explain below, the Department was provided with regular updates throughout the litigation. My perception was that the Department was interested in the progress of the litigation, and wished to be updated, but did not envisage playing an active role in the oversight of the proceedings. This is reflected in the read out from the UKGI quarterly portfolio review meeting on 5 July 2018 [UKGI00008215] in which it is recorded that whilst it was UKGI's view that the Department's legal team should be involved at every stage of the litigation, securing such a level of engagement *"may be a challenge*". As I explain below, there was a step-change in active interest from the Department following the handing down of the Common Issues judgment and the subsequent progress towards settlement, but, with the exception of the meeting between POL, the Minister, the Permanent Secretary and others in October 2018, prior to that point the model was largely one of UKGI providing the Department with progress updates.

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Establishment of the Sub-committee

81. Prior to my appointment I attended the Board meeting on 29 January 2018 as an observer (POL Board Meeting Minutes dated 29 January 2018) [POL00021553]. The final item on the agenda was an update on the postmaster litigation from Jane MacLeod. She informed the Board that there was a procedural hearing scheduled for 2 February 2018 which would address the issue of disclosure in advance of the hearing which was listed to start in November 2018. The Board resolved to establish a sub-committee for the purposes of monitoring the development and strategy of the litigation and that the Board members on the committee would be the Chairman, Ken McCall and me (once I had been appointed to the Board).

82. I understood from Richard Callard, that there had previously been a Board sub-committee overseeing POL's handling of Horizon-related issues, the Sparrow sub-committee, and that it had exercised limited oversight of the litigation on the basis that, as he understood it, there was very little to discuss in the preliminary stages of the process. In any event, it was clear from the outset of my tenure that the Board was keen to ensure that it was informed as to the progress of the litigation, and that it would have the opportunity to provide input into the strategy and conduct of POL's defence. I considered that to be entirely appropriate. I supported the establishment of the Sub-committee and I regarded my membership of the Sub-committee to be an important part of my role as Shareholder NED.

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83. It was clear to me from the outset that the litigation was an extremely significant issue and that oversight of POL's handling of the proceedings would be a key part of my role, both as a member of the Board and in my capacity as head of the Shareholder Team. The implications of the issues raised by the claim were not merely financial but also engaged POL's reputation as a company and, as I was told, its ability to carry on in business under the existing model. It was asserted that the litigation posed an existential threat to POL's business and that, if the Company did not succeed, the consequences would be extremely serious. There was, therefore, no doubt that the litigation was one of the most significant issues facing the Company at the time I took up my seat on the Board.

84. I have been asked how the level of oversight exercised by UKGI and/or the Department of the litigation differed from other operational matters or other civil or criminal proceedings brought by or against POL. From my perspective, it is difficult to identify a valid comparator. I considered this litigation was particularly important, for the reasons I have sought to explain, and that view was shared by the Board, as illustrated by the establishment of the Sub-committee. I certainly perceived it to be more important than any other litigation in which POL was engaged at the time and it occupied a great deal of time both for UKGI and the Board. As for comparison with other 'operational matters' the level of oversight of the litigation was simply a reflection of its importance to the Company and I would expect that any other operational matter with such major implications would have received a corresponding level of attention and oversight from the Board and UKGI.

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85. The first meeting of the Sub-committee took place on 26 March 2018 and pre-dated my joining the Board.

86. I deal below with the individual meetings, the detail of the matters discussed and the decisions taken by the Sub-committee. In general terms I found the Sub-committee to provide a valuable means of obtaining information concerning the progress of the litigation, but it was difficult to exercise effective oversight of the way in which the litigation was being conducted, particularly in the early stages and prior to the handing down of the Common Issues judgment. Furthermore, and as I explain below, I became increasingly concerned about the approach POL was taking to the litigation as I gained a more detailed understanding of the nature of the arguments, particularly in relation to some of the contested contractual provisions. Whilst the Sub-committee provided an opportunity for me to raise some of these concerns, the Sub-committee proved to have limited influence over the conduct of the litigation.

87. I was also concerned that there did not appear to be sufficient thought being given to contingency planning. During my briefing with Elizabeth O'Neill, she had impressed upon me that any organisation involved in litigation has to contemplate that it might lose, even if the merits are said to weigh in that organisation's favour. Accordingly, during my attendance at these first Sub-committee and Board meetings, I sought to encourage POL to plan for what would happen if it was unsuccessful on any of the issues in the litigation.

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88. I have reviewed the minutes of the Sub-committee meetings for the purposes of preparing this witness statement. My view now, which is also the view I held at the time, is that the minutes lack detail and fail fully to reflect the work of the Sub-committee. I recall that the Sub-committee was told by POL's General Counsel that the Sub-committee minutes needed to be concise and record the basic facts for reasons connected with the litigation and reflect a unity of opinion on the part of the Sub-committee. My assumption was that this was due to concerns about privilege and the need to ensure that POL's position in the litigation was not compromised and I deferred to her legal advice in this respect.

89. However, the effect of this approach is that the minutes are not as illuminating as one might wish and they compare unfavourably in this regard with the minutes of the POL Board meetings and other Board committee meetings. In particular, I do not consider the minutes reflect the full nature and extent of the discussions at Sub-committee meetings, particularly where members challenged the views of the legal team, and advanced contrary arguments. At times the minutes were also incomplete. One example of me raising those concerns is set out in my email to Richard Watson Counsel of 7 May 2020 [UKGI00045894]. Where my recollection has enabled me to do so, I have sought to provide some further detail concerning the work of the Sub-committee in the chronological account set out below.

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First Sub-committee Meeting – 26 March 2018

90. The first meeting of the Sub-committee took place on 26 March 2018, the day before a meeting of the full Board. The minutes [UKGI00019293] show that the Sub-committee:

(i) received a briefing from Jane MacLeod, and also one from one of POL's external lawyers, a partner from Womble Bond Dickinson ("WBD");

(ii) was told that whilst day to day decisions regarding the litigation would be taken by the executive, the Board would be consulted before any significant decisions were taken;

(iii) was updated on developments since the last Board meeting, including the outcome of the recent disclosure hearing, the appointment of IT experts by both sides, and an application for security for costs (which were told was not unusual in a case like this and would likely be resolved by consent); and

(iv) noted that: UKGI had requested regular briefings on the progress of the litigation; a discussion was underway between POL and UKGI about a draft protocol for sharing information; and it was important that legal privilege should be maintained.

91. Prior to the meeting, I recall that Elizabeth O'Neill, UKGI's General Counsel, had also raised the importance of contingency planning with Jane MacLeod, her counterpart at POL. It was therefore good to see that contingency planning would be addressed.

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92. As illustrated by the chronology I describe below, this first meeting of the Sub-committee was typical of the pattern that came to be established in that it included a briefing from POL's external lawyers as to the progress of the litigation. WBD, POL's firm of solicitors, was usually represented and on occasion Counsel would also attend. The Sub-committee would generally receive oral updates on the litigation from POL's legal team and the Sub-committee was advised that it was important to preserve privilege. The Sub-committee did not however generally see any of the written legal documents relating to the litigation. For example, I do not recall the Board or the Sub-committee seeing the skeleton arguments prepared for any of the hearings, nor was the Sub-committee ever provided with the witness statements served by either party to the proceedings.

93. This first meeting of the Sub-committee was also typical in that the content was focused on the Common Issues and the update was factual and process-orientated, primarily in relation to the procedural position. Following procedural hearings in the litigation, the Sub-committee would also receive factual written updates by email from Jane MacLeod (Email from POL to Tom Cooper regarding Postmaster Group Litigation) [UKGI00007761] and (Email from Jane MacLeod regarding postmaster litigation dated 15 February 2019) [POL00103385]. As 2018 progressed, as I explain below, and partly as a result of the additional work proposed by the Shareholder Team, greater attention was paid to more substantive issues. Insofar as the Board and Sub-committee were provided with an analysis of the merits of POL's position at this stage, it was to the general effect that the claims were weak and were likely to fail.

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94. We were told that the facts of SPM's individual cases were not relevant to the contractual arguments surrounding their contracts. It was explained that the Common Issues hearing should essentially be an academic exercise not influenced by the real-life experiences of SPMs themselves.

95. In the view of POL's legal team, each of the cases had separate facts and would have to be resolved individually. POL's legal team did not agree that the claimants named in the Group Litigation Order ("GLO") (collectively, the "Claimants") shared a number of common issues and so POL disputed Mr Justice Fraser's agreement to treat the litigation as a group action. When asked, POL's legal team was unable to explain sufficiently Mr Justice Fraser's reasoning for this decision.

96. There was a limitation defence available in respect of at least some of the Claimants GLO and POL's legal team intended to use limitation to reduce the number of Claimants. In addition, some of the Claimants had signed settlement agreements as part of the Mediation Scheme that would preclude them from receiving further compensation. POL also expected to be able to exclude convicted Claimants. I recall the process of excluding Claimants in these three categories being described by Jane MacLeod as *"thinning the herd".*

97. At this stage, I was only beginning to develop an understanding of the litigation and it was not until later in the year that I began to form my own opinion about these issues, as I describe further below. I was conscious of the fact that the

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litigation had already been going on for some considerable time, and that I needed to catch up with other Board members who had been involved in oversight of the litigation from the beginning. I wrote to Jane MacLeod on 19 April 2018 referencing a conversation about helping me get up to speed with other members of the Sub-committee and I asked to be put in touch with POL's legal team (Email from Jane MacLeod to Tom Cooper re: Sparrow dated 19 April 2018) [UKGI00007885]. She replied the following day to say that she would arrange a briefing shortly and my recollection is that I received a briefing from POL's legal team, including Andrew Parsons, on 25 April 2018. I do not have a clear recollection of this meeting, but the Inquiry has received Rodric Williams' speaking notes for the meeting (Speaking notes for meeting with Tom Cooper re postmaster litigation dated 24 April 2018) [POL00006486].

First Board Meeting – 27 March 2018

98. The first meeting of the POL Board that I attended in my capacity as Shareholder NED was held on 27 March 2018. My appointments to both the Board and ARC were noted and approved (POL Board Meeting Minutes dated 27 March 2018) [UKGI00018134]. The CEO's report did not contain anything relating to the litigation (POL Board Pack dated 27 March 2018 containing the CEO report) [UKGI00043693]. The Board noted that the Sub-committee had met the previous day and had been updated on the progress of the litigation. The terms of reference of the Sub-committee were also noted and approved [POL00024270].

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99. I cannot recall now whether there was any further discussion of the litigation, or Horizon-related issues in general at this meeting, but there is nothing to that effect in the minutes. In general terms, the position of the Board at this stage, at least as I understood it, was that the litigation issues were essentially procedural, leading up to the first hearing in November. There was very little if any discussion about the strengths of POL's case, vulnerabilities or strategy. I had the clear impression that POL's senior management were confident of the Company's position and as to the likely outcome of the litigation.

100. In my discussions with members of POL's senior management around this time, there were three apparent 'facts' about Horizon and the litigation which were presented as being settled, and commonly understood. Firstly, Horizon was generally regarded as a system that worked. The POL Board was regularly reminded of the volume of transactions that went through Horizon which did not cause any problems, and the Board was told there would be many more SPMs complaining if there were significant issues with the system. I was told that remote access was a non-issue. Secondly, it was accepted that SPMs that had been convicted had been genuinely guilty. Similarly, SPMs whose contracts had been terminated, were terminated for good reason. Thirdly, the litigation was considered to be existential for POL; if POL was unsuccessful in the hearings, POL would not be able to continue in business.

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Approach to the governance of the litigation: May – October 2018

101. After a couple of months in post, my understanding and appreciation of the issues in the litigation was developing but remained fairly limited. During this period my focus was on:

(i) Finalising the Protocol. The delay in getting the agreement finished was becoming a significant obstacle to enabling my colleagues at UKGI and the Department to understand what was happening in the litigation.

(ii) Continuing to encourage the Company to do contingency planning. Contingency planning is an issue that I ultimately sought to escalate by involving the Minister and Permanent Secretary. A meeting eventually took place in October, which I describe below.

(iii) Understanding the substance of the litigation in more detail. This began with the merits opinion that UKGI had requested POL to commission as well as discussions with Jane MacLeod and POL's legal advisers. After the Protocol was signed, I was able to involve Richard Watson in these discussions and obtain his views. His advice was important as he was the only lawyer I had direct contact with outside of POL's legal team. During this period, I became increasingly unhappy with the position that POL was taking on a number of the litigation issues which I challenged on several occasions with a view to POL changing its approach.

(iv) Encouraging POL to develop a resolution strategy for the litigation. The Court had mandated a window for mediation, but POL's view was that a successful mediation could not take place at least until after the Horizon issues had been finally determined. POL's legal team envisaged a

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process which could potentially involve at least four hearings which might stretch over an extended period with the ultimate resolution involving determinations in relation to each individual case. This struck me as being an impractical and very expensive process. Some kind of settlement at an earlier stage should be in the interests of all parties.

102. During this period, I also considered whether there might be an alternative to a lengthy Court process to resolving the issues between POL and the Claimants; a process that might provide a quicker and better answer particularly on the question of Horizon's integrity. It seemed to me that there was no better alternative. I was conscious that in the Court process both sides had expert witnesses, had the benefit of discovery, a judge supervising the process and a relatively short timetable as the hearings were only a matter of months away. I could not envisage a process that would yield a better quality answer more quickly and so it seemed to me that the best thing was for the first two hearings to take their course. However, although the integrity of Horizon seemed to be an essentially binary issue that would be determined by the evidence from the expert witnesses in the Horizon Issues hearings, I thought the position in respect of the contractual issues in dispute in the Common Issues was more complicated and there were a number of respects in which I came to believe it was in POL's interests to change approach. I describe below how I sought to encourage POL to rethink its stance on some of the contractual issues in the limited time available prior to the start of the Common Issues hearings.

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103. The meeting of the Sub-committee on 15 May 2018 was attended by Anthony de Garr Robinson QC, David Cavender QC, and a partner from WBD (Sub-committee Meeting Minutes dated 15 May 2018) [POL00006754]. POL's CEO, CFO and General Counsel were also in attendance.

104. As the minutes show there was a relatively extensive discussion about the progress of the litigation and, as part of those discussions, the Sub-committee received a summary of the assessment made by POL's legal team of the merits of the Common Issues element of the litigation. My recollection is that there was a written merits opinion in existence by this stage but the Sub-committee was not provided with the document. UKGI received it later, after the Protocol had been signed. The Sub-committee was advised that of the 23 contractual issues that would be considered in the Common Issues hearings, the lawyers' overall view was that POL had the better of the arguments on most of those points. The Sub-committee was also advised that it was unlikely that the Claimant's argument based on good faith would succeed and that if it did, POL would be advised to appeal that decision. I made some handwritten notes at the meeting recording the advice given (Notes of meeting with David Cavender regarding the GLO merit's opinion) [UKGI00044247].

105. The option of settlement was raised at this meeting. However, the Sub-committee was told that the case was *"unsettleable at the moment"* [POL00006754], as it would be very difficult to settle until a decision had been made on the Common Issues and Horizon Issues, and the legal team did not know what the individual Claimants were claiming.

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106. We were consistently told that no figures had been provided by the Claimants nor sufficient information for POL to quantify the value of the claim , and that this was a fundamental barrier to settlement, see, for example, [POL00006754]. It was not until I later became aware, in mid-2019, of a spreadsheet which appeared to have been created in 2017 and contained details of the quantification of the individual claims, that I realised this was not the case. This spreadsheet, which had not been shared with the Sub-committee indicated that the individual claims came to a total of £224 million (Email between Andrew Parsons of WBD, Ben Foat and Rodric Williams dated 18 June 2019) [POL00276883]. Obviously, I was surprised and very disappointed when the spreadsheet belatedly came to light as it would have been important for the Board (and the Sub-committee in particular) to be aware of it, particularly in the context of discussions about the possibility of settlement.

107. In any event, at the time, the parties seemed to be so far apart on all the issues, most fundamentally whether Horizon had been responsible for any of the losses incurred by the Claimants, that there appeared to be no realistic option but to accept the advice that it would not be possible to discuss settlement before the Common Issues hearing. I recall discussing this issue with Richard Watson, following the conclusion of the Protocol, who agreed with this view.

108. The Board next met on 24 May 2018, at which my appointment to POL's RemCo was approved. The Board pack can be found at [UKGI00021007]. A verbal update on the litigation was provided by Jane MacLeod. I cannot recall the level

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of detail that was provided in her summary, but it is apparent from looking at the minutes (POL Board Meeting Minutes dated 24 May 2018) [UKGI00043684], that only a very high-level summary has been recorded.

109. As I have explained above, the Protocol was eventually concluded on 11 June 2018 and my recollection is that at some point thereafter Richard Watson and I received copies of the merits opinion prepared by David Cavender on the Common Issues. On reading the opinion, it became apparent to me that, amongst the 23 contractual issues, there was one significant point of principle concerning whether the SPM contract was a 'relational'/'good faith' contract. From my corporate experience, I could see that this was a potentially important point. A 'good faith' contractual relationship would be very unusual in the UK commercial context. Commercial contracts in the UK are usually drawn up with as much precision as possible in order to make the expectations placed on the parties as clear as possible. Good faith relationships are generally avoided because they run counter to the clarity that contracts usually seek to create. So I could understand why it was being said that it was important to resolve this issue for the future management of the relationship between POL and SPMs. It seemed to me that the resolution of the litigation could involve changes to POL's systems and processes which should lead to a normalization of the relationship between SPMs and the Company. Like other franchise businesses, this would involve POL providing a service to SPMs which was reliable and trusted and vice versa. The contract should not need to be unusual in a business context (ie a relational contact) in order to operate well for all the parties.

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110. I can also recall discussing the relational contract point with Richard Watson, and that he also believed that this was the most significant of the issues. Richard Watson and I agreed that there was no obvious reason not to take the merits opinion at face value and there was no suggestion the decision to continue with the litigation was flawed, at least in relation to the core point of the legal nature of the contract. Therefore, we took the view that a second opinion was not needed at this point, although it was something we returned to when we received the updated merits opinion in October 2018.

111. During the period late June to early July 2018, in the run up to the meeting of the Sub-committee on 10 July 2018, I had at least one meeting with Jane MacLeod, at which we discussed the detail of the contractual points raised by the SPMs' claim. This occurred at my instigation and the purpose was to enable me to gain a more thorough understanding of the contractual issues and POL's rationale for its interpretation of the relevant provisions.

112. Jane MacLeod set out the legal view on each of the contractual points and the consequences of each point for POL, if the Court were to find in favour of the SPMs. I can recall this interaction with Jane MacLeod, but having checked my diary, I have been unable to locate the precise dates on which it took place.

113. Jane MacLeod produced a draft version of a document for the discussion which was subsequently dated 9 July 2018 and presented to the Sub-committee on 10 July (Email from Jane MacLeod to Tim Parker, Ken McCall, Tom Cooper, Paula Vennells and Al Cameron dated 9 July 2018) [UKGI00018964] and

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[UKGI00044245]. The document categorised four potential areas of response to each risk identified: contractual changes; communications; operational changes (e.g. training); and system changes (e.g. Horizon).

114. My handwritten annotations on the documents reflect my primary concerns at the time which were, firstly, the need to obtain a proper understanding of the facts of the individual "Lead Cases" which did not seem to me to be receiving the attention they warranted; and, secondly, the continued absence of any significant contingency planning for an adverse outcome. At numerous points there was reference to the risk that an issue might be decided against POL, but very little indication of what that would mean for the business and how the consequences would be addressed. In Jane MacLeod's view, and as shown in the document, the issues which had the greatest potential operational impact on POL were the ones on which POL had the greatest chance of success. As a result, the need for contingency planning for those issues was viewed as less important compared to a scenario in which POL expected to lose on an issues but the potential impact on the business was assessed to be low. Accordingly, whilst these documents attempted to address the need for contingency planning, in my view, they remained inadequate.

115. The overall view of POL's position in the litigation as expressed by Jane MacLeod to me during this period, was consistent with the merits opinion prepared by David Cavender QC, namely that POL would succeed on the central issue of whether SPM contracts were good faith contracts. However, POL was vulnerable on some of the less fundamental points in the claim. One

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of the examples given was in relation to training of SPMs. Jane MacLeod said that SPM training had been improved significantly in recent years and so the clause was unnecessary. Other key clauses proposed by the Claimants that we discussed would, in substance, oblige POL to provide a computer system that was fit for purpose and proactively report problems to SPMs that could affect their businesses, none of which seemed to me to be particularly controversial, particularly in the context of the history of the dispute.

116. Jane MacLeod said that POL had already offered two clauses that dealt with many of the points raised in the claim, one of which referred to necessary co-operation between POL and SPMs which, in substance, put an obligation on POL to take reasonable steps to enable SPMs to run their businesses effectively. Her view was that the clauses offered by POL should be sufficient to address the limited number of implied terms in respect of which POL might have some vulnerability, including the need for POL to investigate and explain shortfalls. Jane MacLeod also expressed the view, during these discussions, that POL should appeal any of the 23 points on which the Claimants were successful.

117. My perspective was different. It seemed to me that a number of the contractual issues raised by the SPMs were reasonable and uncontroversial – why shouldn't there be clear and express contractual provisions requiring POL to train its SPMs and provide a computer system that worked? I raised the training clause in particular. I challenged Jane MacLeod about this and said I was

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surprised that points like these had not been conceded already, in an effort to reach a compromise with the Claimants.

118. One clause I felt particularly strongly about was the liability clause. I understood that in 2012, the liability clause had been changed by POL to say that SPMs were liable for losses regardless of fault. The rationale I was given for the clause was that POL could not determine the reasons for different types of losses incurred in branches. Many losses resulted from errors by SPMs for which they should properly be responsible and given that POL was often unable to determine conclusively that the postmaster was *not* responsible for a loss, a default position should apply, namely that SPMs should be responsible for all losses however incurred. I considered this be a wholly unreasonable and untenable position to maintain in general, but particularly in the litigation. I thought that if I could persuade POL's legal team or the Sub-committee that POL should concede that the liability clause was unfair, it might also lead to a more flexible approach to the other implied terms and a willingness to compromise with the Claimants. I raised the liability clause with POL's legal team and, after making no headway, at the Board meeting in October 2018. I remember telling David Cavender during the Board meeting that POL was *"defending the indefensible"* in respect of this issue in particular, although there is no reference to me using these words in the minutes (POL Board Meeting Minutes dated 30 October 2018) [UKGI00011867]. However, I note that I make reference to having used this term *"a few times with Cavender"* in correspondence with Richard Watson in May 2020 [UKGI00045894]. In an email to Andrew Parsons and others dated 8 April 2019 Jane MacLeod wrote

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"Tom Cooper has already challenged whether provisions that make the agent liable for losses are morally defensible" [POL00023941].

119. However, POL was robust in its view that it should continue to defend it, arguing that any other approach to liability was not operationally possible. I recall feeling a significant degree of frustration about this issue and thinking that if I could not persuade POL on this straightforward point (as I saw it), I would not be able to persuade them of the need to compromise on any of the other contractual issues on which I thought POL was vulnerable such as training and providing a fit for purpose computer system.

120. The minutes of the Sub-committee meeting on 10 July 2018 [POL00006763] reflect the desire on the part of the Sub-committee to try to obtain a clearer understanding of POL's position on each of the contractual issues and the implications of an adverse finding on each one. The minutes also mention that contingency planning work *"would assess the operational response should the legal points be found against us".*

121. The meeting also dealt with the Court's agreement that lead witnesses would be asked to appear at the Common Issues hearing. My recollection is that POL had resisted this, arguing that witness evidence was not relevant to the contractual issues. However, the Court had decided in favour of the Claimants on this issue and both sides would field witnesses to address the issues in front of the Court. I understood there would be six lead witnesses among the

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Claimant group, three of which would be selected by each side. As a result, the Sub-committee was told that Counsel would update the merits opinion.

122. The POL Board next met on 31 July 2018. As with the Board's previous meetings, a verbal update was provided at the meeting (POL Board Pack dated 31 July 2018) [UKGI00043683].

123. The Contingency Planning document prepared by Jane MacLeod dated 9 July 2018, which had been presented to the Sub-committee at this meeting on 10 July 2018, had been developed further and was now on WBD's headed paper. It was a draft report suggesting various mitigating actions (again by reference to the same four categories of response identified in Jane MacLeod's document) that made recommendations about whether action should be taken by POL imminently, or at some future stage (Draft Mitigation Actions table with and without Tom Cooper's handwritten notes) [UKGI00021239] and [UKGI00044250]. WBD's document was shown to the full Board (POL Board Meeting Minutes dated 31 July 2018) [UKGI00043691]. The plan was for further updates of a similar nature to be prepared for consideration at later Board meetings.

124. By this stage I had become frustrated at the lack of adequate contingency planning by POL for an adverse outcome. I had raised the issue at the Sub-committee and directly with Jane Macleod. There seemed to be a general intention that the Company would appeal any adverse findings but very little in the way of practical planning for how the business would deal with adverse

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outcomes on any of the specific contractual issues. When documents purporting to address contingency planning were produced, they were clearly inadequate. To the extent that follow-up work had been identified, there was no detailed scope or timetable for any work to be completed. Accordingly, and consistent with the approach to Shareholder intervention I have described above, I saw a meeting between POL, the Minister and the Permanent Secretary to discuss the litigation with an emphasis on contingency planning as being the only remaining means by which UKGI and the Department might seek to influence POL's approach to the litigation. I had originally tried to arrange a meeting in May with the broader intention of bringing together the senior people from BEIS so that they could hear from POL directly about what was happening and ask any questions that they had. When it had not been possible to schedule that meeting, we had then looked for a date before the Summer Recess, when I had hoped to focus the meeting on the issues I have described. Ultimately, however, finding a date before the summer proved to be impossible and the meeting did not take place until 17 October. The delay to scheduling the meeting meant that contingency planning could be added to the agenda as an item for focus.

125. In the meantime UKGI continued to keep the Department updated on the progress of the litigation. On 10 August a detailed submission was put up to the Permanent Secretary [UKGI00018266] providing an update on the Protocol and the litigation generally. A number of key documents were annexed including updates prepared by POL's Legal Counsel. I note that, at this stage, it was envisaged that the Ministerial meeting, which I had been attempting to arrange since May, would take place on 10 September 2018. The briefing made

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reference to the fact that I had asked POL to focus on contingency planning in the run up to the Common Issues hearing (paragraph 8); and set out the process by which UKGI would continue to provide frequent and scheduled updates to the Department.

126. There was a further meeting of the Sub-committee on 24 September 2018 (Sub-committee Meeting Minutes dated 24 September 2018) [UKGI00019297]. The meeting was attended by a Partner from WBD and Jane MacLeod. No papers were provided for consideration by the Sub-committee in advance (Sub-committee Meeting Agenda dated 24 September 2018) UKGI00016107] and the Sub-committee did not receive an update on the merits opinion that I understood to have been commissioned following the Sub-committee meeting on 10 July 2018.

127. The Subcommittee was provided with a verbal update in relation to a number of procedural issues in the Common Issues litigation, including the fact that an application had been made to exclude inadmissible evidence, and that POL had been successful in its security for costs application [UKGI00019297]

128. The Sub-committee also received a verbal update on the progress of the Horizon Issues litigation, which was due to start in March 2019. The Sub-committee was told that the experts would be *"in constant dialogue"* [UKGI00019297] in the period leading up to the hearing in order to narrow the issues and produce a joint statement setting out areas of agreement and disagreement, but that the

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view of POL's expert was that Horizon was a *"robust system"* with some *"bugs"* which did not materially affect the operation of the system.

129. There was some discussion of POL's media strategy relating to the litigation and the Sub-committee asked to see the Communications Plan that had apparently been formulated, as the Sub-committee wanted to see for itself whether the Company was receiving appropriate advice in relation to external communications. The Sub-committee was also informed that lawyers within UKGI were being briefed and that the meeting with the Minister and Permanent Secretary at BEIS had been scheduled on 17 October 2018 [UKGI00019297].

130. The following day, there was a meeting of the POL Board. As with previous meetings, an update on the litigation was provided verbally, along with confirmation of the meeting with the Minister and Permanent Secretary on 17 October 2018 (POL Board Pack dated 25 September 2018) [UKGI00043690].

131. At this meeting, a reference was also made to prosecutions of SPMs and to the fact that these were not currently being brought where they relied upon evidence related to the Horizon system because of the ongoing litigation. The Board was told that prosecutions could potentially start again after the Horizon Issues hearings, assuming there had been a positive outcome, but that retrospective cases older than 6 months were unlikely to be brought, and any prosecutions would be brought by the CPS (POL Board Meeting Minutes dated 25 September 2018) [UKGI00043706]. No reference was made to the implications that an adverse outcome in either the Common Issues or Horizon

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Issues hearings might have for past prosecutions. I describe below how I subsequently came to the realisation that there was a potential link between the two issues.

132. Following the meeting, POL produced an update on the litigation (POL Group Litigation: Update for UKGI Following POL Board Meeting on 25 September 2018) [POL00257564], which incorporated the revised merits opinion from Counsel following the Court's decision to permit evidence from the six lead claimants that the Sub-committee had been told about in July ("Lead Claimants"). The update informed us that: "*Now that all information has been exchanged, Counsel reviewed the opinion they gave on the merits of Post Office's case in May 2018 and updated that opinion (without any material change) on 28 September 2018*." The Sub-committee was also informed that 30%-50% of the evidence of the Lead Claimants was inadmissible for the Common Issues hearings, that POL had applied to strike out that evidence and that the application was to be heard on 10 October 2018.

133. I did not consider that I was in a position to second-guess the strategic approach taken by POL to the Claimant's witness evidence. I had been told consistently that the Common Issues hearing would not address the factual evidence of individual SPMs, and would be confined to technical arguments about contractual interpretation. I do not recall the Board being informed that there was a risk that the strike out application would be regarded as unduly aggressive or oppressive by the Court, and there is certainly nothing to that effect in the POL litigation update which describes the rationale for the

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application as being, "*to help focus our defence preparations on relevant issues, and ensure trial time is not wasted on inadmissible and irrelevant material.*"

134. POL's strike out application was heard on 10 October 2018. I was copied on an email from Jane MacLeod to Richard Watson on 16 October 2018 in which she stated that Mr Justice Fraser had now ruled on POL's strike out application, the judgment having been received late the previous night. She explained that the Judge had been critical of POL's conduct of the case and had said that POL had *"impugned the court and its processes by making the application for improper purposes"* (Email from Jane MacLeod to Richard Watson and Joshua Fox dated 16 October 2018) [UKGI00008532]. Jane MacLeod's view was that the outcome was both surprising (in light of comments apparently made by the Judge at earlier stages of the litigation) and disappointing. She said that POL would refine its preparation for the hearing in light of the Judge's comments.

135. I was surprised by the Judge's criticism of POL's approach. From my perspective as a non-lawyer the charge of *"impugning the Court"* sounded very serious and I wanted to understand the implications for the future conduct of the litigation. I asked Richard Watson for his view and he replied the following morning expressing some surprise that POL had been advised to seek to strike out witness evidence given that Judges are well-used to disregarding irrelevant evidence [UKGI00008532]. As I have indicated above, it was never explained to the Board that the strike out application was an unusual or controversial means of dealing with irrelevant evidence, or whether there might be an alternative means of addressing the issue in the course of the hearing itself.

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136. Richard Watson followed up his email to me on the morning of 17 October 2018 with a further email later the same day, by which time he had read the judgment [UKGI00008535]. He expressed the following conclusion: "*I have to say it makes a very uncomfortable read from POL's perspective and gives me very considerable cause for concern about their litigation tactics/handling, not to mention the merits of the case itself.*"

137. I shared Richard's concerns and so, after Jane MacLeod provided an email update to the Board on 18 October 2018 referring to the criticisms of made by the Judge [UKGI00008547], I emailed the Chairman later the same day suggesting he read the judgment. I also expressed concern that there was a 'pattern' emerging about POL's approach to the litigation which was clearly not succeeding (Email between Tom Cooper and Tim Parker dated 18 October 2018) [UKGI00008542]. I also spoke to Paula Vennells to express my concerns and emailed her afterwards to point out the paragraphs in the judgment that were of most concern to me (Email from Tom Cooper to Paula Vennells dated 18 October 2018) [UKGI00035584]. In reaction to my email and what I understood to have been Tim Parker's prompting, I and the other NEDs on the Board, received an email on 19 October 2018 from Paula Vennells which acknowledged the concerns we had raised and said that action would be taken (Email from Paula Vennells to Tom Cooper and others dated 19 October 2018) [UKGI00008549]. Paula Vennells confirmed that she had spoken with Jane MacLeod and that a change of tack was needed. She also set out how POL planned to address the issue, including speaking to WBD, and Counsel, and that measures would be put in place to ensure all submissions were reviewed

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by a second lawyer before submission to the Court. I took some reassurance from the fact that the CEO appeared to be taking the matter seriously.

138. Paula Vennells made clear in her email that she had deliberately not copied Jane MacLeod or Al Cameron and asked us not to forward the email. Although not stated expressly I assumed that this was because the email contained some implicit criticism of Jane MacLeod's handling of the litigation thus far and explained how Paula Vennells intended to manage her going forward. I shared Jane MacLeod's email with the Shareholder Team but I did not forward Paula Vennells' email in light of her request that I not do so.

139. Whilst the proposal for a 'change of tack' was essential at a minimum, it seemed to me that any changes made at this stage were only likely to influence the 'tone' of POL's submissions and could not alter POL's substantive approach in the Common Issues hearing, which was due to start around two weeks later, at the beginning of November. Indeed, having advocated a different approach to some of the contractual issues for some time, I recall thinking that it was probably too late to make any meaningful change to POL's approach to that hearing.

140. As I have described above, I had attempted to gain a better understanding of the facts of the Lead Claimants and made a further attempt before the meeting with the Minister and Permanent Secretary on 17 October 2018. In advance of the meeting, I had asked Jane MacLeod to provide a summary of the factual position in relation to each of the Lead Claimants in the litigation, including each Claimant's arguments together with POL's position on those arguments. I

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believed it was important to understand what had happened to the SPMs in individual cases in order to try to understand the large gap between the positions being taken by POL and the Claimants in the litigation. I thought this would be of value both to Ministers, given that individual cases had the potential to be raised publicly, and to the Sub-committee as I was continuing to find it difficult to gain a clear understanding of the respective positions of the parties on the core issues, including why Mr Justice Fraser had taken such a strong objection to POL's arguments about the inclusion of the Lead Claimants' evidence during the strike out application.

141. Unfortunately, the summaries were short and unhelpful, and neither set out the positions the SPMs were advancing nor POL's perspective on these arguments. As far as I was concerned, they did nothing to explain why the Judge had dismissed the application to strike out parts of the evidence, or why he had been critical of POL for making the application. They simply set out the facts of the case, such as dates the SPM was audited, the shortfall found and the termination date but there was no analysis of the issues: (Louise Dar Group Litigation case summary from Womble Bond Dickinson) [UKGI00008501], (Alan Bates Group Litigation case summary from Womble Bond Dickinson) [UKGI00008500], (Pamela Stubbs Group Litigation case summary from Womble Bond Dickinson) [UKGI00008498], (Mohammad Sabir Group Litigation case summary from Womble Bond Dickinson) [UKGI00008510], (Naushad Abdulla Group Litigation case summary from Womble Bond Dickinson) [UKGI00008495], (Elizabeth Stockdale Group Litigation case summary from Womble Bond Dickinson) [UKGI00008503].

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142. From my meetings with Jane MacLeod earlier in the year and the generally accepted assertion in POL's senior management that the litigation was existential for POL, it seemed to me that POL's management understood that there could be significant adverse consequences for POL if POL lost either the Common Issues hearing or the Horizon Issues hearing. For example, POL appeared to understand that if it failed to defend the liability clause in the post-2012 postmaster contracts, POL would need to rethink its approach to auditing branches and dispute resolution. Significant additional resources would also be required and there would be numerous other operational issues for POL as well as the financial costs of compensation and how that would be funded. Whilst POL was prepared to engage with some contingency planning in relation to its litigation strategy, this seemed to be limited mainly to discussing whether to appeal various of the Common Issues if the Court found against POL and, in my view, demonstrated that POL's management had not been willing to engage in a meaningful way on the operational consequences of losing.

143. The meeting eventually took place in the House of Commons on 17 October 2018. Whilst I was pleased when a date was finally confirmed, I was conscious of the fact that it was now very close to the start of the Common Issues hearing. UKGI and BEIS prepared a note for the Minister ahead of this meeting in which the Minister was encouraged to press POL for more details on the implications for the business and the shareholder (Note for Minister – POL Horizon Trial Contingency Planning dated 17 October 2018) [UKGI00008519]. Nearly half of the meeting time of 45 minutes had been allocated to the *"Implications of losing:*

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financial, operational, comms" [UKGI00008519]. POL also prepared a briefing, [UKGI00021525], which suggested POL had so far only made a *"high level business assessment of impact".* Unfortunately, this meeting did not materially advance the discussions on contingency planning in the way that I had hoped, and the Minister appeared to be primarily focused on the financial aspects and sought confirmation that POL would bear the cost of compensating the Claimants should there be an adverse judgment.

144. After some significant probing by the Minister and Permanent Secretary, I recall POL estimated the cost of losing the litigation might be £100m. POL said it could afford to pay this sum, albeit with difficulty. The amount of £100m came as a surprise to me as it was a new figure. It had not been discussed at the Sub-committee which had consistently been told that the claims were unquantified and therefore it was not possible to estimate a settlement cost. It was unclear what the figure was based on and I got the impression that it represented nothing more than a guess by POL's management who, under pressure from the Minister, felt that it had to come up with some sort of figure. On the issue of contingency planning, POL maintained the position that it was unable to contingency plan for adverse outcomes in a meaningful way, as management did not know what the judge would decide and, in any event, POL's lawyers were confident POL would succeed.

145. In general terms, I found the meeting to be a frustrating and unsatisfactory one. I considered that we had missed an opportunity to engage constructively with the issue of contingency planning and that neither the Minister, nor the

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Shareholder Team, had come away from the meeting with a better understanding of the business risks that could flow from the litigation.

146. A note of the meeting was prepared by 'a locum' and was sent to me for my review (Email chain Tom Cooper to Richard Watson, Stephen Clarke, Joshua Fox and others Re: Post Office Litigation Briefing of Minister and Perm Sec dated 29 October 2018) [UKGI00008589]. I thought the note was poor and so I undertook a substantial re-draft, which I sent to Richard Watson and Stephen Clarke on 25 October 2018. The purpose of the note was to record what had taken place during the meeting and so I did not record my personal views as to the extent to which the meeting had failed to make any real progress in forcing POL to engage in adequate contingency planning or a pragmatic re-evaluation of its approach to resolution of the litigation. I also did not make any reference to the £100 million estimate of POL's total exposure (although I did record the view expressed by POL that the minimum settlement the Claimants would seek would be around £30 million). As I have said, this figure did not appear to have been based on any analysis and I did not think that it had any credibility.

147. At this point I was very concerned about the approach POL was taking to the impending Common Issues hearing. I thought that POL was taking an unreasonable position on at least some of the contractual provisions which seemed to me to be uncontroversial; that it had annoyed the Judge by taking an aggressive and obstructive approach to the litigation; that it had failed to address fully the implications of the factual evidence of the Lead Claimants; and that it had failed to undertake adequate contingency planning for an adverse

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outcome. I was frustrated that we had effectively run out of time to achieve any meaningful change in approach and that the Ministerial meeting, which I saw as effectively the last throw of the dice in this respect, had failed to prompt any significant re-thinking on the part of POL and its legal team.

148. The next meeting of the POL Board took place on 30 October 2018. This was the last Board meeting before the start of the Common Issues hearing. The meeting was attended by a partner from WBD and David Cavender, who provided an update on the litigation. I recall that Tim Parker, Ken McCall and I all expressed concern about the approach that had been taken during the strike out application in October and called for a substantive change by POL. I note that our contributions are not expressly minuted, with the minutes merely recording the outcome of the discussion, namely to record that the legal team would *"politely but persistently challenge the Claimants' cases where there were inaccuracies or inconsistencies"* (POL Board Meeting Minutes dated 30 October 2018) [POL00021558].

149. The report of the Claimant's IT expert was also discussed at the meeting. The POL Board was advised that the Claimant's expert had *"…found that Horizon was not a robust system but this assessment was founded on identifying a large number of small problems with the system which our expert was confident could be rebuffed"* [POL00021558].

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The Common Issues Hearings: November – December 2018

150. During the course of the Common Issues hearings, UKGI requested weekly updates on events at the hearing as well as media updates: see, for example, (Media Update from POL dated 8 November 2018) [UKGI00008619]; (UKGI email regarding Group Litigation dated 20 November 2018) [UKGI00008677]; and (POL update to UKGI on group litigation dated 15 November 2018) [UKGI00008632].

151. Whilst some negative coverage of POL's position had been expected, the updates I received at this time did not enable me to foresee how likely it was that POL would be unsuccessful in the hearing. Indeed, even after the hearing had concluded, POL's Counsel continued to express confidence in POL's position and although reference was made to the possibility of an appeal at the Board meeting on 27 November, (POL Board Meeting Minutes dated 27 November 2018) [UKGI00011866], this possibility had been mentioned previously and so did not suggest to me that POL's legal team had changed their level of confidence in achieving a successful outcome.

152. During her verbal update to the Board at the Board meeting on 27 November 2018, Jane MacLeod explained that POL anticipated the Judge would criticise some of POL's behaviour in his judgment and that some adverse publicity was likely to be generated because of this. She also explained that an adverse judgment might be appealed, highlighting that the ramifications of such an outcome would extend beyond the Claimant group to a much wider cohort of

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SPMs [UKGI00011866]. I recall suggesting that any potential appeal should be discussed with the lawyers at BEIS/UKGI.

153. The Common Issues hearing concluded on 6 December and, on 18 December, Jane MacLeod sent Richard Watson and me a proposal in which she suggested that any decision to appeal should be delegated to POL's Chairman, CEO, CFOO and myself (Email from Jane MacLeod to Richard Watson and Tom Cooper) [UKGI00008833]. Jane MacLeod said that an embargoed copy of the judgment would be made available to me in advance, but that I would not be allowed to share it with anyone within UKGI or BEIS prior to it formally being handed down. I had some concerns about this and discussed it with Richard Watson, who advised me that this reflected the legal position under the Court's rules, but that it would be possible to make an application to the Judge to allow for a wider circulation (Email between Richard Watson and Tom Cooper dated 7 January 2019) [UKGI00008908].

154. I recall Richard Watson raised the issue with the Department. He reported that colleagues in BEIS were unhappy that I would see the embargoed judgment but they would not. The possibility of applying to the Court for permission to share the judgment with the Department before publication was discussed but ultimately it was decided not to.

155. On 21 December, Jane MacLeod, circulated a written update on the litigation to the Board which included a proposal as to how any decision to appeal would be decided (Email between Jane MacLeod and Tim Parker, Ken McCall, Carla

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Stent, Shirine Khoury-Haq, Tim Franklin and Tom Cooper dated 21 December 2018) [POL00103372] and POL Board Report on Group Litigation dated 13 December 2018) [POL00103373]. She explained that POL's Counsel continued to believe that POL had the better of the arguments, with the main risk being that the Judge might place greater weight on individual Claimants' experiences rather than what were said to be *"orthodox legal principles"* [POL00103373]. The Board was told that POL was developing a matrix, based on her earlier contingency planning model, to identify those issues that were likely to be of most significance if lost, which would then assist POL in deciding whether to appeal.

156. In relation to an appeal, the proposal was that a decision on the appeal would be delegated to the Chair, CEO and CFOO. As a result, the decision would not be taken by the Sub-committee. I disagreed with this and raised it in an email with Tim Parker (Email between Tom Cooper and Tim Parker dated 6 January 2019) [POL00103378]. As can also be seen from my email to Richard Watson (Email between Tom Cooper and Richard Watson dated 7 January 2019) [UKGI00008909], it was my opinion that BEIS should also be given the opportunity to ask questions or express any disagreement about the proposed course of action on an appeal, if they wished to do so.

Preparing for the Horizon Issues hearings: January – February 2019

157. On 7 January 2019, I received a copy of the expert report of Jason Coyne, the Claimant's IT expert, and Robert Worden, POL's IT expert, by email from Richard Watson, (Email from Richard Watson to Tom Cooper attaching Dr

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Worden report dated 7 January 2019) [UKGI00019104]. The reports were dated 16 October 2018 and 7 December 2018 respectively.

158. During the Sub-committee meeting on 28 January 2019 [POL00006756], there was a discussion of the experts' evidence. It was explained that the Horizon Issues hearing would largely be decided on the expert evidence and whose evidence the Judge preferred, and that each side's expert was approaching the issue from a different perspective. I felt that I had little way of knowing which side's approach was likely to find favour with the Judge. I therefore was supportive of the Sub-committee's request for a further merits briefing from POL's QC, Anthony de Garr Robinson.

159. Although POL was still awaiting the judgment following the Common Issues hearing, the Sub-committee nevertheless discussed the approach to mediation and POL's 'red lines'. Mediation had been mandated by the Court but I recall continuing to have the impression that neither side believed mediation could succeed before the Horizon Issues judgment. However, POL *"…wanted to demonstrate that we were trying to do what the judge had asked us to do"* [POL00006756]. The Claimants had also rejected POL's proposed mediators.

160. The Sub-committee also received an outline briefing in relation to the possibility of an appeal of the Common Issues judgment and were informed that, although some work had been done to identify those points that POL would wish to appeal if found in the Claimants' favour, it was hard to reach any concluded view

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before the judgment was handed down, as the litigation was so complex and much would depend on how the Judge expressed his conclusions.

161. There was a Board meeting on 29 January 2019. As with previous meetings, a brief update on the litigation was provided by Jane MacLeod, which included a reference to POL's position on mediation and its consideration of its 'red lines' (POL Board Meeting Minutes dated 29 January 2019) [UKGI00043700]. My recollection is that the red lines she was referring to were the intention to exclude from any settlement Claimants with convictions, claims that were time-barred and Claimants who had previously signed settlement agreements with POL.

162. On 21 February 2019, there was a Sub-committee meeting by telephone, to receive an update on the forthcoming Horizon Issues hearing (Sub-committee Meeting Minutes dated 21 February 2019) [POL00006753]. Anthony de Garr Robinson attended the meeting and led a discussion about the merits of the Claimants' and POL's experts' reports. He said that, although the Claimants' expert had identified system errors, the report lacked balance and it was explained to us that the strategy would be to keep the focus on the key issue of system robustness, by emphasising that "*for the vast majority of the time, Horizon was a very reliable system*" and "*no-one had found a fundamental flaw in the System*". I recollect that Anthony de Garr Robinson explained that he was now expecting the experts to agree that the current version of Horizon was robust, but that they were still a long way apart in relation to the previous versions of the system.

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163. We were given a verbal summary of the risks that POL might face at the hearing and it was acknowledged that POL anticipated receiving some criticism in respect of aspects of the Horizon system, but overall it was thought that POL's arguments were *"strong"* [POL00006753]. It was noted however that the legal team was somewhat *"less optimistic"* than it had been before Christmas. As a result of what I had heard, I was concerned that POL's expert might end up conceding that previous versions of the Horizon system were flawed and that such an admission would generate a lot of press attention. It was easy to anticipate that any admissions about flaws in legacy Horizon might be conflated publicly with the current Horizon system and that this would be very damaging to public confidence in POL and services it was providing. It was with this concern in mind, that I sent an email to Jane MacLeod following the meeting, asking what could be done in relation to any misleading press reporting that might arise as a result of the litigation, *"…to protect POL's business today against the implication that the current system doesn't work properly"* (Email from Tom Cooper to Al Cameron, Paula Vennells, Tim Parker, Andrew Parsons and Jane MacLeod dated 21 February 2019) [POL00111694].

164. The Chairman asked to be provided with an update on POL's risk mitigation plans, which Jane MacLeod agreed to provide, along with a suggestion that the Sub-committee be taken through the risk mitigation activities being considered by the business. In addition, it was agreed that POL's communications plan would be circulated to all of the meeting's attendees for their consideration.

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Receipt of the Common Issues judgment: March 2019

165. On Friday 8 March 2019, Jane MacLeod emailed the Board with a summary of the embargoed Common Issues judgment [POL00103411] which POL had received that morning. She explained that POL had "…*lost on all material points*" and that an urgent Board call would take place the following Tuesday, 12 March 2019.

166. I asked for a copy of the judgment and, over that weekend, I read it carefully. It was obvious to me that the Sub-committee, and the POL Board, had been unaware of the seriousness of the situation and had not been appropriately prepared by the legal team. In particular, I was surprised by the interest the Judge had taken in the experiences of individual Claimants and there were long sections in his judgement devoted to their cases. Yet the legal team had been clear that the Common Issues hearing was not primarily concerned with the facts of individual cases. The basis of some of POL's arguments had also not been explained to the Sub-committee and when I read about these, I considered them to be shocking and not something I would have approved. On several occasions in the judgment the Judge characterised POL's position to be unrealistic and, having read his judgment, I agreed with that characterisation. The Sub-committee, and the Board, had also not been made aware that the Judge could produce a detailed critique of POL's basic processes in his judgment for the Common Issues hearing, as we had been advised that this would be considered in the Horizon Issues hearing.

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167. I was also shocked by some of the flaws pointed out by the Judge in POL's processes, including for example the inability of SPMs to effectively dispute items, the unfairness and oppressive effect of having to *"settle centrally"* before disputing an item and the inadequacies of the branch trading statement. I thought POL's legal team would have been more fully aware of these points in the run-up to the Common Issues hearing. They were major defects in POL's processes and therefore in POL's case. But none of these issues had been brought to the attention of the Sub-committee nor, if they were ongoing in POL's business, the ARC and the Board. I also reflected that these flaws did not seem to have been brought to light in the past by any of the safeguards that the Company had in place, including internal audit and external audit. It was also shocking to learn that some of POL's witnesses, particularly Angela Van Den Bogerd, had been heavily criticised. Justice Fraser said she had not been frank and had sought to mislead the Court. My view, which I believe was shared by other members of the Board, was that the legal team had comprehensively mismanaged the litigation.

168. The following Monday, I received an email from Jane MacLeod attaching a paper summarising the position and suggesting certain issues that the Board should urgently consider, including David Cavender's advice on an appeal (Email between POL and Tom Cooper dated 14 March 2019) [POL00103425] and (Summary of Postmaster Litigation Judgment) [POL00111876]. On Tuesday, a meeting of the Board took place by conference call, attended by David Cavender (Board Call minutes between Ken McCall, Tom Cooper, Al Cameron and others of 12 March 2019) [POL00268492]. He set out his views

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on the judgment, arguing that the decision was "*unprecedented*", and that POL had "*strong grounds for appeal*". Despite the strength of his conviction, I felt that he was failing to consider the judgment sufficiently objectively. I said that "*elements of the judgement seemed logical*", "*the contract as constructed can only work sensibly if PMs can challenge discrepancies*" and the current process "*put PMs in an impossible position*".

169. The following evening, Wednesday 13 March, I set out my views to the POL Board in writing (Email from Tom Cooper to Jane MacLeod, Tim Parker, Ken McCall and Others re GLO Board Call dated 13 March 2019) [POL00103420]. I suggested that a number of the points that I had raised should be discussed by the Board without the existing legal advisers being present. I also referred to the communications lines that POL was drawing up (Email from POL regarding draft media statement in response to judgment of the first GLO trial dated 13 March 2019) [POL00103424] and explained that a briefing with Ministers and the Permanent Secretary was being arranged. On Thursday morning, Ken McCall also sent an email to Tim Parker confirming that he agreed with my comments [POL00103425].

170. The Common Issues judgment was formally handed down on 15 March 2019. On the same day there was a meeting for POL to brief Departmental officials. The ministerial briefing to which I referred in my email to the Board took place on 16 March 2019, the day after the judgment was handed down. I recall the Department being very concerned about the judgment and what could be said publicly in response. During the course of the briefing on 16 March I recall the

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Secretary of State, Greg Clarke MP, making a comment to the effect that he had always believed the SPMs were right and that it was now important that these cases were resolved as quickly as possible. I referred to this in an email that I sent on the same day to the Minister's office (Email from Tom Cooper and Private Secretary to Kelly Tolhurst MP dated 18 March 2019) [UKGI00009261], at p.13. I had not previously heard those views expressed by the Secretary of State (or anyone else in the Department). It was those comments that I had in mind when I made the observations set out in document [UKGI00043110] (Email between Tom Cooper and Secretary of State Private Office and others dated 23 November 2019).

171. In the period after the embargoed judgment was received and over the next few weeks, it was decided outside of the formal meetings that POL's legal team should be replaced. In my view, this was an easy decision for POL's Board to make, not only because the litigation had been mismanaged but also because the Board could no longer place any trust in the advice it would receive. Initially, I spoke to Tim Parker about it, who I anticipated would also canvas the views of the other members of the Board. Tim Parker involved Al Cameron, POL's interim CEO and the three of us had several discussions on the topic, following which I called Slaughter & May and Herbert Smith Freehills ("HSF"), to find out whether they would be interested to act on behalf of POL. I made first contact as I already had existing relationships with senior partners at both firms.

172. On 2 April 2019, I outlined the proposed change to the legal team to Alex Chisholm (Email from Tom Cooper to Tom Aldred re FW: Strictly Confidential

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Post Office Litigation dated 10 April 2019) [UKGI00009505]. I explained that the chosen firm would have a direct mandate from the Board, which would be to revisit the approach to the litigation and to devise a strategy for reaching a resolution of the dispute. This direct mandate was considered to be appropriate, at least initially, given the Board's concerns about how POL's legal team had mismanaged the litigation up to that point. However, the relationship with the firm selected, HSF, moved to a more customary one within a fairly short period of its appointment with HSF being instructed by Ben Foat, POL's Legal Director, and his team.

173. In my email, I also explained that POL's General Counsel, Jane MacLeod, was likely to be replaced and that I considered this to be a positive development [UKGI00009505]. I was not involved in the terms of her departure which were negotiated by Al Cameron. After some discussion, it was agreed that Jane MacLeod would not be replaced by an external hire. Her responsibilities would instead be taken over by Ben Foat.

174. Slaughter & May and HSF both made presentations to Tim Parker, Al Cameron and me on 9 April 2019. The decision was taken to appoint HSF and Al Cameron negotiated the contract (Email chain from Tom Cooper to Alisdair Cameron re: Post Office dated 9 April 2019) [UKGI00009495]. This process had to be conducted urgently and discreetly as the Horizon Issues hearing was already in progress, having started on 11 March, and we did not think we would be able to change the legal team until after that hearing. For obvious reasons, it was

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seen to be important that the existing legal team remained unaware of their pending replacement.

175. On 10 April 2019 a submission was prepared to update the Minister concerning the litigation and this change to the legal team. In preparing the submission, I asked that it be made clear to the Minister that UKGI had been advocating a change to the legal team for some time – most significantly since receipt of the embargoed judgment on 8 March, although my concerns about the legal team's approach went back as far as the previous October (as I subsequently explained to the Minister in document [UKGI00009767] (Email from Tom Cooper to MPST Tolhurst (Kelly) RE: POL Litigation - legal advice and concerns about leadership at the company dated 16 May 2019)). We were pleased that a change was being made, which we expected would have a significant impact on the way the litigation would be conducted [UKGI00009510].

176. In relation to this issue, I have been asked to comment on an email of 9 May 2019, in which Carl Creswell of BEIS relayed some concerns which the Minister was said to have about the Board, in particular, that the change in legal approach had been "*the result of a 'coup"* (Email Chain from Cecilia Vandini to Tom Cooper, Richard Watson, Stephen Clarke and others Re: Draft POL Litigation Update Sub- Recusal Decision, Appeals etc dated 10 April 2019) [UKGI00019101]. As this was not my comment, I cannot say what lay behind the Minister's understanding of the situation or why she may have expressed herself in those terms. However, from my perspective, the fact that the decision to change the legal team had not gone through the normal Board process was

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justified, on the basis that the current legal team would otherwise come to know of it and that was not in the Company's interests. As I have explained above, this was not considered to be appropriate part-way through the Horizon Issues hearing. As such, the decision had to be taken outside the normal Board processes and whilst Tim Parker did not choose to call a meeting of the NEDs, my understanding was that he would be speaking to each of them bilaterally [UKGI00009767]. As far as I am aware, nothing further was raised by the Minister or the Department in respect of this issue thereafter.

Recusal Application: March – May 2019

177. In the immediate aftermath of the Common Issues judgment, the Board was presented with a very weighty collection of legal opinion proposing that an application should be made to recuse Mr Justice Fraser from further involvement in the litigation.

178. This placed the Board, including me, in a very difficult position. The Board was told that a decision had to be made urgently and that there was already a consensus of legal opinion that supported POL's proposed approach, including from Lord Neuberger, the former President of the Supreme Court, and Lord Grabiner QC, a senior barrister. Within a few days, this advice had been consolidated by oral presentations by both individuals to the full Board, along with the instruction of a further firm of solicitors, Norton Rose, which was appointed to provide independent legal advice to the Board and also appeared to support the decision.

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179. I was advised by UKGI's General Counsel that it would be inappropriate for me as a representative of the Government to participate in a decision concerning the recusal of a member of the judiciary. The Department took a similar view. The Department was informed immediately and was fully sighted on the discussions, but considered that it would not be appropriate to intervene in POL's decision, despite the Department having significant misgivings about the proposed course of action (Email between Tom Cooper and Richard Watson, following on exchange with UKGI and BEIS legal dated 15 March 2019) [UKGI00009208] and (Email between Tom Cooper and Richard Watson, following on exchange with UKGI and BEIS legal dated 15 March 2019) [UKGI00009211]. Although I did not participate in the Board decision regarding recusal, I did see the legal advice and attend the Board meetings so that I could hear the discussions.

180. On the morning that the judgment was handed down, Jane MacLeod sent an email to Tim Parker, Al Cameron, and me, explaining that POL had commissioned legal advice from Lord Neuberger, including "*most urgently*" whether there were grounds upon which POL could apply for Mr Justice Fraser to recuse himself (Email between Tom Cooper and Jane MacLeod regarding recusal of Judge dated 15 March 2019) [POL00103438]. A copy of Lord Neuberger's preliminary advice was attached (Observations on Recusal Application Observations on Recusal Application) [POL00371375]. Jane MacLeod summarised the advice, explaining Lord Neuberger's opinion that if POL was going to advance a ground of appeal based on procedural unfairness, it had "*little option but to seek the judge to recuse himself at this stage*" (Email from Jane McLeod regarding advice on recusal of Judge dated 15 March 2019)

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[UKGI00009184]. In addition, it was explained that POL intended to instruct Lord Grabiner to act on the recusal application.

181. My immediate reaction was one of astonishment. I therefore quickly responded to Jane MacLeod's email, telling her that I did not consider POL could make a decision by the following Monday based on a cursory reading of the judgment, even by someone as distinguished as Lord Neuberger (Email Tom Cooper to Jane MacLeod and Tim Parker dated 15 March 2019) [POL00103438]. Al Cameron, who had also been copied into the same email chain, then responded stating that he shared my instinctive reactions, but understood that if POL did not act urgently, that would amount to a decision not to act and he was therefore keen that a decision was considered and made, rather than letting time make it for POL instead.

182. Late in the evening on 17 March 2019, Jane MacLeod then circulated the following papers by email for consideration by the Board, under a heading 'Recusal' (Email from Jane MacLeod regarding Recusal dated 17 March 2019) [POL00371373]:

(i) A draft paper from herself recommending a recusal application and who should be retained as Counsel (Group Litigation Paper for meeting of 18 March 2019) [POL00371376];

(ii) Draft preliminary written advice from Lord Neuberger as to both an appeal and recusal dated 14 March 2019 [POL00371375]; and

(iii) A note of advice on recusal from WBD dated 17 March 2019, which she

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explained had been reviewed by David Cavender as well as having been seen and *"verbally endorsed"* by Lord Grabiner (Recusal Note from Womble Bond Dickinson dated 17 March 2019) [POL00371374].

183. Jane MacLeod also said in her email that , on 18 March 2019, an urgent meeting of the Board was to be convened by conference call at 5:15pm. Lord Neuberger would attend to provide his advice verbally (POL Board Meeting Minutes dated 18 March 2019) [POL00021562].

184. I forwarded Jane MacLeod's email and attachments to Richard Watson, explaining that I would need his help to consider the approach that POL was proposing to discuss (Email from Jane MacLeod forwarded by Tom Cooper to Richard Watson dated 17 March 2019) [UKGI00009238]. Early the following morning, Richard Watson responded agreeing to help (Email from Richard Watson to Tom Cooper dated 18 March 2019) [UKGI00022558]. I then emailed Jane MacLeod to flag that it may not be appropriate for me to participate in a decision whether to seek recusal of a judge and said that I would confirm position at the meeting that evening (Email between Tom Cooper and Jane MacLeod dated 18 March 2019) [UKGI00022560]. Richard Watson clarified this position in an email into which I was copied, on the morning of 18 March (Email from Richard Watson to Jane MacLeod dated 18 March 2019) [UKGI00009262]. That afternoon, I received further advice from Richard Watson in relation to my participation in the decision about the recusal application (Email between Richard Watson and Tom Cooper dated 18 March 2019) [UKGI00009273].

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185. In addition to discussions that Richard Watson was having with BEIS legal, I had discussed the recusal idea with Alex Chisholm on 15 March [UKGI00009208]. It was clear that UKGI and BEIS were both deeply uncomfortable with the application being made. But it was considered inappropriate for me, as the Government's representative on the Board of an arm's length body, to be party to a decision that sought to challenge the judiciary. In essence, this was the "*presentational*" concern referred to in Richard Watson's email of 18 March 2019 [UKGI00009273]. In accordance with the advice I received, I therefore reluctantly accepted that my involvement would have to be limited to highlighting issues that I felt the Board should take into account, whilst removing myself from the decision itself. A script to explain my position to the Board was therefore prepared on this basis, by Richard Watson [UKGI00009273].

186. When I attended the Board meeting on 18 March 2019 (and others where the application was discussed) I did not participate in taking the decision [POL00021562]. Tim Parker also recused himself due to his role with the Ministry of Justice, and so Ken McCall, the Senior Independent NED on the POL Board, chaired the Board for this decision. These conflicts of interest were noted at the start of the meeting and it was determined by the Board, as permitted by POL's Articles of Association, that Tim Parker and I could be involved in the Board's discussions, but not be party to the decision [POL00021562].

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187. The written advice Lord Neuberger had provided in advance was more balanced than his verbal advice during the telephone call with the Board on 18 March 2019; during the call he was supportive of making an application. His view was that Mr Justice Fraser had taken the legal interpretation of the contract too far and, by deciding it was a good faith contract, had unjustifiably extended the law. He suggested there were strong arguments that Mr Justice Fraser had shown "*apparent bias*" by some of the comments made in the course of the judgment and in summary, his advice was that recusal was what POL had to do, both if it wanted to succeed in any appeal of the Common Issues judgment and also if it was going to get a fair hearing in the Horizon Issues hearing. It was intended that following the application the Court would decide to adjourn the Horizon Issues hearing until the recusal issue had been resolved. If the application was successful, Mr Justice Fraser would be replaced by a judge who POL's legal team expected would not show the same *"apparent bias"* as Mr Justice Fraser. I recall that there also seemed to be a view held by POL's legal team that for so long as Mr Justice Fraser continued to oversee the Horizon Issues there would inevitably be a bad outcome for POL. Therefore the downside of an unsuccessful application was perceived to be limited.

188. The Board was informed that Lord Grabiner had given advice to the same effect, albeit that his advice was more robust: it was his "*strong advice*" that POL should apply for recusal of the Trial Judge [POL00021562]. It was reported that Lord Grabiner had given this advice during a meeting with Jane MacLeod earlier that day and that the Board would have an opportunity to ask Lord Grabiner further questions on a subsequent call [POL00021562].

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189. The following day, I shared Lord Neuberger's written advice, and POL's intention to make an application for recusal, with Alex Chisholm, explaining that the Board had been informed that Lord Grabiner was more "*bullish*" than Lord Neuberger (Email from Jane McLeod circulating papers for Board on 17 March 2019) [UKGI00009299].

190. Later that evening, Alex Chisholm responded to my email confirming that it was his view that the decision on recusal was "*properly a matter for POL and their advisers*", noting that legal advice had been obtained from "*previously unengaged experts with unsurpassable credentials*" who were recommending recusal, and that it was appropriate for the Department to "*maintain its clearly distinct and detached position*" and "*should not comment substantively in ongoing litigation in which the department has a clear interest but no direct involvement*" (Email between Alex Chisholm to Tom Cooper dated 19 March 2019) [UKGI00009299]. I acknowledged his view, whilst at the same time making the point that I considered POL had "*genuine issues to deal with*", expressing a hope that I was "*finally being heard about the need to have a resolution strategy and not just plough on through the process of all the hearings*" [UKGI00009299].

191. In response to Alex Chisholm's direct question concerning the views of UKGI legal, I told him that they would "*like to see written advice expressed in stronger language*" [UKGI00009299]. This was intended to convey the point, which I had previously encountered, that when the Board received legal advice orally, it was

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often expressed in much stronger or definitive terms than when set out in writing. As I explained above, this had been the case with Lord Neuberger, whose initial written advice had been more caveated than the view expressed during our conference call with him. I remember discussing this with UKGI legal and raising it with Jane MacLeod at the Board, saying that, on a matter as important and controversial as recusal, it was important that the Company received written legal advice that was fully aligned with the oral advice.

192. A further meeting of the Board took place on 20 March 2019. That morning, in advance of the meeting, I asked Jane MacLeod to confirm whether there was any alternative route to an application for recusal. I did so not to interfere in the decision but to ensure that all options had been considered and could be presented to the Board. Shortly before the meeting began, Jane MacLeod forwarded a response prepared by David Cavender, explaining that the alternative I had suggested, which involved asking the Judge to pause the Horizon Issues hearing pending an appeal, would not work and, if anything, "*would make matters (even worse)*" (Email from Jane MacLeod forwarding David Cavender QC response and Tom Cooper forwarding to Alex Chisholm dated 20 March 2019) [UKGI00009314].

193. There was a Board call with Lord Grabiner on 20 March 2019 (Womble Bond Dickinson Note of Conference with Lord Grabiner QC on 18 March 2019) [POL00006397]. I attended this call and the Board meeting that took place later that day, at which his views were conveyed (POL Board Meeting Minutes dated 20 March 2019) [POL00021563]. In particular, Lord Grabiner said that he

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considered the Judge had "*behaved improperly and was wrong as to the law*" and that there was "*no practical alternative to an application for recusal*". The representatives from Norton Rose who attended the meeting in their role advising the Board, also advised that an application should be made, as "*there was a greater upside in making the application for the recusal versus the risks of that application failing*" [POL00021563].

194. The Board was advised that the timing of the application was extremely urgent, as the Horizon Issues hearing had already commenced. Norton Rose and Counsel advised that Mr Justice Fraser had been outspoken in the Common Issues judgment and had shown 'apparent bias'. The legal team were concerned that he would display the same 'apparent bias' in relation to the Horizon Issues and that POL would not get a fair hearing. The Common Issues judgment clearly contained some trenchant criticism of POL, which did not bode well for the Horizon Issues hearing, but I recall the Board being very surprised by the suggestion that the Judge should be recused. Nevertheless, the Board had received four separate pieces of legal advice on the recusal application, all seemingly in support of making the application and having considered all of the papers, it was decided that an application for recusal should be made [POL00021563].

195. It seemed to me that the strength and volume of the legal advice provided from all of the lawyers in relation to this application meant the Board felt it had no choice but to approve making the application. Indeed, during the Board call, Lord Grabiner said as much, stating, "*if there were any other options I would*

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have told you about them" (Email from Tom Cooper to Alex Chisholm dated 20 March 2019) [UKGI00009314]. Even though the Board was very reluctant to take this course of action, it was difficult to argue with advice from a senior QC such as Lord Grabiner, particularly when expressed in such definitive terms and when his advice mirrored the advice the Board had also received from a former President of the Supreme Court.

196. Following the Board meeting on 20 March 2019, I sent a note to the Minister, Shareholder Team, Permanent Secretary and the Policy Team confirming the outcome, and the advice provided by Lord Grabiner. I also confirmed that the Board had a full discussion in relation to the consequences of an application, but considered those risks could be managed (Email from Tom Cooper to MPST Tolhurst (Kelly) and others re POL Litigation Update dated 20 March 2019) [UKGI00009330]. The following morning POL issued and served its application for recusal.

197. The next meeting of the Board took place on 25 March 2019. As would be expected, the litigation was allocated significantly more time than it had been on previous agendas and the repercussions of the judgment were raised in respect of a number of the other items that the Board was due to consider, including budget approval. This meeting also marked a significant change in the POL executive team, as it had been announced on 14 March 2019 that Paula Vennells would be leaving the business. The CEO's report was therefore presented by Al Cameron.

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198. Following the Board meeting, I spoke with Richard Watson about the Common Issues judgment and what I considered to be the practical consequences for POL's contractual relationship with SPMs. On 29 March 2019, Richard Watson confirmed that he agreed with me and set them out in a detailed email [UKGI00009419]. On 1 April 2019, I responded to Richard Watson and asked him about what I perceived to be an irreconcilable tension between POL's position and the consequences of the judgment, namely that on the one hand SPMs should not be responsible for losses which they had not created, and on the other, that POL did not want to be in a position of having to prove how any loss may have occurred. I felt these competing objectives posed a real problem for POL, to which I could see no answer, in any reframing of the contract between POL and SPMs. The intention of my question at the end of that email was therefore to ask Richard Watson whether he could see any way in which these competing objectives could be resolved contractually.

199. The application for recusal was heard on 3 April 2019 and dismissed by Mr Justice Fraser on 9 April 2019 (Recusal Application Judgment dated 9 April 2019) [UKGI00009497]. My understanding was that this was expected, as the Judge was highly unlikely to agree that he had shown apparent bias in his own conduct; the key issue was whether the Court of Appeal would grant the recusal application on appeal. On 12 April 2019, a submission was prepared to inform the Secretary of State, the Minister and Special Advisors about this development, as well as updating them as to the preparation of an appeal against the Common Issues judgment [UKGI00019301].

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Consideration of Appeals: late April – June 2019

200. Following Mr Justice Fraser's dismissal of POL's application for recusal, there remained the question of an appeal against the Common Issues judgment. Given the Horizon Issues hearing had been adjourned until the Court of Appeal could hear the recusal application, it was possible for HSF to be introduced to POL's legal team and advise on the appeal strategy. As a result, for a period, HSF was advising alongside the POL's existing legal team because it was thought to be impractical to replace the existing legal team at this stage. I believe the Board wanted new legal advice as soon as possible and did not want to wait until both the Horizon Issues hearing had finished and the recusal application had been heard, as decisions needed to be taken about an appeal of the Common Issues judgment in the meantime. HSF had a mandate to settle the case and I believe the Board wanted to be assured that an appeal would be appropriate, not only legally but also would not get in the way of a settlement.

201. At both the POL Board and the Sub-committee, there were several discussions about POL's litigation strategy, which ultimately led to the instruction of a new QC to advise on whether to appeal Common Issues judgment and, if so, what the Grounds of Appeal should be.

202. A meeting of the Sub-committee was scheduled for 24 April 2019 at 08.30. The papers circulated late the previous afternoon included a request for approval of POL's grounds for appealing the Common Issues judgment (POL Postmaster Litigation Paper for Sub-committee on 24 April 2019) [POL00103498], (WBD Common Issues Judgment: Appeal Advice dated 11 April 2019)

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[POL00103499] and (Common Issues List) [POL00103500]. In addition, Alan Watts of HSF sent a supplemental paper for consideration by the Sub-committee [POL00103501] and [POL00103502]. Although I was able to read these papers overnight, I did not consider it satisfactory that the Sub-committee was being asked to consider such an important issue within so short a timeframe, which also prevented the matter being discussed internally within UKGI, or the Minister from being consulted. I therefore sent an email to Tim Parker raising these concerns (Email between Tom Cooper and Tim Parker dated 24 April 2019) [POL00103507].

203. In addition to the usual attendance by Andrew Parsons of WBD, the meeting was also attended by Lord Neuberger, David Cavender and two partners from HSF (Sub-committee Meeting Minutes dated 24 April 2019) [POL00006755]. The Sub-committee was presented with a paper that had been prepared by POL's legal team, WBD and Counsel concerning the Common Issues judgment [UKGI00043067]. The meeting covered the proposed approach to appealing the Common Issues judgment and how it would interact with the recusal application. The Board paper included a summary of the points made in the Common Issues judgment and which of those POL should concede or appeal. 42 points were marked for appeal, plus one which was noted to be *"already partially conceded/appeal".*

204. Although the decision had been made to settle the case, HSF confirmed there were legal arguments in the Common Issues judgment which should properly

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be appealed, as reflected in the paper HSF presented to the meeting [POL00103502].

205. As part of the discussion, David Cavender explained the rationale for also appealing the recusal decision, which he presented as the *"only way of protecting against adverse findings in the Horizon hearing"* [POL00006755]. It was explained that if POL was to appeal against the recusal decision it would have to move quickly. He further explained that there was a significant degree of overlap between the recusal application and the application for permission to appeal.

206. Lord Neuberger's view was that he largely agreed with the analysis presented by David Cavender, and that it was probably sensible for the applications for permission to appeal the Common Issues judgment and the recusal decision to be advanced together [POL00006755]. He thought it likely that permission would be granted on the recusal element because the threshold of apparent bias was relatively low. Lord Neuberger made clear that the analysis was not clear cut and the issues were not *"black and white"* [POL00006755] but the bottom line appeared to be that there was an arguable case in respect of both potential appeals, and that both applications should be advanced together.

207. Having considered the advice presented to the Sub-committee and noting that a request to join the two appeals might result in the appeal against the Common Issues judgment being brought forward, it was resolved that the applications for permission to appeal the Common Issues judgment and Mr Justice Fraser's

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refusal to recuse himself should not be joined and POL would therefore write to the Court of Appeal making clear that it intended to submit its grounds to appeal the Common Issues judgment on 16 May 2019. It was further resolved that there would be a meeting in the week commencing 29 April to consider the potential Grounds of Appeal and that Ministers would be briefed on the issues [POL00006755], thus meeting the concerns I had raised in my email to Tim Parker as described above.

208. There was an additional meeting of the Board on 30 April 2019 (POL Board Meeting minutes dated 30 April 2019) [POL00021565], at which an update was provided on POL's litigation strategy and the handling of the applications for permission to appeal both the Common Issues judgment and the recusal decision. POL's Interim CEO was relatively pessimistic about the prospects of a successful appeal against the recusal decision but was more confident of obtaining permission to appeal the Common Issues judgment.

209. On 5 May 2019, a few days before the next Sub-committee, I sent an email to Alan Watts of HSF setting out in detail the issues that I considered needed to be taken into account before any final decision was taken on an appeal of the Common Issues judgment [POL00103532], pp.2-4. These included an analysis of:

(i) the facts of the Lead Cases and how they related to the proposed appeal. I believed it was important for the Board to be clear about which of the findings of fact were accepted and which should be disputed;

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(ii) the legal arguments being considered for the appeal and what the operational consequences of POL's position were. It wasn't clear to me that POL had thought through what its reliance on *"reasonable cooperation"* meant it were to be put into practice in the business;

(iii) the possible liabilities that could arise based upon the lead cases;

(iv) how POL planned to approach and organise a mediation during the summer;

(v) the potential total liability in the GLO and whether this included any claims that might arise from a conviction being considered by the CCRC; and

(vi) the impact of the litigation on POL's ongoing contractual relationships with SPMs.

210. I wanted all of these issues to be considered before POL submitted any appeal, because it seemed obvious (at least to me as a non-lawyer) that POL should not be appealing on an issue – such as the clause relating to payments during a period of suspension – that appeared very difficult to justify (and in my view unethical), even if they were legally sustainable.

211. On 8 May 2019, HSF produced a paper identifying the key issues in the Common Issues appeal and the approach to take to the forthcoming hearing before Mr Justice Fraser [UKGI00009697]. HSF continued to agree with the advice previously provided by POL's legal team that had been provided to the Sub-committee on 24 April and outlined certain key issues for the Sub-committee to focus on the following day. In addition, HSF provided advice about how POL should approach the issue of the costs of the Common Issues

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hearing, which had been listed for 23 May 2019. HSF warned that it was more likely than not that POL would be ordered to pay the Claimants' costs of the hearing imminently and that there was a risk that the Judge would make an Order in "*astringent terms*" [UKGI00009697]. POL was therefore advised to make proposals to settle the issue of costs, in order to avoid the need for the hearing.

212. Having received HSF's paper, I remained concerned by the suggestion that arguments based on necessary cooperation were continuing to be contemplated, if in fact what POL meant by that amounted to accepting what the Claimants were asking for. In these circumstances, there would be no need to appeal. I therefore asked HSF for a comprehensive explanation of which of the implied terms POL considered were covered by the necessary cooperation clause [POL00103532]. In addition, I questioned POL's basis for appealing Mr Justice Fraser's findings of fact. The appeal seemed to be based on his methodology, rather than POL being certain that his findings were actually wrong. I felt strongly about this as I believed POL needed to confront the realities of the way it ran its business, rather than avoid them through legal arguments. Later that day, I received an email from Ben Foat from which I gained some comfort that the concerns I had raised were being heard [UKGI00009725]. I also sent an email to Richard Watson and others within UKGI with a short summary of the Sub-committee's discussions (Email from Tom Cooper to Stephen Clarke, Richard Watson and Tom Aldred dated 9 May 2019) [UKGI00018322].

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213. On 9 May 2019, the Court of Appeal dismissed POL's application to appeal Mr Justice Fraser's recusal decision. Following the decision, HSF wrote to the Board confirming that HSF now believed it necessary to change the Counsel team for the appeal (Email between Tom Cooper and Alan Watts dated 11 May 2019) [POL00103536]. This issue was further considered at a meeting that I attended the following Monday morning (13 May) following which it was agreed by email that a new QC would be instructed for the appeal (Email between Tom Cooper and Richard Watson dated 14 May 2019) [UKGI00009760]. In a paper prepared by POL for the Board meeting on 28 May 2019 it was confirmed that there was no further right of appeal in respect of the recusal, and that the Horizon Issues hearing would resume, before Mr Justice Fraser, on 4 June 2019 (POL Board Meeting Pack dated 28 May 2019) [UKGI00043200].

214. The paper also noted that there was to be a permission to appeal application before Mr Justice Fraser on 23 May 2019 in respect of the Common Issues judgment and that if permission was refused, an application could be made to the Court of Appeal. At that time, POL's Grounds of Appeal were due to be filed and sent to the Claimants in the week of 13 May.

215. Early in the morning on 13 May 2019, I met with Tim Parker, Al Cameron, Ken McCall, Ben Foat and Alan Watts to discuss the appeal (Email between Tom Cooper and others dated 13 May 2019) [UKGI00043858]. During the meeting, Alan Watts recommended that POL replace David Cavender QC for the common issues appeal. Tim Parker, Al Cameron and I, as the members of the Sub-committee, all agreed that this was desirable. Al Cameron summarized the

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discussion in an email in which he wrote "*We are therefore rewriting the common issues appeal now to strip out any "recusal lite" argument and to minimise the findings of fact only to those things that directly support one of the contractual interpretation arguments…*" [UKGI00043858].

216. The following day, Alan Watts sent the same group an email into which he had pasted a cover email from David Cavender QC concerning the revised Grounds of Appeal (Email between Alan Watts and Tom Cooper dated 15 May 2019) [POL00103551]. It was apparent from reading that email that David Cavender did not agree with the revised approach that the Sub-committee had determined POL should take in the appeal. In his email, Alan Watts also presented further advice, although this now seemed more equivocal to me, in that it was contemplating keeping the "*procedural irregularities door open*", something that I had understood from our discussions the previous day, would no longer be pursued.

217. I forwarded this email to Richard Watson and other colleagues within UKGI, to seek their views (Email between Richard Watson and Tom Cooper dated 14 May 2019) [UKGI00019198]. Amongst the responses, Richard Watson said that he was unclear about HSF's advice and agreed to speak to Alan Watts, so that we could gain a better understanding of HSF's advice concerning the recommended scope of the appeal. Later that day, Richard Watson summarised that discussion in a further internal email to me and UKGI colleagues [UKGI00019198].

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218. An additional call to discuss the appeal was organised to take place on 15 May 2019 [POL00103551] at p.4. Due to a prior commitment, I was unavailable to attend that meeting, but wanted to ensure that my views were considered. On the evening of 14 May 2019, I therefore sent an email summarising my thoughts and again questioned the Grounds of Appeal [POL00103551]. In a further exchange of emails that followed, I expressed my disappointment that POL's "*lack of real understanding of the facts is regrettable*", again reflecting my concern that without a proper understanding of Mr Justice Fraser's findings of fact it was difficult to know whether an appeal should be made in relation to any of them.

219. On 16 May, HSF circulated a one-page summary of the factual issues that were being considered for an appeal, broken down into two categories depending on whether POL agreed or disagreed with them being true [UKGI00009805]. The following day, I provided my comments on this document, continuing to question why POL would want to appeal on matters that were generally true (Email from Tom Cooper to HSF dated 21 May 2019) [UKGI00009854]. POL initially responded with a justification for the approach, as I go on to explain below, ultimately POL's Grounds of Appeal would be narrowed significantly.

220. At a Board meeting on 28 May 2019, the Board received an update from HSF and Ben Foat on the appeal of the Common Issues judgment. The Board was informed that an application for permission to appeal would be made and that new Counsel, Helen Davies QC, had been instructed to represent POL for the purposes of the appeal. The Board was told that the Grounds of Appeal were

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being revised and would be "*limited to the matters of greatest importance to POL, namely, the relational contract and good faith elements of the Judgement*" (POL Board Meeting Minutes dated 28 May 2019) [POL00021566]. I was pleased to learn of this new approach, as it was consistent with my understanding that there was really one significant point of principle that needed to be tested and it meant that all of Mr Justice Fraser's findings of fact would be accepted.

221. There was some discussion of the forthcoming Horizon Issues hearing. The Board was advised that the evidence of the expert witnesses would be critical to the outcome and that it was important "*that they did not 'renege' on their view that [the current version of] Horizon was a robust system. It was critical that it was seen as a robust system today.*" There was nothing in the Common Issues judgment which "*suggested that the system was unfit for purpose today*" [POL00021566].

222. The Board discussed the dismissal of the recusal application and it was acknowledged that, going forwards, with Mr Justice Fraser continuing to conduct the matter, POL *"needed to pay much more attention to strategy and to tone"* [POL00021566].

223. The Horizon Issues hearing recommenced on 4 June 2019 and the Sub-committee was provided with an update on the progress of the Horizon Issues hearing by Ben Foat at the Sub-committee meeting on 12 June 2019 (Sub-committee Meeting Minutes dated 12 June 2019) [POL00103595]. The Sub-

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committee was told that the hearing would end on 2 July 2019 it was unlikely that there would be a judgment until the Autumn.

224. HSF provided an update on the Common Issues appeal. The Sub-committee was informed that the scope of the appeal had been drastically reduced (with the Grounds being cut from 55 pages to 8 pages) and that a decision had been taken to abandon grounds directed to findings of fact and a ground which sought, in effect, to re-run the unsuccessful recusal arguments. The Sub-committee wanted it to be made clear that "*POL was not seeking to defend any clauses within the contract which we did not think defensible*" [POL00103595].

225. The last part of the meeting was concerned with contingency planning and the Sub-committee was joined by two representatives from Deloitte who had been engaged to assist POL with its operational readiness to respond to the impact of an adverse outcome from the Horizon Issues hearing [POL00103595].

Progress to settlement: June – November 2019

226. At the Sub-committee on 12 June 2019 [POL00103595], there was a discussion about the overall litigation strategy and the position that POL intended to take at a meeting between Al Cameron and the Minister scheduled for 24 June 2019. Al Cameron explained that he would make clear to the Minister that POL's approach to the litigation had been flawed and that the Company was now looking at settlement options. During a discussion concerning the potential costs of settlement, the Sub-committee had been concerned to learn that there was information available about the scale of the Claimants' individual claims

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which had not previously been provided to the Sub-committee or Board. It had been agreed that WBD would be asked for an explanation and, as I describe below, a partner from WBD attended the next meeting of the Sub-committee to respond to this issue. Al Cameron also agreed to report back to the Sub-committee with a better-informed analysis as to the range of settlement figures and the criteria for considering cases for settlement.

227. From my perspective, the overriding priority was now to resolve the litigation efficiently and fairly. A new legal team had been engaged with a mandate to settle the claim and I wanted to see concrete proposals for how that might be achieved as quickly as possible. I remained of the view that the 'good faith' contractual issue was an important point of principle with significant implications for the business going forwards, and I understood the rationale for maintaining the appeal on this issue, but I also believed that settlement discussions should run in parallel.

228. In advice to the Secretary of State dated 11 June, reference was made to how the litigation could be brought to "*a swift and satisfactory conclusion, ensuring postmasters who had been treated unfairly were appropriately compensated*" [UKGI00019351]. In that submission, UKGI and BEIS had suggested a range of potential options that the Minister could take at an upcoming meeting with Tim Parker and POL's new legal advisers scheduled to take place on 24 June. Many of these options were focused on achieving a settlement (Options paper for Minsters to consider dated June 2019) [UKGI00026900].

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229. There was a meeting of the Sub-committee on 20 June 2019 (Sub-committee Meeting Minutes dated 20 June 2019) [POL00006752]. Anthony de Garr Robinson attended and was asked to provide an update on the progress of the Horizon Issues hearing and the likely outcome. He said that *"the Claimants' expert witness had agreed that the Horizon system was robust"*. This comment was made about the current version of the system and not previous versions.

230. He explained that both expert witnesses had been *"unsatisfactory"* and that the performance of one Fujitsu witness had given particular cause for concern. He advised that POL should prepare for a judgment similar to the Common Issues judgment but that the outcome was very difficult to predict. As to the Common Issues appeal, it was simply noted that the skeleton argument in support of the application for permission to appeal was to be revised and resubmitted on 27 June 2019 in accordance with the Court's direction.

231. I have referred above to the issue of settlement and the belated provision of the spreadsheet containing particulars of the individual claims which demonstrated that the assertion was untrue that the claims were *"unsettleable"* at least in part due to a failure on the part of the SPMs to quantify their claims. This issue was raised on 20 June 2019 with WBD in attendance [POL00006752]. The Chairman expressed his dissatisfaction and asked why this information had not been provided in 2017 (which appeared to be when the spreadsheet had been prepared). The minutes state: *"Andrew Parsons said that he had not been aware that the Board had not received the information contained in the schedules, including the total value of the financial claims. He had not provided*

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this information when asked about a claim estimate when discussing the requirement for a provision in the statutory accounts as this estimate was widely understood to be inaccurate and unreliable, and he thought this information was known within Post Office." The Sub-committee considered that explanation to be unsatisfactory and the Chair observed that the approach taken to the litigation may have differed had the Board been aware of this important additional information [POL00006752].

232. I attended the meeting between the Minister and POL's CEO on 24 June 2019. There is a briefing note which can be found at [UKGI00018337] (Briefing for Meeting with Al Cameron and Tim Parker on 24 June 2019 dated 16 June 2024). I have no recollection of this meeting.

233. On 16 July 2019, HSF provided their preliminary comments on settlement ahead of a meeting that had been scheduled to take place on 18 July [UKGI00043108]. I attended the meeting with Richard Watson. Ben Foat was also in attendance.

234. There was a Board meeting on 30 July 2019. The Board received a litigation update from Ben Foat, who spoke to a detailed paper addressing both the approach to the litigation (including 'the potential path to settlement') (POL Board Pack dated 30 July 2019) [UKGI00024394] and the steps that were being taken to prepare for an adverse Horizon Issues judgment including delivery of technology and process changes and provision of better support to SPMs in light of the findings in the Common Issues judgment. The paper referred to mediation

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which was proposed to take place in October. The paper referred to a 'consolidated project plan' [UKGI00024394] located in the reading room which set out the relevant milestones for the litigation and the operational and agent relationship workstreams. Having previously been concerned about POL's commitment to the mediation process, by this stage, I felt there had been a shift in momentum and that there was a greater willingness to achieve a settlement, whatever the outcome of the outstanding Common Issues appeal and Horizon Issues hearing might be.

235. During the meeting, questions were asked concerning the mechanics of settlement (POL Board Meeting Minutes dated 30 July 2019) [UKGI00043201]. The Board endorsed the approach to settlement/mediation set out in the paper, along with the operational activities proposed to address the issues raised by the Common Issues judgment including the clear need to provide better support to SPMs. The Board further directed that a paper be prepared for the September Board meeting setting out the proposed settlement range (upper and lower limit) so that the legal team could be provided with delegated authority to settle the claims in accordance with the Board's instructions [UKGI00043201].

236. It may be helpful to explain at this stage, that under the Managing Public Money guidelines, POL required approval from the Department to settle the case. Obtaining this approval required the involvement of both BEIS and HMT. A working group was set up, comprising representatives from HMT, BEIS and UKGI ("the HMG working group") to whom HSF came and provided a

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presentation and then written advice. After that, a mechanism was also put in place to ensure POL could obtain the necessary authorisation whilst it was engaged in any mediation with the Claimants. The mechanism was designed to ensure that POL was able to make binding offers at the mediation. Obtaining approval from Government to settle litigation for large sums of money is not a straightforward exercise but the arrangements made during the second half of 2019 were effective, such that by the time POL entered mediation in November it was in a position to make binding offers and settle the case quickly.

237. A meeting of the Sub-committee took place on 17 September 2019, at which the committee was provided with an update on the litigation (Sub-committee Meeting Minutes dated 17 September 2019) [POL00104327]. The permission to appeal hearing had been scheduled for 12 November, with the Horizon Issues judgment expected at some point in October.

238. The Sub-committee held an in-depth discussion on settlement, noting that POL's, "…*legal strategy had changed to explore settlement options fully*" [POL00104327]. The Sub-committee was presented with two papers on the issue, one by POL and the other by HSF (Sub-committee Meeting Papers dated 17 September 2019) [UKGI00039881] at p. 11 and 27. Various figures and settlement ranges were set out in the papers. I was also conscious that POL was negotiating, at least in part, with the Claimants' litigation funder, Therium, and it was unclear how its interests would influence the negotiations.

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239. In any event, I knew that the overall settlement would have to be justified having regard to the Managing Public Money principles and that, ultimately, the prospects of settlement would depend on whether the Claimants were prepared to accept a figure that fell within the range POL was authorised to offer. Before any settlement could be approved, a merits opinion would also need to be obtained as part of the shareholder approval process, to explain the basis for recommending the settlement sum proposed. Reference was made to this requirement at the meeting, although it was decided to defer getting the advice until after the Horizon Issues judgment had been handed down [POL00104327]. Eventually the Government was content to approve settlement on the basis of HSF's advice to the Board (Email from UKGI to Secretary of State dated 15 November 2019) [UKGI00024982] and HSF draft advice on settlement [UKGI00024984]).

240. There was a Board meeting on 23 September 2019 (this followed Nick Read being appointed CEO on 16 September 2019) (POL Board Meeting Minutes dated 23 September 2019) [POL00155497]. Ben Foat attended and spoke to a paper UKGI00039881] that had been discussed at the preceding Sub-committee meeting. The Board was also provided with the detailed advice from HSF. Ben Foat informed the Board that there was to be a Common Issues appeal hearing on 12 November 2019, and that the Horizon Issues judgment was expected in October. He advised the Board that consideration should be given to "*settling as soon as possible rather than at the lowest cost*" [POL00155497]. There was a detailed discussion of HSF's analysis and the Board approved the approach to settlement outlined in the papers, noting that

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a significant amount of further work was required on both settlement parameters and strategy [POL00155497].

241. There was an additional meeting of the Board, held by conference call, on 3 October 2019 (POL Board Meeting Minutes dated 3 October 2019) [UKGI00018490]. The Board was advised by Ben Foat that the meeting had been convened to discuss a 'disclosure incident' that had arisen in the context of the GLO proceedings. The issue concerned a failure on the part of Fujitsu to provide a full set of 'Known Error Logs' ("KEL") which listed *"known issues in Horizon"* [UKGI00018490]. The Board was informed that the logs, which had been discovered belatedly, had the potential to affect adversely POL's credibility in the litigation, leave POL open to allegations of concealing evidence, and prejudice POL's case in respect of the nature and extent of defects in the Horizon system. It was, however, too early to say whether this late disclosure would have any evidential impact.

242. The Board was advised of the steps that were being taken to address the disclosure failure, including work to assess the evidential significance of the new material and whether the errors by Fujitsu might give rise to a cause of action against Fujitsu in relation to this specific incident. I asked whether the newly discovered logs identified bug/errors that had not previously been identified but was told that it was too early to say. I also wanted to know if the further material would lead to the Court being reconvened to consider the new evidence and, if so, what the timescales would be [UKGI00018490]. Again, it

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was apparently not possible to answer these questions at this stage. Ben Foat said that both the Board and UKGI would be regularly updated on the issue.

243. There was a meeting of the Sub-committee on 22 October 2019. In addition to a general procedural update, which simply confirmed that the Horizon Issues judgment was awaited and the Common Issues appeal hearing was imminent, the Sub-committee was updated in respect of the non-disclosure of the KELs (Sub-committee Meeting Minutes dated 22 October 2019) [POL00103694].

244. In summary, it was confirmed that there were 14,000 non-disclosed KELs which were available to the Claimants. These KELs were being reviewed by POL's Counsel who had determined that, of those reviewed to date, 75% were "*felt not to have had a significant impact on what happened at [the Horizon Issues] trial*", with the other 25% requiring more detailed review. POL was seeking to ensure that there were no further undisclosed KELs held by Fujitsu [POL00103694]. Ben Foat presented the Sub-committee with a paper which provided an update on the preparations for mediation and settlement (Sub-committee dated 22 September 2019) [UKGI00018421]. The paper explained the further work that had been done to value the claims and the strategy that would be pursued at the mediation.

245. I reported to the Sub-committee that I had met with HSF to go through the settlement numbers, including in respect of convicted cases [POL00103694]. There had also been significant input from the Government working group by this stage. The approach to the settlement of convicted cases was discussed

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and Ben Foat advised that Counsel would review the convicted cases after the Horizon Issues judgment had been handed down for the purpose of advising on the approach that should be taken to those cases [POL00103694].

246. There was a Board meeting on 29 October 2019. Ben Foat attended and presented the paper that had been discussed at the preceding Sub-committee meeting. A number of questions were asked by the Board, as reflected in the minutes (POL Board Meeting Minutes dated 29 October 2019) [UKGI00043705]. Ultimately, the Board noted the updates that had been provided and authorised the Sub-committee to delegate authority to Ben Foat to make settlement offers at the mediation on terms to be determined by the Sub-committee.

247. The next meeting of the Sub-committee was held on 13 November 2019, two weeks before the mediation (Sub-committee Meeting Minutes dated 13 November 2019) [UKGI00043071]. The meeting was attended by HSF who presented a draft 'Advice on Settlement' (Sub-committee Meeting Papers dated 13 November 2019) [UKGI00043086] at p. 5. It was explained that the issue of settlement was complex, there were a number of material unknowns and the first mediation might well prove unsuccessful [UKGI00043071].

248. The Sub-committee approved an authority for the mediation with a mechanism to seek approval from the Chairman and the Shareholder to increase the authority if necessary. I reported that HMT and BEIS would need to be assured that public funds were not being expended unnecessarily [UKGI00043071]. It

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was noted that further work was needed to understand the position of convicted Claimants and that this would be discussed further at a subsequent meeting.

249. The day after the Sub-committee meeting, the HMG working group met to discuss the parameters of settlement that had been approved by the Sub-committee (Email from Richard Watson to Nigel Boardman dated 14 November 2019) [UKGI00043986]. Alan Watts of HSF attended and gave a presentation to the group. Following a full discussion, the group approved a settlement authority and expressed the hope that an agreement with all the Claimants could be reached. On 18 November, Carl Creswell, Richard Watson and I spoke with the Minister by telephone to update her about the proposed approach to settlement, of which she was supportive (Readout of telephone meeting with Kelly Tolhurst MP dated 18 November 2019) [UKGI00010731].

250. A week before the mediation was due to commence, I was copied into an email chain (along with several others) in which it was asked whether the scheduled dates for mediation might be moved because the mediation was taking place during the pre-election period (Email from Tom Cooper to Secretary of State and others dated 23 November 2019) [UKGI00043110]. I do not know what motivated the Secretary of State's request, but as can be seen from my response, I did not consider there would be any benefit to the Government in seeking to delay the mediation. My assessment was that it was now in everyone's interest for the litigation be resolved in a timely manner.

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251. There was a meeting of the Board on 26 November 2019. The Board papers included a Group Litigation Update prepared by Ben Foat (POL Board Meeting Papers dated 26 November 2019) [POL00030884]. It contained very little in the way of new information. The outcome of the Horizon Issues hearing and the Common Issues permission to appeal application were still awaited (POL Board Meeting Minutes dated 26 November 2019) [POL00021572]. The mediation remained fixed for 27-28 November 2019. The authority for the mediation agreed by the Sub-committee at the preceding meeting was noted. The Board was informed that the KEL disclosure issue had been addressed and that the Claimants had confirmed that they did not want to take any further steps in relation to that issue, and so this would not now affect the timing of the Horizon Issues judgment. There was an update on the future conduct of the litigation if the mediation was unsuccessful, which made it clear that the was a long and expensive road ahead before the claims would finally be resolved by the court.

252. At the meeting, the relevant part of which was attended by Helen Davies and HSF, it was confirmed that the Common Issues appeal decision had gone against POL and that it was now necessary to implement the findings of the Common Issues judgment in full, including asking SPMs to sign new contracts [POL00021572]. It was further noted that the outcome of the Horizon Issues judgment was expected to be adverse and that the focus of the mediation should be on explaining why the settlement offers were reasonable rather than arguing over liability.

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253. There was a meeting of the Sub-committee on 10 December 2019. I was not able to attend this meeting (Sub-committee Meeting Minutes dated 10 December 2019) [UKGI00019332]. The minutes indicate that Ben Foat informed the Sub-committee that the parties had reached an 'in principle' agreement to settle the litigation for a global sum. The settlement covered all Claimants but did not extend to potential claims for malicious prosecution.

Post-Settlement: December 2019 – October 2020

254. At the meeting, it was also determined that POL would not seek to appeal the Horizon Issues judgment which had been circulated under embargo prior to handing down on 16 December. This position was supported by the advice that POL had received from Leading Counsel [UKGI00019332].

255. My reaction on receiving the draft judgment was one of disappointment, given the advice the Board had received, but it was also not surprising either given the history of the litigation. Although the judgment was highly critical and made some damaging findings against POL, it also came as a relief insofar as Mr Justice Fraser had determined that the current system was operating satisfactorily – he had agreed with the experts' view that the system was "relatively robust" (Email from Tom Cooper to Ben Foat dated 1 December 2019) [UKGI00043995].

256. The Sub-committee had previously requested advice about whether POL had an action against Fujitsu so that it could recover at least part of the settlement cost from Fujitsu. Ben Foat reported that initial advice had been received but a final advice was awaited. My recollection is that POL was ultimately advised

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that any claim it wanted to make against Fujitsu would almost certainly be time-barred.

257. The Sub-committee met on 22 January 2020 and discussed the post settlement workstreams that would need to be established and undertaken, including POL's approach to post-conviction disclosure and the resolution of future claims (Sub-committee Meeting Minutes dated 22 January 2020) [UKGI00043073]. A paper prepared by POL's legal team was circulated to the Sub-committee in advance, which outlined the issues for consideration (Sub-committee Meeting Papers dated 22 January 2020) [UKGI00042826].

258. In relation to criminal convictions, POL had engaged Brian Altman QC and Peters & Peters to provide advice concerning those individuals who had been Claimants in the GLO and POL's approach to the CCRC's investigations. Given his involvement in previous reviews of POL's prosecutions, the Sub-committee had reservations about the continued engagement of Brian Altman to advise on disclosure and questioned whether a new QC should be appointed instead. Ben Foat said that POL had received legal advice that Brian Altman's ability to provide objective and independent advice was not tainted. In addition, the Claimants and their solicitors knew about the appointment and were comfortable with it. The Sub-committee's consideration of a replacement QC was deferred until the next Sub-committee meeting. The Sub-committee was provided with a copy of advice from Brian Altman and Peters & Peters on post-conviction disclosure and noted their recommendation that POL should adopt a 'wide' approach to disclosure, as this was the "*right thing to do"* [UKGI00042826] at p. 12. At this

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meeting, I also questioned why POL was continuing to give WBD work given its previous record. POL was using WBD to advise on a potentially significant employment case.

259. The next meeting of the POL Board took place on 28 January 2020. In his report to the Board, Nick Read, provided an update on the litigation and explained the post settlement programme of work that POL had established to implement the terms of the settlement and the Common Issues and Horizon Issues judgments. The Board made it clear that it was important that it was kept up-to-date with the progress of the post settlement programme, in order to be able to monitor POL's deliver of these matters. It was agreed that an update would therefore be provided at each Board meeting thereafter (POL Board Meeting Minutes dated 28 January 2020) [UKGI00017698].

260. On 4 February 2020, an additional meeting of the Sub-committee took place to discuss POL's appointment of a senior criminal law expert to lead the review of disclosure in criminal conviction cases and provide some strategic advice to the Board on the handling of this difficult issue. The question of Brian Altman's potential conflict was raised again (Sub-committee Meeting Minutes 4 February 2020) [POL00103846]. I remember being told that at that point it was too late to make a change but it was agreed that Brian Altman would not lead the work on disclosure due to his previous involvement with POL. A retired High Court Judge and former Director of Public Prosecutions, Sir David Calvert-Smith, had been recommended by HSF and Peters & Peters and it was agreed that Tim

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Parker and I would meet with him the following day, before confirming his appointment.

261. The Sub-committee also wanted to understand better the process of criminal appeals before the Court of Appeal and therefore commissioned a report from POL's legal team setting out the process, cost and timeline, dependent upon the number of cases referred by the CCRC. The Sub-committee felt it was important to understand the 'worst case scenario' and therefore directed that this should be included in the report [POL00103846].

262. On 4 March 2020 the BEIS Select Committee announced an inquiry into Post Office and Horizon. The terms of reference included *"what role did BEIS and UKGI (UK Government Investments) play and is it reviewing its oversight of PO Ltd following Horizon?"*

263. I was invited to attend a Select Committee hearing on 24 March 2020. As a result of the lockdown imposed during the Covid pandemic, the hearing was cancelled and was not rescheduled. However, a great deal of work was done by the Shareholder Team to prepare for the hearing. As part of this preparation, the Shareholder Team assembled the relevant documents it held and requested various documents from POL. When reviewing Tim Parker's letter to Baroness Neville-Rolfe of 4 March 2016 (which we did have access to) [UKGI00008800] it became apparent that we had not been provided with the underlying QC advice (from Jonathan Swift QC) which informed that letter. Josh Scott in my

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team emailed Ben Foat requesting a copy of the advice and it was provided to us on 16 March 2020.

264. On reading the Swift Review [POL00006355] and Tim Parker's letter to Baroness Neville-Rolfe [UKGI00008800], there appeared to be some inconsistencies between them, both in terms of the tone as well as some of the substance. In my view the letter was considerably more reassuring than the report. In terms of the substance:

(i) The report included an extensive discussion of the Deloitte reports produced in 2014 and included the recommendation that "*POL seek specialist legal advice from external Counsel as to whether the Deloitte reports, or the information within them concerning Balancing Transactions and Fujitsu's ability to delete and amend data in the audit store, should be disclosed to defendants of criminal prosecutions brought by POL. This advice should also address whether disclosure should be made, if it has not been, to the CCRC.*" This recommendation was not included in Tim Parker's letter.

(ii) In his letter Tim Parker says "*The Post Office has previously taken advice from solicitors and Leading Counsel expert in criminal law on the adequacy of the Post Office's policy and practice on disclosure where it acts as prosecutor. Based on that I am satisfied that Post Office has adopted a proper approach to disclosure such that it satisfies its duty of disclosure as prosecutor*". The Sub-committee had already approved the adoption of a wide scope for disclosure for SPMs with convictions in order to address

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previous flaws in POL's disclosure including about its knowledge of bugs, errors and defects in the Horizon system. POL had not conceded that remote access was possible (in the sense that branch data could be manipulated by Fujitsu without the knowledge of the SPM) until November 2018. It was also clear therefore that the content of the Deloitte reports had not been disclosed to SPMs with convictions and I was not aware of any advice that POL had taken since 2016 to the effect that POL did not need to disclose the content of the Deloitte reports. As a result, I could not understand how Tim Parker was able to make the assertion in his letter about POL's prosecution policies and practices.

265. Other aspects of the documents I reviewed at this stage were also concerning. First, when taken together, it seemed to me that POL had never assured itself that the Horizon system worked in a robust way. I also established that the Swift Review had not been shared with the rest of the Board. I felt that this was an important failure which had the effect of depriving the Board of an opportunity to understand better the extent to which assurances it and third parties had been given as to the integrity of Horizon were justified and how this might bear on past actions against SPMs including prosecutions. It would also have given the Board a better insight into POL's vulnerability in the litigation and may have led to a more pragmatic approach and an earlier settlement. I also considered that, had he been properly sighted on the contents of the Swift Review, the Shareholder NED could have worked with other members of the Board and Department to understand and act on the implications of the report.

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266. I raised my concerns with Sarah Munby, the Permanent Secretary at the time, Charles Donald and Mark Russell. Several meetings were held between April and September to discuss the issues raised by the handling of the Swift Review. In addition, I raised the topic at a Board meeting on 28 July 2020 (Email between Tom Cooper, Richard Watson and Mark Russell dated 3 September 2020) [UKGI00045960]. Tim Parker said that, in not sharing the Swift Review with the rest of the Board, he thought he had been following legal advice from Jane MacLeod relating to the upcoming litigation and legal privilege.

267. At a meeting in July with Sarah Munby, I was asked to speak to Ken McCall who was the Senior Independent Director and also a member of the Sub-committee. I recorded the conversation in my email to Sarah Munby, Charles Donald, Mark Russell and others on 16 September 2020 [UKGI00012703].

268. At a subsequent meeting with Sarah Munby in September, it was decided that she would write to Tim Parker expressing the view that it had been a mistake not to share the Swift Review with the rest of the Board. Her letter was dated 7 October 2020 [UKGI00019313].

The National Audit Office

269. I have been asked a number of questions concerning UKGI's interactions with the National Audit Office ("NAO"). First, I can confirm that I do not know the background to the involvement of the NAO in POL matters in 2018. Having seen the documents provided the Inquiry however, I can see that I was copied into a

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string of emails between UKGI and NAO on 28 November 2018, which appear to have begun on 13 November 2018 [UKGI00008732]. The subject of the emails appears to be the background to the Mediation Scheme and, later in the correspondence, the advice given to the Minister in light of the review commissioned by Tim Parker.

270. As can be seen from the emails, I asked for advice about what the NAO was proposing to say and was provided with a response into which responses from Laura Thompson and Richard Callard had been copied and pasted. As these emails concerned matters that had occurred prior to my appointment, I considered they were better placed than me to know what had happened and therefore to respond. Indeed, as I have explained above, at the time I had not seen a copy of the review commissioned by Tim Parker and did not know what lay behind the request.

271. Secondly, I have been provided with a further string of emails in which some further detail was provided concerning the review commissioned by Tim Parker, to which a copy of a letter to Baroness Neville-Rolfe dated 4 March 2016 and a submission by UKGI colleagues were attached [UKGI00008799], [UKGI00008800] and [UKGI00008801]. Again, I had not seen these documents prior to receipt of this email and whilst I remember looking at them briefly at this time, I recall that I did not consider they called for any action on my part, as I thought they had been overtaken by events, including the GLO proceedings.

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Criminal Convictions

272. In the initial period following my appointment, I attempted to gain an understanding of the nature and scope of the litigation as I have described above. I understood from what I was told that POL's position was that criminal convictions were not relevant to the GLO, which was confined to civil claims. However, as my understanding of the litigation developed, I began to question whether there might be links between the arguments that were being raised in the GLO about imposing and recovering financial liability for shortfalls and the basis upon which a SPM had been pursued for theft, fraud, or false accounting. By November 2018, I had therefore started to join the dots and began raising these links both internally within UKGI (Email from Tom Cooper to others dated 6 November 2018) [UKGI00008614] and in my interactions with POL [UKGI00008619].

273. Another example of me trying to articulate these concerns is set out in my email to Rodric Williams on 17 May 2019 [UKGI00009793]. Specifically, I ask him about the case of Abdulla that Mr Justice Fraser had referred to in the Common Issues judgment and asked: "*If it turns out that (for example) [Abdulla] didn't owe the post office any money at the time he was terminated then he should not have been terminated or prosecuted. The consequences of that are far greater than any issues in the Bates case it seems to me*". As can be seen from this email, I was once again asking for an opportunity to go through example cases so that I could better understand them and, where relevant encourage, the company to deal with all of the consequences of the Common Issues judgment including in relation to convictions.

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274. Despite raising these concerns on several occasions, the response that I repeatedly received from POL was that most of the convicted Claimants had pleaded guilty or had been convicted following a hearing involving careful consideration of the evidence and there was therefore no reason to doubt the safety of their convictions. I can recall being told this by both Jane MacLeod and Al Cameron on separate occasions in 2018, although I cannot now recall precisely when or where those conversations occurred. At the time, I also had no sense of the numbers of people who had been convicted and therefore no idea about the potential scale of the problem. Apart from my raising these questions, I am not aware of any other activity at either UKGI or BEIS that was taken to consider this issue.

275. I have been asked to comment on a submission that was prepared by BEIS for the Secretary of State and Minister dated 11 June 2019 [UKGI00043885], in particular paragraph 11, which refers to the approach to convicted Claimants. I cannot now recall whether I saw this submission at the time but what I do recall is that the legal advice the Board was receiving at the time was to the effect that it was not possible to pay compensation to convicted SPMs, even if POL might itself be convinced that the conviction was unsafe, unless and until that conviction had been overturned. I was also repeatedly told that overturning convictions was not within the gift of POL and that a SPM who believed their conviction was unsafe, had to go via the CCRC and through the Courts.

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276. However, it seemed to me that as a result of the Common Issues judgment and Horizon Issues judgment, it was likely that at least some of the convictions of SPMs were likely to be unsafe. While the decision to overturn a conviction was a matter for Courts, it seemed incumbent on POL to do what it could to assist any convicted SPM seeking to have their conviction overturned. During most of 2019, POL had been focused on its appeal strategy and settlement of the GLO. As a result, I was concerned that more needed to be done for convicted SPMs. At a meeting of the Sub-committee on 13 November 2019, I raised this issue in the hope that POL would properly consider what could be done in respect of that cohort of people (Sub-committee Meeting Minutes dated 13 November 2019) [UKGI00043071]. On reflection, I think it is likely that POL may not have focused on the issue fully until around the time of the GLO settlement. The settlement agreement included a carve-out allowing Claimants to pursue claims for malicious prosecution.

Reflections on the Litigation

277. In December 2020, I participated in an internal UKGI Lessons Learnt Portfolio Review meeting. This provided an opportunity for the Shareholder Team to begin to reflect on the lessons to be learnt from its involvement in the GLO. The review covered the activities of the Shareholder Team and the Shareholder NED. A document setting out these lessons can be found at [UKGI00038299].

278. Since this exercise took place, I have reflected further on the litigation as a whole and my thinking has developed. I have also been asked to set out my views on the adequacy of POL's response in relation to the Common Issues judgment.

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My thoughts on these matters are set out below:

(i) It is to be deeply regretted that it needed a formal judicial ruling before the perspective of SPM's was fully understood and for the process to begin of trying to remedy as far as possible the harm and injustices suffered by SPMs affected by the Horizon system and POL's processes. As has been very widely observed, it took far too long to reach this point.

(ii) I am firmly of the view that adversarial litigation was not the right way to resolve the issues related to Horizon and to SPMs. I am sure that the litigation involved a great amount of stress and inconvenience for the SPMs involved. Instead of litigation, what was needed was a rigorous, bottom-up review of the Horizon system and POL's processes at the earliest opportunity that grappled directly with the fundamental issue of whether the system was robust and whether the assertions made as to its integrity in previous cases (including in prosecutions) were justified. Such a review would also have covered whether POL's processes were fit for purpose both for POL and for SPMs. Given the entrenched position adopted by POL on these issues, such a review could effectively only have been brought about by the Board or by the Shareholder.

(iii) By the time I joined the Board the litigation process had already developed significant momentum. As explained above, I thought about alternatives but concluded that there was no way to achieve a more definitive outcome in which everyone concerned could have confidence more quickly than proceeding with the litigation. Accordingly, it would not have made sense for the Board to try to stop the litigation and replace it with an entirely new

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resolution process. In addition, to put in place a different and better resolution process, if one existed, would almost certainly have required the Department to make a very strong intervention to persuade POL to change approach and the Department would have needed to be persuaded of the merits of such a course of action; all of which would have taken time.

(iv) I have reflected on whether having a NED on the POL Board with legal expertise (a "Legal NED") would have made any material difference. We cannot expect to have an 'expert' on every area or topic on the Board, but it is clear to me that there would have been many potential benefits of having a Legal NED on the Board, for example:

a. A Legal NED might have given the Board more confidence to challenge the advice of POL's legal team;

b. A Legal NED would have been better equipped to call for and challenge some of the key documents such as the Lead Claimants' witness statements and the skeleton arguments being put forward by both sides. This could have uncovered the underlying complaints and business processes that, in addition to the functionality of the Horizon system, were at the heart of the litigation. It could also have prevented POL using some of the more aggressive tactics it adopted in the litigation; and

c. a Legal NED could have initiated a change in POL's legal team at a much earlier stage. Had it received different legal advice, POL might have accepted and conceded some of the most important of the 23 contractual points with a view to settling the Common Issues element

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of the litigation thereby avoiding the need for at least some of the hearings (the Common Issues hearing, the strike-out hearing and possibly others). As a result, the litigation might have been resolved sooner and at lower cost for all parties

In my view, how effective a Legal NED could have been would have depended heavily, not just on their experience, but also their personality. In relation to the recusal for example, it would have taken a very robust individual to argue successfully against the assembled group of eminent lawyers recommending recusal.

I would add that, Ben Tidswell, a Legal NED, was appointed to the Board in 2021 and he chaired the HRC on which I served. He was very effective in that role, demonstrating the potential advantages that a Legal NED can bring to the governance of an organisation, where it has particularly challenging legal issues to deal with.

(v) I believe there was a significant failing that POL's management did not provide, and the Board did not demand, an explanation of how SPMs' experience of working with POL had such a fundamental bearing on the case. The lived experience of SPMs was entirely removed from POL's analysis of the case. I believe that had the Board really understood what it was like to be a SPM running a branch, and the problems SPMs faced in dealing with POL and the Horizon system, the scales would have fallen from their eyes and a solution to the SPMs complaints might have been found earlier. Consequently, SPMs who were unfairly convicted would also have seen their convictions overturned sooner.

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With hindsight therefore, I wish I had pushed even harder for information about the complaints that led to the GLO, in particular the issues faced by the Lead Claimants. Whilst POL may have taken the view that the facts of individual cases were not material to the Common Issues hearing, once the Lead Claimants' witness statements had been served, Richard Watson and I should have requested copies of the statements under the Protocol. The requests I made on several occasions, including for the benefit of the Minister and Permanent Secretary, for POL to explain the arguments being made by the Lead Claimants proved to be fruitless. The witness statements would have provided the information I was looking for. Obtaining the witness statements was a logical step and it is one that I would take, if faced with a similar situation in the future. Had I also known that the Secretary of State at the time had strong views about the validity of the complaints being made by SPMs, this might have made me even more forceful on the point.

(vi) In retrospect I also wish that I had pushed harder on the issue of the link between the issues raised in the GLO proceedings and the safety of convictions. Having been told there was nothing to see in relation to convictions, I began to suspect that there might be a link between the two issues in November 2018 and started asking questions to try and obtain a better understanding of the extent to which the Common Issues and/or Horizon Issues related to convictions based on Horizon data. Those questions went largely unanswered. It was only towards the end of 2019 that POL started to engage lawyers with expertise in criminal matters, to advise on how POL should deal with convicted SPMs seeking to have their

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convictions overturned. I think a significant amount of time was lost, probably a number of months, because POL did not act on how the contractual reversal of the burden of proof and/or the existence of bugs, errors and defects in Horizon would inevitably mean that many SPMs had been wrongly convicted. These months could have been saved had POL started the disclosure process sooner than it did.

(vii) Concerning the decision to appeal the Common Issues judgment, I was initially concerned by what appeared to be a reflexive and ill thought-out proposal to appeal against nearly every point. The legal arguments supporting an appeal on this basis were not grounded in the facts or the reality of the way POL's business with SPMs was conducted. An appeal on many of the Common Issues judgment's findings risked postponing or avoiding the time when POL would need to confront and deal with the deficiencies in its dealings with SPMs which in my view had by then been established. I consider the decision to replace the legal team was a necessary pre-condition to focusing the appeal, but it was disappointing that it took HSF some time to come to that view. For a time, it felt as though even the new legal team had bought into the strategy of its predecessors even though it had presided over a disastrous piece of litigation. A new legal team was also a pre-condition to achieving a settlement. HSF had a clear mandate to settle and I believe they performed well in helping to manage all the stakeholders involved in POL's decision-making process as well as the mediation itself.

(viii) In relation to the Common Issues hearing I would like to make it clear that I always considered making an application for recusal to be a bad idea.

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Given that I had to recuse myself from the decision, I was unable to express that view at the Board. But I sought advice about whether there were any options short of an application for recusal.

The risk reward profiles for advisers in giving advice are very different from those of their clients. Unlike advisers, their clients have to live with the consequences of the advice they give, whether it is right or wrong. Seasoned advisers should be conscious of this and put themselves squarely in the position of their client when formulating advice. In my view, the advice to seek a recusal flowed from a failure by POL's legal team to look at the bigger picture and ask themselves whether Mr Justice Fraser's conclusions about POL's processes were correct or not. I believe POL's legal team was unduly influenced by the way he said things rather than the substance of what he said. I remain baffled as to how the accumulated experience of POL's legal team appeared to be unable to look at the substance of the Common Issues judgement, promoting recusal (and a broad-based appeal) as the only course of action. I believe this was high risk advice where the odds were heavily weighted towards an unsuccessful outcome.

(ix) The decision to appeal the Common Issues judgment, was not taken so as to cause any delay in achieving a settlement and, as it turned out, it did not do so because a settlement was reached at the first opportunity after the Common Issues judgment had been delivered. Indeed, as I have described above, the instruction of HSF was, from the outset, to deliver on a resolution of the dispute.

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(x) When the Common Issues judgment was handed down, POL finally had to think in detail about what the consequences would be for the business and how these could be operationalised. With the benefit of hindsight, it can be seen that the work POL did prior to the hearings was inadequate and POL was unprepared for the huge task that would lie ahead to remedy the failings identified by Mr Justice Fraser.

After the GLO was settled, Nick Read, POL's CEO led a major effort to change POL's culture and re-orient the business towards SPMs. This included the appointment of two Postmaster NEDs to the POL Board, which gave the Board a completely different perspective of how POL's actions translate into what happens on the ground in branches. It was incredibly useful and it meant the Board was more challenging of management as a result. There was also a major programme to remediate POL's practices in relation to the way its processes and systems work. Dispute resolution with SPMs was just part of the programme. Prior to leaving the Board, I believe POL made substantial strides in this area although I would also say that there was still much to be done. Culture change in a large organisation can take a very long time to be fully established and, even then, needs continual reinforcement.

(xi) My experience and involvement in the litigation also led to changes in both the way in which POL's Board approached and challenged legal advice, and the way I would intend to approach such situations going forward. After the Common Issues judgment, the Board became much more proactive in interrogating legal advice, adopting techniques such as requesting that the legal team present both sides of the arguments as if they were in Court.

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This proved to be helpful in assisting the Board in understanding the arguments and reaching a decision on its stance in certain cases involving SPMs seeking to have their convictions overturned. From a personal perspective, I now have a lower bar for accepting a strategy that I am not happy with and seek to challenge accordingly.

(xii) It is a matter of regret for me that I did not pay more attention to the minutes of the Board and Sub-committee meetings when the litigation was discussed. There are many times during the course of preparing this statement when I have looked for events that I remember taking place but have failed to find them. I believe the minutes were not a fulsome record of the discussion at these meetings because of concerns relating to legal privilege. This is something I should have challenged at the time but failed to do. Better minutes would have assisted the Inquiry as well of course.

Reflections on Government engagement and oversight

279. I have been asked to explain my views concerning the extent to which DBT, the various Secretaries of State and Ministers fulfilled their roles over the period of my involvement. Whilst I respectfully consider these are primarily questions for the Inquiry to consider having regard to the evidence of the relevant Secretaries of State and Ministers (which I have not seen), my personal view is that at the outset of my tenure, the Department was not as engaged with POL matters as much as I would have liked, and I have referred above to specific points in the chronology where we sought to engage the Department more directly in the oversight of the litigation.

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280. When I joined UKGI, the Department had no Policy Team for POL. Once the Department had recognised there was an issue, it acted to resolve it, initially in August 2018 with a team consisting of just one or two people and subsequently by the expansion of that team. In addition, a number of enhancements were made to the suite of governance documents that existed between the Department and the Company, and between the Department and UKGI. Over the period of my tenure, I would therefore summarise the situation as moving from a position in which the Department was relatively disengaged to a position where it was fully engaged.

281. I have also been invited by the Inquiry to set out any views I may have regarding the governance and oversight of public corporations such as POL. In this regard, I would suggest that we often like to present ALBs as being akin to public companies, where the board has a great deal of autonomy but also a very high degree of accountability for the activities of the entity. I believe this concept was founded on a recognition that the introduction of experienced business people working in management and on a board constructed along public company lines would be the best way to manage ALBs effectively. However, the public sector is not directly analogous with public companies, notably because in a public company, if something goes wrong at the company, in general, it cannot be the shareholder's fault. By contrast, in a Government entity, that is often deemed to be the case as Ministers are ultimately accountable for what happens at their ALBs. In addition, ALBs are generally delivery bodies for Government policy and often have complex relationships with the ALB which go far beyond being the

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shareholder. It is often the case that the Government is concurrently shareholder, customer and funder of an ALB.

282. In my view, the governance model that would therefore be a better analogy, is one akin to a subsidiary relationship, as one encounters with many multinational financial institutions whose subsidiaries have independent boards, or a private equity relationship. In that model, one typically finds an intelligent and engaged parent company or private equity investor, which is sophisticated enough to contribute to what the organisation is doing when necessary, whilst also recognising the appropriate boundaries at other times. I think one of the reasons why many ALBs get so exercised about shareholder interference, is that they aspire to having a relationship based upon the public company model without necessarily recognising the differences inherent in the public sector.

STATEMENT OF TRUTH

I believe the content of this statement to be true.

Signature: GRO

Date: 13 June 2024

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Index to First Witness Statement of Thomas Cooper

No.	URN	Document Description	Control Number
1.	UKGI00020830	Email sent to Tom Cooper by Richard Callard dated 30 January 2018	UKGI029725-001
2.	UKGI00020899	Email sent to Tom Cooper by Jane MacLeod enclosing Director Induction Pack dated 8 March 2018	UKGI029794-001
3.	UKGI00020900	POL Director Briefing Pack	UKGI029795-001
4.	UKGI00007795	POL Director Induction Document	UKGI018608-001
5.	UKGI00007794	Email sent to Tom Cooper by Jane MacLeod dated 16 February 2018	UKGI018607-001
6.	UKGI00008800	Letter from Tim Parker to Baroness Neville-Rolfe dated 4 March 2016	UKGI019608-001
7.	FUJ00086811	Draft Helen Rose/Lepton Report on Horizon data dated 12 June 2013	POINQ0092982F
8.	POL00006355	Swift Review dated 8 February 2016	POL-0017623
9.	POL00006357	Simon Clarke advice re Prosecutions – Expert Evidence dated 15 July 2013	POL-0017625
10.	POL00006799	Simon Clarke advice re Disclosure dated 2 August 2013	POL-0017591
11.	POL00028069	Deloitte Draft Board Briefing dated 4 June 2014	POL-0023072
12.	UKGI00010324	Email from Stephen Clarke to Tom Aldred, Tom Cooper and Richard Watson dated 1 July 2019	UKGI021132-001
13.	POL00028928	Deloitte 'Bramble' Draft Report dated 19 January 2018	POL-0025410
14.	UKGI00009299	Email between Tom Cooper and Alex Chisholm dated 20 March 2019	UKGI020107-001
15.	UKGI00042805	POL Draft Portfolio Summary slides dated 29 June 2018	UKGI051700-001
16.	UKGI00008215	Email from Tom Aldred to Stephen Clarke, Oluwatosin Adegun, Nick Parker, Tom Cooper and Alex Cole dated 11 July 2018	UKGI019027-001
17.	UKGI00009951	Note of ExCo Meeting of 30 May 2019	UKGI020759-001
18.	UKGI00016810	UKGI Board Meeting Minutes dated 9 July 2019	UKGI011622-001
19.	UKGI00020960	Draft briefing – appointment of Tom Cooper to Post Office Board 26 April 2018	UKGI029855-001

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20.	UKGI00007850	Post Office - Appointment of Tom Cooper to Post Office Board dated 19 January 2018	UKGI018663-001
21.	UKGI00007857	Emails between Tom Cooper, Elizabeth O'Neill and Richard Callard dated 19 March 2018	UKGI018670-001
22.	UKGI00008374	Briefing for meeting with Tim Parker dated 11 September 2018	UKGI019186-001
23.	UKGI00008260	Emails between Tom Cooper and Paula Vennells dated 27 July 2018	UKGI019072-001
24.	UKGI00010195	Emails between Tom Cooper, Mark Russell, Tom Aldred and Robert Razzell dated 17 June 2019	UKGI021003-001
25.	UKGI00008603	Emails between Paula Vennells and Tom Cooper dated 1 November 2018	UKGI019411-001
26.	UKGI00008715	UKGI POL Investment Funding for Q3 2018/19 Submission dated December 2018	UKGI019523-001
27.	UKGI00017547	Post Office 2018 Board Evaluation Questionnaire submitted by Tom Cooper dated 18 December 2018	UKGI027554-001
28.	UKGI00008128	Email between Helen Lambert and Rodric Williams dated 17 May 2018	UKGI018940-001
29.	UKGI00008133	Email between Tom Cooper, Rodric Williams and others dated 7 June 2018	UKGI018945-001
30.	BEIS0000079	Litigation Protocol dated 11 June 2018	BEIS0000059
31.	UKGI00008970	Email from Rodric Williams to Richard Watson and Joshua Fox dated 12 February 2018	UKGI019778-001
32.	POL00255125	Draft Briefing to Permanent Secretary Alex Chisholm	POL-BSFF-0093188
33.	UKGI00019311	Briefing to Permanent Secretary Alex Chisholm dated 18 May 2018	VIS00013171
34.	UKGI00000998	Emails between Richard Callard and Private Secretary to Alex Chisholm dated 22 May 2018	VIS00009136
35.	UKGI00010421	Litigation Protocol dated 22 July 2019	UKGI021229-001
36.	UKGI00007875	Email between Tom Cooper and Helen Lambert dated 14 April 2018	UKGI018688-001
37.	POL00021553	POL Board Meeting Minutes dated 29 January 2018	POL0000086
38.	UKGI00045894	Email from Tom Cooper to Richard Watson dated 7 May 2020	UKGI054909-001

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39.	UKGI00019293	POL Board Meeting Minutes dated 26 March 2018	VIS00013149
40.	UKGI00007761	Email from POL to Tom Cooper dated 6 February 2018	UKGI018574-001
41.	POL00103385	Email from Jane MacLeod dated 15 February 2019	POL-0102968
42.	UKGI00007885	Email from Jane MacLeod to Tom Cooper dated 19 April 2018	UKGI018698-001
43.	POL00006486	Speaking notes for meeting with Tom Cooper dated 24 April 2018	POL-0017791
44.	UKGI00018134	POL Board Meeting Minutes dated 27 March 2018	UKGI028141-001
45.	UKGI00043693	POL Board Pack dated 27 March 2018 containing the CEO report	UKGI052816-001
46.	POL00024270	Postmaster Litigation Advisory Board Sub-committee Terms of Reference	POL-0020749
47.	POL00006754	Sub-committee Meeting Minutes dated 15 May 2018	POL-0018012
48.	UKGI00044247	Notes for meeting with David Cavender regarding the GLO merit's opinion	UKGI052791-001
49.	POL00276883	Email between Andrew Parsons of WBD, Ben Foat and Rodric Williams dated 18 June 2019	POL-BSFF-0114946
50.	UKGI00021007	POL Board Pack dated 24 May 2018	UKGI029902-001
51.	UKGI00043684	POL Board Meeting Minutes dated 24 May 2018	UKGI052807-001
52.	UKGI00044245	POL draft Contingency Planning Risk Assessment dated 9 July 2018	UKGI052789-001
53.	UKGI00018964	Email from Jane MacLeod to Tim Parker, Ken McCall, Tom Cooper, Paula Vennells and Al Cameron dated 9 July 2018	VIS00012363
54.	UKGI00011867	POL Board Meeting Minutes dated 30 October 2018	UKGI022670-001
55.	POL00023941	Email from Jane MacLeod to Andrew Parsons and others dated 8 April 2019	POL-0020420
56.	POL00006763	Sub-committee Meeting Minutes dated 10 July 2018	POL-0018021
57.	UKGI00043683	POL Board Pack dated 31 July 2018	UKGI052806-001

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58.	UKGI00021239	Draft Mitigation Actions note from WBD without handwritten comments	UKGI030134-001
59.	UKGI00044250	Draft Mitigation Actions note from WBD with Tom Cooper's handwritten comments	UKGI052794-001
60.	UKGI00043691	POL Board Meeting Minutes dated 31 July 2018	UKGI052814-001
61.	UKGI00018266	Submission on Group Litigation dated 10 August 2018	VIS00011665
62.	UKGI00019297	Sub-committee Meeting Minutes dated 24 September 2018	VIS00013163
63.	UKGI00016107	Sub-committee Meeting Agenda dated 24 September 2018	UKGI026900-001
64.	UKGI00043690	POL Board Pack dated 25 September 2018	UKGI052813-001
65.	UKGI00043706	POL Board Meeting Minutes dated 25 September 2018	UKGI052829-001
66.	POL00257564	POL Group Litigation: Update for UKGI following POL Board Meeting on 25 September 2018	POL-BSFF-0095627
67.	UKGI00008532	Email from Jane MacLeod to Richard Watson and Joshua Fox dated 16 October 2018	UKGI019342-001
68.	UKGI00008535	Email between Tom Cooper and Richard Watson dated 17 October 2018	UKGI019344-001
69.	UKGI00008547	Email from Jane MacLeod forwarded by Tom Cooper to Richard Watson dated 18 October 2018	UKGI019355-001
70.	UKGI00008542	Email between Tom Cooper and Tim Parker dated 18 October 2018	UKGI019350-001
71.	UKGI00035584	Email from Tom Cooper to Paula Vennells dated 18 October 2018	UKGI044479-001

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72.	UKGI00008549	Email from Paula Vennells to Tom Cooper and others dated 19 October 2018	UKGI019357-001
73.	UKGI00008501	Louise Dar Group Litigation case summary from Womble Bond Dickinson	UKGI019312-001
74.	UKGI00008500	Alan Bates Group Litigation case summary from Womble Bond Dickinson	UKGI019311-001
75.	UKGI00008498	Pamela Stubbs Group Litigation case summary from Womble Bond Dickinson	UKGI019309-001
76.	UKGI00008510	Mohammad Sabir Group Litigation case summary from Womble Bond Dickinson	UKGI019321-001
77.	UKGI00008495	Naushad Abdulla Group Litigation case summary from Womble Bond Dickinson	UKGI019306-001
78.	UKGI00008503	Elizabeth Stockdale Group Litigation case summary from Womble Bond Dickinson	UKGI019314-001
79.	UKGI00008519	Note for Minister – POL Horizon Trial Contingency Planning dated 17 October 2018	UKGI019330-001
80.	UKGI00021525	Briefing Paper for meeting on 17 October 2018 with Kelly Tolhurst MP and Alex Chisolm	UKGI030420-001
81.	UKGI00008589	Email Tom Cooper to Richard Watson, Stephen Clarke, Joshua Fox and others dated 29 October 2018	UKGI019397-001
82.	POL00021558	POL Board Meeting Minutes dated 30 October 2018	POL0000091
83.	UKGI00008619	Media Update from POL dated 8 November 2018	UKGI019427-001
84.	UKGI00008677	UKGI email regarding Group Litigation dated 20 November 2018	UKGI019485-001
85.	UKGI00008632	POL update to UKGI on Group Litigation dated 15 November 2018	UKGI019440-001
86.	UKGI00011866	POL Board Meeting Minutes dated 27 November 2018	UKGI022669-001
87.	UKGI00008833	Email from Jane MacLeod to Richard Watson and Tom Cooper dated 18 December 2018	UKGI019641-001
88.	UKGI00008908	Email between Richard Watson and Tom Cooper dated 7 January 2019	UKGI019716-001

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89.	POL00103372	Email between Jane MacLeod and Tim Parker, Ken McCall, Carla Stent, Shirine Khoury-Haq, Tim Franklin and Tom Cooper dated 21 December 2018	POL-0102955
90.	POL00103373	POL Board Report on Group Litigation dated 13 December 2018	POL-0102956
91.	POL00103378	Email between Tom Cooper and Tim Parker dated 6 January 2019	POL-0102961
92.	UKGI00008909	Email between Tom Cooper and Richard Watson dated 7 January 2019	UKGI019717-001
93.	UKGI00019104	Email from Richard Watson to Tom Cooper attaching Dr Worden report dated 7 January 2019	VIS00012503
94.	POL00006756	Sub-committee Meeting Minutes dated 28 January 2019	POL-0018014
95.	UKGI00043700	POL Board Meeting Minutes dated 29 January 2019	UKGI052823-001
96.	POL00006753	Sub-committee Meeting Minutes dated 21 February 2019	POL-0018011
97.	POL00111694	Email from Tom Cooper to Al Cameron, Paula Vennells, Tim Parker, Andrew Parsons and Jane MacLeod dated 21 February 2019	POL-0109267
98.	POL00103411	Email from Tim Parker to Tom Cooper, Jane MacLeod, Ken McCall and others dated 8 March 2019	POL-0102994
99.	POL00103425	Email between POL and Tom Cooper dated 14 March 2019	POL-0103008
100.	POL00111876	Summary of Postmaster Litigation Judgment	POL-0109447
101.	POL00268492	Board Call minutes between Ken McCall, Tom Cooper, Al Cameron and others of 12 March 2019	POL-BSFF-0106555
102.	POL00103420	Email from Tom Cooper to Jane MacLeod, Tim Parker, Ken McCall and others dated 13 March 2019	POL-0103003
103.	POL00103424	Email from POL regarding draft media statement in response to judgment of the first GLO trial dated 13 March 2019	POL-0103007
104.	UKGI00009261	Email between Tom Cooper and Private Secretary to Kelly Tolhurst MP dated 18 March 2019	UKGI020069-001

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105.	UKGI00043110	Email from Tom Cooper to Secretary of State and others dated 23 November 2019	UKGI_CR_00000068
106.	UKGI00009505	Email from Tom Cooper to Tom Aldred dated 10 April 2019	UKGI020313-001
107.	UKGI00009495	Email from Tom Cooper to Alisdair Cameron dated 9 April 2019	UKGI020303-001
108.	UKGI00009767	Email from Tom Cooper to MPST Kelly Tolhurst dated 16 May 2019	UKGI020575-001
109.	UKGI00009510	Email from Cecilia Vandini to Tom Cooper, Richard Watson, Stephen Clarke and others dated 10 April 2019	UKGI020318-001
110.	UKGI00019101	Email from Tom Cooper to Carl Creswell, cc'ing Tom Aldred, Eleanor Beal and others dated 13 May 2019	VIS00012500
111.	UKGI00009208	Email between Tom Cooper and Richard Watson dated 15 March 2019	UKGI020016-001
112.	UKGI00009211	Email between Tom Cooper and Richard Watson dated 15 March 2019	UKGI020019-001
113.	POL00103438	Email between Tom Cooper and Jane MacLeod dated 15 March 2019	POL-0103021
114.	POL00371375	Observations on Recusal Application dated 14 March 2019	POL-BSFF-0194792
115.	UKGI00009184	Email from Jane McLeod dated 15 March 2019	UKGI019992-001
116.	POL00371373	Email from Jane MacLeod dated 17 March 2019	POL-BSFF-0194790
117.	POL00371376	Group Litigation Paper for meeting of 18 March 2019	POL-BSFF-0194793
118.	POL00371374	Recusal Note from Womble Bond Dickinson dated 17 March 2019	POL-BSFF-0194791
119.	POL00021562	POL Board Meeting Minutes dated 18 March 2019	POL0000095
120.	UKGI00009238	Email from Jane MacLeod forwards by Tom Cooper to Richard Watson dated 17 March 2019	UKGI020046-001
121.	UKGI00022558	Email from Richard Watson to Tom Cooper dated 18 March 2019	UKGI031453-001

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122.	UKGI00022560	Email between Tom Cooper and Jane MacLeod dated 18 March 2019	UKGI031455-001
123.	UKGI00009262	Email from Richard Watson to Jane MacLeod dated 18 March 2019	UKGI020070-001
124.	UKGI00009273	Email between Richard Watson and Tom Cooper dated 18 March 2019	UKGI020081-001
125.	UKGI00009314	Email from Jane MacLeod forwarding David Cavender QC response and Tom Cooper forwarding to Alex Chisholm dated 20 March 2019	UKGI020122-001
126.	POL00006397	Womble Bond Dickinson Note of Conference with Lord Grabiner QC on 18 March 2019	POL-0017702
127.	POL00021563	POL Board Meeting Minutes dated 20 March 2019	POL0000096
128.	UKGI00009330	Email from Tom Cooper to MPST Kelly Tolhurst and others dated 20 March 2019	UKGI020138-001
129.	UKGI00009419	Email from Richard Watson dated 29 March 2019	UKGI020227-001
130.	UKGI00009497	Recusal Application Judgment dated 9 April 2019	UKGI020305-001
131.	UKGI00019301	Submission to Secretary of State on developments since submission of recusal application dated 12 April 2019	VIS00013183
132.	POL00103498	POL Postmaster Litigation Paper for Sub-committee on 24 April 2019	POL-0103081
133.	POL00103499	WBD Common Issues Judgment: Appeal Advice dated 11 April 2019	POL-0103082
134.	POL00103500	Common Issues List	POL-0103083

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135.	POL00103501	Email from Alan Watts to Tim Parker and Tom Cooper attaching supplemental Board paper dated 23 April 2019	POL-0103084
136.	POL00103502	Herbert Smith Freehills LLP Paper for the Sub-committee: 24 April 2019	POL-0103085
137.	POL00103507	Email between Tom Cooper and Tim Parker dated 24 April 2019	POL-0103090
138.	POL00006755	Sub-committee Meeting Minutes dated 24 April 2019	POL-0018013
139.	UKGI00043067	Sub-committee Executive Summary dated 24 April 2019	UKGI_CR_00000025
140.	POL00021565	POL Board Meeting Minutes dated 30 April 2019	POL0000098
141.	POL00103532	Email from Tom Cooper and Alan Watts dated 8 May 2019	POL-0103115
142.	UKGI00009697	HSF Paper on Common Issues Appeal dated 8 May 2019	UKGI020505-001
143.	UKGI00009725	Email between Tom Cooper and Ben Foat dated 10 May 2019	UKGI020533-001
144.	UKGI00018322	Email from Tom Cooper to Stephen Clarke, Richard Watson and Tom Aldred dated 9 May 2019	VIS00011721
145.	POL00103536	Email between Tom Cooper and Alan Watts dated 11 May 2019	POL-0103119
146.	UKGI00009760	Email between Tom Cooper and Richard Watson dated 14 May 2019	UKGI020568-001
147.	UKGI00043200	POL Board Meeting Pack dated 28 May 2019	UKGI_CR_00000158

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148.	UKGI00043858	Email between Al Cameron, Tim Parker, Tom Cooper, Ken McCall, Alan Watts and Ben Foat dated 13 May 2019	UKGI052177-001
149.	POL00103551	Email between Alan Watts and Tom Cooper dated 15 May 2019	POL-0103134
150.	UKGI00019198	Email between Richard Watson and Tom Cooper dated 14 May 2019	VIS00012597
151.	UKGI00009805	HSF note on Factual Issues that were being considered for an Appeal dated 16 May 2019	UKGI020613-001
152.	UKGI00009854	Email from Tom Cooper to HSF dated 21 May 2019	UKGI020662-001
153.	POL00021566	POL Board Meeting Minutes dated 28 May 2019	POL0000099
154.	POL00103595	Sub-committee Meeting Minutes dated 12 June 2019	POL-0103178
155.	UKGI00019351	Advice to Secretary of State dated 11 June 2019	VIS00013174
156.	UKGI00026900	Options paper for Minsters to consider dated June 2019	UKGI035795-001
157.	POL00006752	Sub-committee Meeting Minutes dated 20 June 2019	POL-0018010
158.	UKGI00018337	Briefing for Meeting with Al Cameron and Tim Parker on 24 June 2019 dated 16 June 2024	VIS00011736
159.	UKGI00043108	HSF Preliminary Comments on Settlement for meeting with Richard Watson and Tom Cooper on 18 July 2019	UKGI_CR_00000066
160.	UKGI00024394	POL Board Pack dated 30 July 2019	UKGI033289-001
161.	UKGI00043201	POL Board Meeting Minutes dated 30 July 2019	UKGI_CR_00000159

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162.	POL00104327	Sub-committee Meeting Minutes dated 17 September 2019	POL-0103910
163.	UKGI00039881	Sub-committee Meeting Pack dated 17 September 2019	UKGI048776-001
164.	UKGI00024982	Email from UKGI to Secretary of State dated 15 November 2019	UKGI033877-001
165.	UKGI00024984	HSF Draft Advice on Settlement	UKGI033879-001
166.	POL00155497	POL Board Meeting Minutes dated 23 September 2019	POL-0143662
167.	UKGI00018490	POL Board Meeting Minutes dated 3 October 2019	VIS00011889
168.	POL00103694	Sub-committee Meeting Minutes dated 22 October 2019	POL-0103277
169.	UKGI00018421	Sub-committee Meeting Pack dated 22 September 2019	VIS00011820
170.	UKGI00043705	POL Board Meeting Minutes dated 29 October 2019	UKGI052828-001
171.	UKGI00043071	Sub-committee Meeting Minutes dated 13 November 2019	UKGI_CR_00000029
172.	UKGI00043086	Sub-committee Meeting Pack dated 13 November 2019	UKGI_CR_00000044
173.	UKGI00043986	Email from Richard Watson to Nigel Boardman dated 14 November 2019	UKGI052420-001
174.	UKGI00010731	Readout of telephone meeting with Kelly Tolhurst MP dated 18 November 2019	UKGI021539-001
175.	POL00030884	POL Board Meeting Pack dated 26 November 2019	POL-0027366
176.	POL00021572	POL Board Meeting Minutes dated 26 November 2019	POL0000105

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177.	UKGI00019332	Sub-committee Meeting Minutes dated 10 December 2019	VIS00013173
178.	UKGI00043995	Email from Tom Cooper to Ben Foat dated 1 December 2019	UKGI052438-001
179.	UKGI00043073	Sub-committee Meeting Minutes dated 22 January 2020	UKGI_CR_00000031
180.	UKGI00042826	Sub-committee Meeting Pack dated 22 January 2020	UKGI051721-001
181.	UKGI00017698	POL Board Meeting Minutes dated 28 January 2020	UKGI027705-001
182.	POL00103846	Sub-committee Meeting Minutes 4 February 2020	POL-0103429
183.	UKGI00045960	Email between Tom Cooper, Richard Watson and Mark Russell dated 3 September 2020	UKGI023462-001
184.	UKGI00012703	Email between Tom Cooper, Charles Donald, Mark Russell, Richard Watson, Carl Cresswell and Sarah Munby dated 16 September 2020	UKGI023497-001
185.	UKGI00019313	Letter from Sarah Munby to Tim Parker dated 7 October 2020	VIS00013142
186.	UKGI00008732	Email from Stephen Clarke to Tom Cooper, CC'ing Tom Aldred, Richard Callard & others dated 28 November 2018	UKGI019540-001
187.	UKGI00008799	Email from Stephen Clarke to James Osborne, cc'ing Helen Evans, Declan Smyth and others dated 7 December 2018	UKGI019607-001

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188.	UKGI00008801	Submission to Baroness Neville-Rolfe prepared by Laura Thompson and dated 9 March 2015	UKGI019609-001
189.	UKGI00008614	Email from Tom Cooper to Richard Watson, Joshua Fox cc'ing Tom Aldred and others dated 6 November 2018	UKGI019422-001
190.	UKGI00009793	Email from Tom Cooper to Rodric Williams, Alan Watts, Kirsten Massey and others dated 17 May 2019	UKGI020601-001
191.	UKGI00043885	Submission to Greg Clark, Kelly Tolhurst, Permanent Secretary and others dated 11 June 2019	UKGI052216-001
192.	UKGI00038299	UKGI POL Shareholder Team – GLO Lessons Learnt Note	UKGI047194-001