



HERBERT  
SMITH  
FREEHILLS

10 December.....2019

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CONFIDENTIAL SETTLEMENT DEED

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Herbert Smith Freehills LLP

**CONFIDENTIAL SETTLEMENT DEED**

**THIS SETTLEMENT DEED** is made on 10 December 2019

**BETWEEN:**

- (A) The Claimants in the action *Alan Bates and others -v- Post Office Limited* (proceeding in the High Court under Claim Numbers HQ16X01238, HQ17X02637 and HQ17X04248) as described more fully in the Group Register served on 11 November 2019 and reproduced at Schedule 1 (each a "Claimant", and together the "Claimants");
- (B) Post Office Limited, a company incorporated in England and Wales (registered number 02154540) whose registered office is at Finsbury Dials, 20 Finsbury Street, London, EC2Y 9AQ (the "Defendant");
- (C) Freeths LLP, a law firm whose registered office is at 80 Mount Street, Nottingham, Nottinghamshire, NG1 6HH (the "Claimants' Solicitors");

each of whom is referred to in this Deed as a "Party", or together the "Parties".

**WHEREAS**

- (1) The Claimants have brought proceedings against the Defendant in the High Court of England and Wales under claim numbers HQ16X01238, HQ17X02637 and HQ17X04248 in connection with alleged breaches by the Defendant arising out of the operation of the Claimants' electronic point of sale system, Horizon (the "Action"), as set out in the Claimants' Claims. The Defendant has counterclaimed against the Claimants.
- (2) The Action has been pursued under a Group Litigation Order made by Senior Master Fontaine on 22 March 2017.
- (3) To facilitate the pursuit of the Action, the Claimants have entered into certain financial arrangements with litigation funders, Therium and the Claimants' Solicitors.
- (4) On 15 March 2019 Fraser J gave judgment on certain common issues relating to the legal relationship between the Defendant and certain of the Claimants (the "Common Issues Judgment"). The Defendant was refused permission to appeal the order made (the "PTA Application").
- (5) Fraser J is expected to give judgment on certain issues relating to the robustness and other aspects of the Horizon System in the course of 2019 (the "Horizon Issues Judgment").
- (6) Trials dealing with questions of breach, causation and loss have not yet taken place.
- (7) Nothing in this Deed shall be construed as an admission by the Defendant of any liability or of the validity of any of the Claimants' Claims or of any facts or matters in relation to any Like Claim.
- (8) Notwithstanding the above, and without any admission of liability, the Claimants and the Defendant have agreed to settle the Claimants' Claims and the Defendant's Counterclaims and all Like Claims on the terms set out below.

**IT IS AGREED****1. DEFINITIONS AND INTERPRETATION****1.1** In this Deed, unless the context otherwise requires

"Claimants' Claims" shall mean all and any of the claims or potential claims alleged by any of the Claimants in the Action and arising as a result of the PTA Application (including those made in the Generic Particulars of Claim, the Claimants' Schedules of Information, the lead Claimants' Individual Particulars of Claim (in each case including any amendments) and/or in any correspondence between the Parties in or relating to the facts and matters referred to in the Action including, without limitation, claims in respect of the losses and causes of action set out at Schedule 2. The Claimants' Claims shall also include all claims for interest, costs and expenses (including the costs of the PTA Application) and any Like Claims.

**"Claimant Steering Committee"** shall mean Alan Bates and Kay Linnell.

**"Defendant's Counterclaims"** shall mean any and all claims or potential claims alleged by the Defendant in its Counterclaim in the Action and/or in any correspondence between the Parties in or relating to the facts and matters referred to in the Action including, without limitation, claims in respect of the losses and causes of action set out at Schedule 2. The Defendant's Counterclaims shall also include all claims for interest, costs and expenses and any Like Claims.

**"Effective Date"** shall mean the date which is 3 Working Days from the date of this Deed.

**"Support Fund"** shall mean a fund to be established by the Claimant Steering Committee with the funding payable by the Defendant under clause 2.1.1(C) in order to deal with hardship cases.

**"Like Claims"** shall mean any and all actual, alleged, threatened, potential or derivative claims, defences, actions, causes of action, lawsuits, counterclaims, set-offs, disputes, demands, charges, liabilities, complaints and matters of whatsoever nature (including any claims for interest, fees, expenses or costs), save for Malicious Prosecution as set out in clause 4.2, that the Claimants or the Defendant or any of their Related Parties have or may have against any other party to the Action or Related Party whether actual, contingent, in relation to past, present or future losses, whether or not presently known to the Parties or any Related Party, whether or not arising from any other change of circumstance of any sort and whether arising out of negligent, wilful or intentional conduct or otherwise. For the avoidance of doubt, the definition of Like Claims is subject always to Clause 4.2.

**"Malicious Prosecution"** means claims by the Convicted Claimants against the Defendant for malicious prosecution.

**"Potential Claimants"** shall mean any and all persons, apart from the Claimants, who may seek to bring any actual, alleged, threatened, potential or derivative claim, lawsuit, demand, complaint or charge of whatsoever nature against the Defendant or its Related Parties in any way related to the matters set out in the Amended Generic Particulars of Claim signed on 6 July 2017, the Claimants' Schedules of Information, the lead Claimants' Individual Particulars of Claim and/or in correspondence in or related to the Action, including pre-action correspondence.

**"Related Parties"** shall mean: any natural or corporate person who has worked in (whether formally or informally) or been involved in any way in the operation or management of any branch (or branches) of the Defendant in respect of which a Claimant has brought a claim in the Action comprising:

- (a) any company in the control of a Claimant;
- (b) any relative of the Claimant (including step-relatives or relatives by marriage, but not including cousins beyond first cousins); and
- (c) any corporate or natural person who was jointly entitled to bring a claim with any claim brought by any Claimant.

**"Settled Claims"** shall have the meaning given to that term in clause 4.1.

**"SPM"** shall mean Sub-Postmistress, Sub-Postmaster, Operator, or Postmaster of a Network Branch of the Post Office (whether a natural or legal person) provided that person has entered into a contract with the Post Office.

**"Working Day"** shall mean any day except a Saturday, Sunday or bank or public holiday in England.

- 1.2 Any reference to this Deed includes the Schedules to it each of which forms part of this Deed for all purposes;
- 1.3 A reference to an enactment, EU instrument or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment, EU instrument or statutory provision and is a reference to that enactment, EU instrument, statutory provision or subordinate legislation as from time to time amended, modified, incorporated or reproduced

and to any enactment, EU instrument, statutory provision or subordinate legislation that from time to time (with or without modifications) re-enacts, replaces, consolidates, incorporates or reproduces it;

- 1.4 A reference to a person shall include a reference to a firm, body corporate, unincorporated association, partnership or to an individual's executors or administrators;
- 1.5 A reference to a clause, sub-clause, paragraph, Schedule (other than to a schedule to a statutory provision) shall be a reference to a clause, sub-clause, paragraph, Schedule (as the case may be) of or to this Deed;
- 1.6 If a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- 1.7 References to writing shall include any modes of reproducing words in any legible form and shall include email except where expressly stated otherwise; and
- 1.8 The headings in this Deed are for convenience only and shall not affect its interpretation.

## 2. SETTLEMENT PAYMENTS

- 2.1 On or by the Effective Date, the Defendant shall pay:

2.1.1 to the Claimants' Solicitors the aggregate sum of:

- (A) £9.5m (nine and a half million pounds sterling) (being £15m (the "**Legal Costs**") less the sum of £5.5m ordered to be paid in respect of the Common Issues Judgment) in respect of legal costs and disbursements;
- (B) £42m (forty-two million pounds sterling) by way of damages, litigation funding, ATE costs or other costs, or other relief claimed in the Action (the "**Settlement Payment**");
- (C) £0.75m (seven hundred and fifty thousand pounds sterling) in respect of the Support Fund (the "**Support Fund Costs**");

by electronic transfer to the client account of the Claimants' Solicitors, the details of which are:

Address: Freeths Client Account  
 Sort Code: [REDACTED]  
 Account No: [REDACTED]  
 Ref: [REDACTED]

2.1.2 The Legal Costs, the Settlement Payment and the Support Fund Costs are collectively referred to as the "**Cash Settlement Sum**".

- 2.2 The Defendant's obligation to pay the Cash Settlement Sum pursuant to this Deed shall be discharged in full by making the transfers referred to in clause 2.1 above.
- 2.3 Any dispute between the Claimants, the Claimants' Solicitors, the Claimant Steering Group, their litigation funders and/or ATE providers, as to the distribution or apportionment of the Cash Settlement Sum shall have no effect on the discharge to which the Defendant is entitled under clause 2.2 above.

## 3. NO LIABILITY

Nothing in this Deed shall be construed as an admission by the Defendant of any liability or of the validity of any of the Claimants' Claims or of any facts or matters in relation to any Like Claim.

## 4. RELEASES AND COVENANTS NOT TO SUE

- 4.1 Save as expressly set out in clause 4.2 below, this Agreement is in full and final settlement of the Action, the Claimants' Claims, the Defendant's Counterclaims and any further claims



which arise out of or are in any way connected to, whether directly or indirectly, the claims or counterclaims made or the facts and matters alleged by any party in the Action (the "Settled Claims").

- 4.2 The Settled Claims shall not include:
  - 4.2.1 claims in contract between the Defendant and those Claimants who remain in post as postmasters as set out in Schedule 3 which (a) arise wholly out of facts and matters which took place after the Effective Date of this Deed; and (b) which could not have been brought in the Action; and
  - 4.2.2 claims against the Defendant for Malicious Prosecution.
- 4.3 Upon transfer by the Defendant of the Cash Settlement Sum pursuant to clause 2:
  - 4.3.1 the Claimants shall for themselves and for any Related Party (insofar as they are able):
    - (A) fully and finally settle, release, acquit and forever discharge the Defendant from and against the Settled Claims; and
    - (B) covenant not to sue, pursue or proceed against the Defendant in relation to any claim, fact or matter arising from or connected to the Settled Claims; and
  - 4.3.2 the Defendant shall, on its own behalf and on behalf of any of the Defendant's Related Parties:
    - (A) fully and finally settle, release, acquit and forever discharge the Claimants from and against the Settled Claims; and
    - (B) covenant not to sue, pursue or proceed against the Claimants (or any of them) or their Related Parties in relation to any claim, fact or matter connected to the Settled Claims.
- 4.4 The agreement set out in this Deed supersedes and overrides any and all previous agreements between the Parties and any previous court orders relating to the Legal Costs and all other claims relating to other legal costs, expenses and disbursements, save to the extent that such agreements or orders have already been satisfied.
- 4.5 It is acknowledged and agreed that the compromise set out in this Deed was reached by the Parties acting in good faith and that no additional obligation to that effect shall be implied.
5. **WARRANTIES AND INDEMNITIES**
  - 5.1 The Claimants and the Defendant warrant and represent that it has not sold, transferred, assigned or otherwise disposed of its interest in the Settled Claims which might give rise to separate claims.
  - 5.2 The Claimants' Solicitors warrant that the Claimants are legally liable to pay the Legal Costs.
  - 5.3 Should any Party (other than the Defendant) bring any actions, claims or proceedings against the Defendant or should the Defendant bring any such actions, claims or proceedings against any Party in respect of or in relation to the Settled Claims (for the avoidance of doubt, save in relation to compliance with this Deed), the Party bringing the action, claim or proceedings shall indemnify, and shall keep indemnified, the other Party in respect of any and all costs or liabilities (including any and all legal costs, whether or not those costs would be recoverable apart from the provisions of this clause) incurred in connection with the action, claim or proceedings.
  - 5.4 The Claimants' Solicitors warrant that they have the authority and power to enter into this Deed on behalf of the named Claimants in Schedule 1 and to execute the agreement on their behalf. For the avoidance of doubt, the Claimants' Solicitors do not warrant their authority (or that of the Claimants) to bind any party other than the Claimants or the Claimants' Solicitors to the terms of this Deed.

- 5.5 The Claimants' Solicitors represent and warrant that they have provided independent advice to the Claimants (by so advising the Claimant Steering Committee) that they are satisfied that the decision reached to settle on the terms of this Deed was fair and appropriate in all the circumstances.
6. **TOMLIN ORDER**
- 6.1 As soon as is reasonably practicable after the Effective Date, the Claimants' Solicitors shall file the agreed Tomlin Order at Schedule 4, signed by both parties, staying all Settled Claims upon the terms of the schedules thereto, save for the purposes of enforcement of the terms in Part A Confidential Schedule II.
- 6.2 The Defendant shall ensure that it has taken all of the steps set out in Part B of Confidential Schedule II of the agreed Tomlin Order at Schedule 4 before 30 January 2020.
- 6.3 The Claimants shall apply to the Court to discharge the Group Litigation Order dated 22 March 2017 and discontinue all claims in these proceedings with no further order as to costs by no later than 4pm on 31 January 2020, upon compliance by the Defendant with the requirements in Part B of Confidential Schedule II of the agreed Tomlin Order at Schedule 4.
7. **CONVICTED CLAIMANTS**
- 7.1 The Parties acknowledge that:
- 7.1.1 amongst the Claimants are some individuals who have been convicted of criminal offences (the "**Convicted Claimants**") of which approximately 32 have referred their cases to the Criminal Complaints Review Commission (the "**CCRC**");
- 7.1.2 the Convicted Claimants cannot proceed with their claims in the Action for Malicious Prosecution, or with claims which would be barred by *res judicata* by reason of their conviction, unless those convictions are overturned;
- 7.1.3 as part of the settlement set out in this Deed, the Defendant has not made, or agreed to make, any payment to or for the benefit of any Convicted Claimant; and
- 7.1.4 if, for reasons of expediency and to facilitate the settlement of the Action as a whole, those Claimants who are not Convicted Claimants elect to share any part of the Cash Settlement Sum to which they may be entitled with any Convicted Claimant, though not giving either express or implicit approval to such a course, the Defendant acknowledges it is unable to prevent it.
- 7.2 Nothing in this clause 7 shall prevent the Convicted Claimants from pursuing the remedies available to them through the civil courts in relation to claims by them for Malicious Prosecution (but Malicious Prosecution only), or through the CCRC and/or the criminal appellate courts. The Defendant agrees that time will not start to run for the purpose of the Limitation Act 1980 until any conviction is overturned.
- 7.3 The Defendant undertakes that:
- 7.3.1 it shall take advice from leading counsel at the criminal Bar as to how it should proceed with regard to the Convicted Claimants and shall instruct him or her to consider its obligations to the CCRC, to the Crown Prosecution Service, to the Courts and to the public interest and administration of justice insofar as each is relevant in any given case, in relation to the cases of the Convicted Claimants;
- 7.3.2 it shall, at minimum, act upon and follow the legal advice it receives from leading counsel;
- 7.3.3 it shall take no steps to prevent the Horizon Issues Judgment from being handed down, and the Defendant acknowledges that the Convicted Claimants may rely upon it should they so wish;
- 7.3.4 if any Convicted Claimant obtains permission to appeal, the Defendant shall take advice from a leading criminal barrister as to what position the Defendant should

take in relation to the appeal, having due regard to the findings by Mr Justice Fraser in the Common Issues Judgment and in the Horizon Issues Judgment; and

7.3.5 in the event that any Convicted Claimant who was prosecuted by the Defendant has his or her conviction overturned in the criminal appellate courts as a result of:

- (A) actions or omissions by the Defendant; and
- (B) findings or observations made in the Common Issues Judgment or Horizon Issues Judgment

the Defendant will provide that Convicted Claimant with an apology which reflects the basis upon which the conviction was overturned.

7.4 The terms of this clause 7 are not an admission of liability or an admission of wrongdoing on the part of the Defendant and, in particular, Royal Mail and the Crown Prosecution Service, neither of whom are parties hereto. Nor are they evidence that any settlement payment was made to any Convicted Claimant in respect of their specific cases.

## 8. SUPPORT FUND

8.1 The Defendant shall pay to the Claimants' Solicitors the Support Fund Costs to enable the Claimant Steering Committee to establish and administer the Support Fund to provide financial relief and assistance in hardship cases including immediate financial hardship as well as individuals suffering from mental health problems (for the avoidance of doubt, including addiction) and stress-related illnesses.

8.2 The Support Fund may be used beyond the purposes in clause 8.1 once the Claimant Steering Committee is satisfied that its primary purpose has been served.

8.3 The Support Fund shall not be used to fund claims against the Defendant.

8.4 Subject to clause 8.3 above, the Support Fund shall be managed and administered by the Claimant Steering Committee in accordance with such procedures that the Claimants and the Claimant Steering Committee shall in their sole discretion decide.

8.5 The Defendant shall have no control or oversight over, or responsibility for or liability in respect of, the funding, management, administration or any other aspect of the Support Fund once its obligation to pay the Support Fund Costs has been discharged.

## 9. SERVING SPMS

9.1 The Defendant acknowledges the criticisms that have been made in the Common Issues Judgment about certain of its dealings with its postmasters.

9.2 The Defendant is committed to improving its culture and has a new management team which intends to make fair, just and reasonable improvements in accordance with the plan at Schedule 5.

9.3 The Defendant agrees to meet with a group comprising 3 members of the Claimant Group on at least a quarterly basis for no less than the next 12 months in order to share, and obtain feedback on its future plans for the improvement of the relationship with postmasters and their customers and to listen to ideas which may facilitate that objective.

9.4 The Defendant shall establish an internal group (the "Historic Shortfall Group") to deal with shortfalls which arose between 2000 and the Effective Date of this Agreement ("Historic Shortfalls"). The purpose of the Historic Shortfall Group shall be to bring finality to all outstanding issues in respect of Historic Shortfalls and to determine, in light of the Common Issues Judgment and the Horizon Issues Judgment (once handed down) whether such shortfalls should be paid, repaid, written off or compromised. The Historic Shortfall Group shall operate in accordance with the terms of reference set out at Schedule 6.

9.5 For the purpose of the mediation provision in Schedule 6, the Defendant shall establish a cost-effective and accessible mediation scheme to the satisfaction of Charles Flint QC and Stephen Ruttle QC.



- 9.6 The Defendant shall use reasonable endeavours to resolve any outstanding issues with serving postmasters (including suspended postmasters) who are Claimants in the Action as swiftly as practicable following the identification of those issues by the Claimants and/or the Claimants' Solicitors.
- 9.7 In the event of any issue, difference or dispute arising between the Defendant and a serving Claimant, the Parties shall follow the dispute resolution procedure provided in clause 16.2 below. The Claimant Steering Committee will encourage SPMs who are not Claimants to make use of the dispute resolution procedure.
- 10. FORMER SPM CLAIMANTS**
- 10.1 As part of the settlement of the Action, and notwithstanding that SPMs are agents and not employees, the Defendant agrees to consider, in good faith, any request made by any former SPM Claimant for a letter of reference. Any such letter which the Post Office agrees in good faith to provide shall:
- 10.1.1 confirm that the Claimant was appointed as a SPM; and
- 10.1.2 state the duration of his or her tenure.
- 10.2 The SPM concerned shall be entitled, but not obliged, to share with any person seeking a reference the Joint Press Statement (or as the case may be, any letter to be provided to a Convicted Claimant by the Defendant).
- 10.3 Nothing in the above provision precludes any Claimant from asking any individual for a personal reference, nor does it oblige any individual to provide a personal reference.
- 11. INSOLVENCY, SECURITY AND CHARGES**
- 11.1 In the case of those Claimants who provide documentary evidence that they are subject to an ongoing bankruptcy or insolvency process, the Defendant agrees, without making any admissions as to the validity of the original claim or proof, and subject to confirmation from the relevant trustee or insolvency officeholder (the "**Officeholder**") that (a) the Officeholder agrees with the proposed course of action and (b) the Defendant shall incur no liability in respect of any fees or costs to either the Officeholder or the Claimant's estate by so doing, that it shall:
- 11.1.1 as soon as practicable following the provision of the name and contact details of the Officeholder, confirm to the Officeholder that it withdraws any claim or proof of debt in respect of unpaid shortfalls arising between 2000 and the Effective Date of this Deed or, alternatively, (but only if it would be permissible and practical to do so) agree to assign the claim or proof of debt to the Claimant in question; and agree, at the Claimant's election:
- (A) to withdraw any claim or proof of debt in respect of unpaid shortfalls arising between 2000 and the Effective Date of this Deed; or
- (B) to sign an appropriate deed of assignment prepared by the Claimant in question, to assign and so assign the claim or proof of debt to the Claimant in question and confirm to the Officeholder that it has so assigned the claim and give such notice of assignment required to give such assignment legal effect;
- 11.1.2 as soon as practicable following the provision of a copy of any charge or other security held by the Defendant and the appropriate paperwork, agree to assign to the Claimant in question (or at his or her election, release) any security it holds in respect of the aforesaid claim or proof.
- 11.2 The provisions of Clause 11.1.1(B) or 11.1.2 shall not oblige the Defendant to take any step unless the relevant Officeholder so agrees. Nor does it make any representation or give any warranty as to the legal effect thereof.
- 11.3 In the case of those Claimants who have been or are the subject of civil proceedings by the Defendant relating to the subject matter of the Action, and / or have charging orders made



against them in favour of the Defendant and / or any other cash or security taken by the Defendant in connection with those proceedings:

- 11.3.1 the Defendant shall take all necessary steps and cooperate in good faith with the Claimants (or any solicitors instructed by them) to expedite the resolution of any such proceedings on a basis consistent with the provisions of this Deed;
- 11.3.2 in the event that a Claimant notifies the Defendant of any steps he or she requests that the Defendant take to bring about the discontinuance, variation, set aside, discharge or release of any such proceedings, judgment, order or related security, the Defendant shall respond within 14 days or as soon as is reasonably practicable, confirming whether it consents to the request made by the Claimant, such consent not to be unreasonably withheld.
- 11.3.3 In the event of a dispute following a withholding of consent by the Defendant, the Claimant may elect to resolve that dispute using the dispute resolution procedure set out in Clause 16.2 below.
- 11.4 Any disputes arising out of the Parties' compliance with Clause 11.1 and / or Clause 11.2 shall be subject to the dispute resolution procedure set out at Clause 16.2 below.

## 12. CONFIDENTIALITY

- 12.1 On the Effective Date, the Parties shall jointly release the press statement in the form set out in Schedule 7 to this Deed to the public (the "**Joint Press Statement**").
- 12.2 Each Party undertakes to the other that (unless the prior written consent of the other Party shall first have been obtained) it shall, and shall procure that its officers, employees, advisers and agents shall, keep confidential and not by failure to exercise due care or otherwise by any act or omission disclose to any person whatever or terms of this Deed or the contents of the discussions and negotiations which have led up to this Deed, save for the contents of the Joint Press Statement (the "**Confidential Information**").
- 12.3 The consent referred to in clause 12.2 shall not be required for disclosure by a Party of any Confidential Information:
  - 12.3.1 to its officers, employees, agents, shareholders, in each case, as may be contemplated by this Deed or to the extent required to enable such Party to carry out its obligations under this Deed, who shall in each case be made aware by such Party of its obligations under this clause and shall be required by such Party to observe the same restrictions on the use of the relevant information as are contained in this clause 12;
  - 12.3.2 to its professional advisers (including without limitation its auditors and other accounting advisers, financial advisers and legal advisers) who are bound to such Party by a duty of confidence which applies to any information disclosed;
  - 12.3.3 to the extent required by applicable law or by the regulations of any stock exchange or regulatory or supervisory authority to which such Party is or may become subject to or pursuant to any order of court or other competent authority or tribunal;
  - 12.3.4 in connection with the commencement, pursuit or defence by a Party of any legal proceedings to which any Confidential Information is relevant;
  - 12.3.5 by the Department of Business, Enterprise and Industrial Strategy to the extent its representatives consider such disclosure to be in the public interest;
  - 12.3.6 to the extent that the relevant Confidential Information is in the public domain otherwise than by breach of this Deed by such Party; and
  - 12.3.7 which is disclosed to such Party by a third party who is not in breach of any undertaking or duty as to confidentiality whether express or implied, in each case:

- (A) in the case of disclosure by the Defendant, subject to written consent from the Claimants' Solicitors; or
  - (B) in the case of disclosure by Parties other than the Defendant, subject to written consent from the Defendant.
- 12.4 If a Party intends, in circumstances contemplated by clause 12.3.3 or 12.3.4, to disclose any Confidential Information such Party shall give to the other Party such notice as is practical in the circumstances of such disclosure and shall co-operate with the other Party, having due regard to the other Party's views, and take such steps as the other Party may reasonably require in order to enable it to mitigate the effects of, or avoid the requirements for, any such disclosure.
- 12.5 If any Party intends, in circumstances contemplated by clause 12.3.7 to disclose any Confidential Information to a third party such Party shall seek the consent for disclosure of the relevant Party as soon as is practical in the circumstances, but not less than 3 Working Days. The consent of the Party whose consent is being sought shall not be unreasonably withheld.
- 12.6 This Deed shall not be used or referred to in any proceedings between the Parties save for the purposes of enforcing the terms of this Deed or establishing, should it be contested, the existence and/or terms of this Deed.
- 12.7 The Claimants, the Claimants' Solicitors and the Claimants' Steering Committee agree:
  - 12.7.1 not to contradict the Joint Press Statement; and
  - 12.7.2 not to make defamatory statements about the Post Office, in particular any individuals, directors or employees of the Post Office.
- 12.8 The Defendant agrees:
  - 12.8.1 not to contradict the Joint Press Statement; and
  - 12.8.2 not to make defamatory statements about the Claimants.
- 12.9 The Claimants' Solicitors will send an email to all Claimants including a fair-minded encouragement to comply with the obligation in clause 12.7 above and to give due credit to the Defendant for now having resolved this dispute and to make any comments in a moderate and fair-minded way.
- 12.10 Nothing in this clause shall prevent the Claimants' Solicitors from informing or advising the Claimants as to the terms and effect of this Deed or any document referred to therein and / or matters relating to the distribution of any settlement sums received under this Deed.
- 12.11 The Parties agree that the Claimants who attended the mediation are at liberty to disclose that they attended the mediation, that they met the CEO of the Defendant, that they gave their accounts of what had happened to them, and that he had listened attentively and that they were very pleased to have had this opportunity.
- 13. CONTINUING LEGAL REPRESENTATION / FUNDING**
- 13.1 The Claimants' Solicitors agree:
  - 13.1.1 to inform the Defendant of any Potential Claimants who may agree to the Defendant being so informed, limited to those Potential Claimants of which they are aware on the Effective Date of this Agreement;
  - 13.1.2 not to solicit, advise, represent or fund any Potential Claimants, either directly or indirectly;
  - 13.1.3 not to share any information relevant to the Action that is confidential with any Potential Claimants or any other party;
  - 13.1.4 not to take any steps which might reasonably be expected to encourage Potential Claimants to bring claims based on facts similar to or arising out of those so as to undermine the obligation in the Action (whether in England and Wales or in any other jurisdiction) against the Defendant or its Related Parties; and

- 13.1.5 to make the following statement, and only the following statement or words to materially similar effect, if approached by any Potential Claimants in connection with a possible claim based on facts similar to or arising out of those in the Action:

*"[I/we] acted for the Claimants in the Post Office Group Litigation but that litigation has come to an end and [I am/we are] not able to advise you or represent you in relation to any matters related to the subject matter of that litigation. If you are experiencing problems with Post Office or consider you have a claim against Post Office we would encourage you to contact Post Office directly at no cost to yourself, in order to be able to make use of the Dispute Resolution Scheme which Post Office has established to help existing SPMs. You are also free to seek legal advice. You can find a local solicitor via the Law Society website or you might wish to contact the Citizens Advice Bureau who may be able to advise you of some organisations who could assist you."*

- 13.2 The Claimant Steering Committee agrees:

- 13.2.1 to take no steps at any stage in the future to solicit or encourage any group litigation by Potential Claimants against the Defendant;
- 13.2.2 to take no steps at any stage in the future to solicit legal claims against the Defendant; and
- 13.2.3 not to share any information relevant to the Action that is confidential with any Potential Claimants.

#### 14. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

- 14.1 No Party may assign the benefit of this Deed at any time and the rights contained herein are personal to the Parties.
- 14.2 Save as expressly provided in this Deed, any person who is not a Party has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of any person which exists or is available other than under that Act.
- 14.3 Notwithstanding any other provision of this Deed, the Parties intend that their Related Parties (or any of them) shall have rights to enforce any provision of this Deed in which reference is made to such Related Parties.

#### 15. **SERVICE OF NOTICES**

- 15.1 Any notice to be served on the Defendant under this Agreement:
- 15.1.1 must be in writing and addressed to the Office of the General Counsel; and
- 15.1.2 shall be served by post or personal delivery at the Defendant's registered address from time to time.
- 15.2 Any notice to be served on any other Party shall be in writing and shall be deemed to be effective if served by post or personal delivery at that Party's business or home address or if it comes to the attention of the party concerned by any other means.

#### 16. **MISCELLANEOUS**

##### **Governing Law**

- 16.1 This Deed and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.



### **Dispute Resolution**

- 16.2 Save as provided for in the agreed Tomlin Order in Schedule 4 (to be sought by the Parties under clause 6), the Parties agree that any dispute or claim arising out of or in connection with this Deed or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) (the "**Dispute**") shall be resolved as follows, to the exclusion of any other dispute resolution procedure:
- 16.2.1 **Notification**
- The aggrieved party shall notify the other party of the Dispute in writing, providing such reasonable detail as they are able to provide;
- 16.2.2 **Information**
- Within 14 days or as soon as is reasonably practicable, the parties shall provide each other with any obviously relevant information relating to the dispute and any information reasonably available that the other party may request – the parties shall cooperate in identifying such relevant information;
- 16.2.3 **Good Faith Meeting**
- Within 21 days or such longer period as may be agreed between the parties, the parties or their representatives shall meet in good faith with a view to resolving the Dispute amicably between them before any costs are incurred (the "**Good Faith Meeting**");
- 16.2.4 **Escalation Meeting**
- If the Dispute is not resolved as a result of the Good Faith Meeting, either party may within 21 days escalate the dispute to a member of the Defendant's senior management to be nominated by the CEO or the General Counsel who will meet with the parties to seek to resolve the Dispute (the "**Escalation Meeting**");
- 16.2.5 **Mediation**
- The parties to the Dispute shall consider whether to mediate and, if they both agree to do so, shall seek to resolve the Dispute by mediation on such terms as they may agree (the "**Mediation**");
- 16.2.6 **Small Disputes**
- All Disputes for sums totalling not more than £10,000 ("**Small Disputes**") which are not resolved at or as a result of the Escalation Meeting and / or Mediation, shall be resolved by recourse to civil proceedings in the County Court pursuant to the Small Claims Track and shall be subject to the fee scale applicable thereto, and the parties agree not to seek reallocation of the proceedings to the Fast Track or Multi Track;
- 16.2.7 **Larger Disputes**
- All Disputes other than those which are Small Disputes, which are not resolved at or as a result of the Escalation Meeting and / or Mediation, shall be referred to and finally determined by arbitration under the Arbitration Act 1996. The appointing authority shall be Charles Flint QC and Stephen Ruttle QC, the number of arbitrators shall be one, the seat of arbitration shall be London, England and the language of the arbitration shall be English.
- 16.3 For the avoidance of doubt, any Claimant entitled to bring an individual claim for Malicious Prosecution shall do so (whether or not they have attempted mediation to resolve such claim) in the Courts.



#### Further Matters

- 16.4 This Deed and its Schedules represents the entire understanding and constitutes the whole agreement in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom, usage or course of dealing.
- 16.5 Each Party confirms that:
- 16.5.1 in entering into this Deed it has not relied on any representation, warranty, assurance, covenant, indemnity, undertaking or commitment which is not expressly set out in this Deed; and
  - 16.5.2 in any event, without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, the only rights or remedies in relation to any representation, warranty, assurance, covenant, indemnity, undertaking or commitment given or action taken in connection with this Deed are pursuant to this Deed, and for the avoidance of doubt and without limitation, neither party has any other right or remedy (whether by way of a claim for contribution or otherwise) in tort (including negligence) or for misrepresentation (whether negligent or otherwise, and whether made prior to, or in, this Deed).
- 16.6 If any provision or part of this Deed is found to be void or unenforceable, it shall be deemed to be deleted and the remaining provisions of this Deed shall continue in full force and effect.
- 16.7 This Deed may be executed in any number of counterparts and by the Parties to it on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.
- 16.8 No variation of this Deed shall be effective unless it is in writing (which for this purpose, does not include email) signed by or on behalf of each of the Parties.
- 16.9 A failure or delay in exercising any right or remedy under this Deed shall not constitute a waiver of that right or remedy. A single or partial exercise of any right or remedy shall not prevent the further exercise of that right or remedy. A waiver of a breach of this Deed shall not constitute a waiver of any other breach.
- 16.10 The Parties acknowledge that damages would not be an adequate remedy for a breach of this Agreement and each Party is entitled to the remedies of injunction, specific performance and other equitable relief for a threatened or actual breach of this Deed.
- 16.11 Each of the Parties represents and warrants that they have the power and authority to enter into this Deed.

**IN WITNESS** whereof this Deed has been entered into on the date first above written.

Executed and delivered as a deed by  
the Claimants acting by Freeths LLP  
in the presence of

*CHARLES FLINT QC*  
Name of witness:

**GRO**

Signature of witness:

**GRO**

Address:

*Blackstone Chambers*  
*London EC4Y 9BW*

Occupation

*Barrister*

Executed and delivered as a deed by  
Post Office Limited acting by in the  
presence of

**GRO**

Name of witness:

*Roopie Williams*

Signature of witness:

**GRO**

Address:

**GRO**

Occupation

*SOLICITOR*

Executed and delivered as a deed by  
Freeths LLP acting by in the presence of

*CHARLES FLINT QC*  
Name of witness:

**GRO**

Signature of witness:

**GRO**

*BLACKSTONE Chambers*

Address: *London EC4Y 9BW*

*Barrister*

Occupation:

## SCHEDULE 1

Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
1	<b>GRO</b>	GRO	23/02/2017
2		GRO	23/02/2017
3		GRO	23/02/2017
4		GRO	23/02/2017
5		GRO	23/02/2017
6		GRO	23/02/2017
7		GRO	23/02/2017
8		GRO	23/02/2017
9		GRO	23/02/2017
10		GRO	23/02/2017
11		GRO GRO	23/02/2017
12		GRO GRO	23/02/2017
13		GRO GRO	23/02/2017
14		GRO	23/02/2017
15		GRO	23/02/2017
16		GRO	23/02/2017
17		GRO	23/02/2017
18		GRO	23/02/2017
19		GRO	23/02/2017
20		GRO	23/02/2017
21		GRO	23/02/2017
22		GRO	23/02/2017
23		GRO	23/02/2017
24		GRO	23/02/2017
25		GRO	23/02/2017
26		GRO GRO	23/02/2017
27		GRO	23/02/2017
28		GRO	23/02/2017
29		GRO	23/02/2017
30		GRO	23/02/2017

Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
31	<b>GRO</b>	GRO	23/02/2017
32		GRO	23/02/2017
33		GRO	23/02/2017
34		GRO	23/02/2017
35		GRO	23/02/2017
36		GRO	23/02/2017
37		GRO	23/02/2017
38		GRO	23/02/2017
39		GRO	23/02/2017
40		GRO	23/02/2017
42		GRO	23/02/2017
43		GRO	23/02/2017
44		GRO	23/02/2017
45		GRO	23/02/2017
46		GRO	23/02/2017
47		GRO	23/02/2017
48		GRO	23/02/2017
49		GRO	23/02/2017
50		GRO	23/02/2017
51		GRO	23/02/2017
52		GRO	23/02/2017
53		GRO	23/02/2017
54		GRO	23/02/2017
55		GRO	23/02/2017
56		GRO	23/02/2017
57		GRO	23/02/2017
58		GRO	23/02/2017
59		GRO	23/02/2017
60		GRO	23/02/2017
61		GRO	23/02/2017
62		GRO	23/02/2017
63		GRO	23/02/2017
64		GRO	23/02/2017



Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
65	<b>GRO</b>	GRO	23/02/2017
66		GRO	23/02/2017
67		GRO	23/02/2017
68		GRO	23/02/2017
69		GRO	23/02/2017
70		GRO	23/02/2017
71		GRO	23/02/2017
72		GRO	23/02/2017
73		GRO	23/02/2017
74		GRO	23/02/2017
76		GRO	23/02/2017
77		GRO	23/02/2017
78		GRO	23/02/2017
79		GRO	23/02/2017
80		GRO	23/02/2017
81		GRO	23/02/2017
82		GRO	23/02/2017
83		GRO	23/02/2017
84		GRO	23/02/2017
85	Anonymity Order	GRO	23/02/2017
87	<b>GRO</b>	GRO	23/02/2017
88		GRO	23/02/2017
89		GRO	23/02/2017
90		GRO	23/02/2017
91		GRO	23/02/2017
92		GRO	23/02/2017
93		GRO	23/02/2017
94		GRO	23/02/2017
95		GRO	23/02/2017
96		GRO	23/02/2017
97		GRO	23/02/2017
98		GRO	23/02/2017
99		GRO	23/02/2017

Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
100	<b>GRO</b>	GRO	23/02/2017
102		GRO	23/02/2017
103		GRO	23/02/2017
104		GRO	23/02/2017
105		GRO	23/02/2017
106		GRO	23/02/2017
107		GRO	23/02/2017
108		GRO	23/02/2017
111		GRO	23/02/2017
112		GRO	23/02/2017
113		GRO	23/02/2017
114		GRO	23/02/2017
115		GRO	23/02/2017
116		GRO	23/02/2017
117		GRO	23/02/2017
118		GRO	23/02/2017
119		GRO	23/02/2017
120		GRO	23/02/2017
121		GRO	23/02/2017
122		GRO	23/02/2017
123		GRO	23/02/2017
124		GRO	23/02/2017
125		GRO	23/02/2017
126		GRO	23/02/2017
127		GRO	23/02/2017
128		GRO	23/02/2017
129		GRO	23/02/2017
130		GRO	23/02/2017
131		GRO	23/02/2017
133		GRO	23/02/2017
134		GRO	23/02/2017

Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
135	GRO	GRO	23/02/2017
136			23/02/2017
137			23/02/2017
138			23/02/2017
139	Anonymity Order		23/02/2017
140	GRO		23/02/2017
141			23/02/2017
142			23/02/2017
143			23/02/2017
144			23/02/2017
145			23/02/2017
146			23/02/2017
147			23/02/2017
148			23/02/2017
149			23/02/2017
150			23/02/2017
151			23/02/2017
152			23/02/2017
153			23/02/2017
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165			23/02/2017
166			23/02/2017
167			23/02/2017

Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
168	GRO	GRO	23/02/2017
169			23/02/2017
170			23/02/2017
171			23/02/2017
172			23/02/2017
173			23/02/2017
174			23/02/2017
175			23/02/2017
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178			23/02/2017
179			23/02/2017
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185			23/02/2017
186			23/02/2017
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191			23/02/2017
192			23/02/2017
193			23/02/2017
194			23/02/2017
195			23/02/2017
196			23/02/2017
197			23/02/2017
198			23/02/2017
199			25/07/2017
200			25/07/2017



Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
201	GRO	GRO	25/07/2017
202			25/07/2017
203			25/07/2017
204			25/07/2017
205			25/07/2017
206			25/07/2017
207			25/07/2017
208			25/07/2017
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223			25/07/2017
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226			25/07/2017
228			25/07/2017
230			25/07/2017
231			25/07/2017
232			25/07/2017

Claimant No.	Claimant's Full Name (including title)		Claimant's Home Address	Date of entry on Group Register
233	GRO		GRO	25/07/2017
234				25/07/2017
235				25/07/2017
236				25/07/2017
237				25/07/2017
238				25/07/2017
239				25/07/2017
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245				25/07/2017
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247				25/07/2017
248				25/07/2017
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251				25/07/2017
252				25/07/2017
253				25/07/2017
254				25/07/2017
255				25/07/2017
256				25/07/2017
257				25/07/2017
258				25/07/2017
259				25/07/2017
260	Anonymity Order			25/07/2017
261	GRO			25/07/2017
262				25/07/2017
263				25/07/2017
264				25/07/2017
265				25/07/2017

Claimant No.	Claimant's Full Name (Including title)	Claimant's Home Address	Date of entry on Group Register
266	<b>GRO</b>	<b>GRO</b>	25/07/2017
267			25/07/2017
268			25/07/2017
269			25/07/2017
270			25/07/2017
271			25/07/2017
272			25/07/2017
273			25/07/2017
274			25/07/2017
276			25/07/2017
277			25/07/2017
278			25/07/2017
279			25/07/2017
280			25/07/2017
281			25/07/2017
283			25/07/2017
284			25/07/2017
285			25/07/2017
286			25/07/2017
287			25/07/2017
288			25/07/2017
289			25/07/2017
290			25/07/2017
291	Anonymity Order		25/07/2017
292	<b>GRO</b>		25/07/2017
294			25/07/2017
295			25/07/2017
297			25/07/2017
298			25/07/2017
299	Anonymity Order		25/07/2017
300	Anonymity Order		25/07/2017



Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
301	<b>GRO</b>	<b>GRO</b>	25/07/2017
302			25/07/2017
303			25/07/2017
304			25/07/2017
305			25/07/2017
306			25/07/2017
307			25/07/2017
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311			25/07/2017
312			25/07/2017
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317			25/07/2017
318			25/07/2017
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322			25/07/2017
323			25/07/2017
324			25/07/2017
326			25/07/2017
327			25/07/2017
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331			25/07/2017
332			25/07/2017
333			25/07/2017

Claimant No.	Claimant's Full Name (Including title)	Claimant's Home Address	Date of entry on Group Register
334	GRO	GRO	25/07/2017
335			25/07/2017
336			25/07/2017
337			25/07/2017
338			25/07/2017
339			25/07/2017
340			25/07/2017
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367			25/07/2017
369			25/07/2017

Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
370	GRO	GRO	25/07/2017
371			25/07/2017
373			25/07/2017
374			25/07/2017
375			25/07/2017
376			25/07/2017
377			25/07/2017
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386			25/07/2017
387			25/07/2017
388			25/07/2017
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400			25/07/2017
401			25/07/2017



Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
402	GRO	GRO	25/07/2017
403			25/07/2017
404			25/07/2017
405			25/07/2017
406			25/07/2017
407			25/07/2017
408			25/07/2017
409			25/07/2017
411			25/07/2017
413			25/07/2017
414			25/07/2017
415			25/07/2017
416			25/07/2017
417			25/07/2017
419			25/07/2017
420	Anonymity Order		25/07/2017
421	GRO		25/07/2017
422			25/07/2017
423			25/07/2017
424			25/07/2017
425			25/07/2017
426			25/07/2017
427			25/07/2017
428			25/07/2017
430			25/07/2017
431			25/07/2017
432			25/07/2017
433			25/07/2017
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435			25/07/2017
436			25/07/2017
437			25/07/2017
438			25/07/2017

Claimant No.	Claimant's Full Name (Including title)		Claimant's Home Address	Date of entry on Group Register
439	GRO		GRO	25/07/2017
441				25/07/2017
442				25/07/2017
443				25/07/2017
444				25/07/2017
445				25/07/2017
446				25/07/2017
447				25/07/2017
448				25/07/2017
449				25/07/2017
450				25/07/2017
451				25/07/2017
453				25/07/2017
455				25/07/2017
456				25/07/2017
457				25/07/2017
458				25/07/2017
459				25/07/2017
460				25/07/2017
462				25/07/2017
463				25/07/2017
464				25/07/2017
465				25/07/2017
466				25/07/2017
467				25/07/2017
468				25/07/2017
469				25/07/2017
470				25/07/2017
471				25/07/2017
472	Anonymity Order			25/07/2017
473	GRO			25/07/2017
474				25/07/2017
475				25/07/2017

Claimant No.	Claimant's Full Name (including title)	Claimant's Home Address	Date of entry on Group Register
476	GRO	GRO	25/07/2017
477			25/07/2017
478			25/07/2017
479			25/07/2017
480			25/07/2017
481			25/07/2017
482			25/07/2017
483			25/07/2017
484			25/07/2017
485			25/07/2017
486			25/07/2017
487			25/07/2017
488			25/07/2017
489			25/07/2017
490			25/07/2017
491			25/07/2017
492			25/07/2017
493			25/07/2017
494			25/07/2017
495			25/07/2017
496			25/07/2017
497			25/07/2017
498			25/07/2017
500			25/07/2017
501			25/07/2017
502			25/07/2017
503			25/07/2017
504			25/07/2017
505	Anonymity Order		25/07/2017
506	GRO		25/07/2017



Claimant No.	Claimant's Full Name (Including title)	Claimant's Home Address	Date of entry on Group Register
507	<b>GRO</b>	<b>GRO</b>	25/07/2017
508			25/07/2017
509			25/07/2017
510			25/07/2017
512			25/07/2017
513			25/07/2017
514			25/07/2017
515			25/07/2017
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517			25/07/2017
518			25/07/2017
519			25/07/2017
520			25/07/2017
521			25/07/2017
522			25/07/2017
523			07/12/2017
524			07/12/2017
525			07/12/2017
526			07/12/2017
527			07/12/2017
528			07/12/2017
529			07/12/2017
530			07/12/2017
531			07/12/2017
532			07/12/2017
533			07/12/2017
534			07/12/2017
535			07/12/2017

Claimant No.	Claimant's Full Name (Including title)	Claimant's Home Address	Date of entry on Group Register
536	GRO	GRO	07/12/2017
537			07/12/2017
538			07/12/2017
540	Anonymity Order		07/12/2017
541	GRO		07/12/2017
542	GRO Previous Claimant Number: 275		07/12/2017
543	GRO Previous Claimant Number: 282		07/12/2017
544	GRO Previous Claimant Number: 293		07/12/2017
545	GRO		07/12/2017
546			07/12/2017
547			07/12/2017
548			07/12/2017
549			07/12/2017
550	GRO Previous Claimant Number: 75		07/12/2017
551	GRO		07/12/2017
552			07/12/2017
553			07/12/2017
554	GRO Previous Claimant Number: 348		07/12/2017
555	GRO		07/12/2017
556	GRO		07/12/2017
557	GRO Previous Claimant Number: 359		07/12/2017
558	GRO		07/12/2017
559			07/12/2017
560			07/12/2017

Claimant No.	Claimant's Full Name (Including title)	Claimant's Home Address	Date of entry on Group Register
561	GRO Previous Claimant Number: 372	GRO	07/12/2017
563	GRO		07/12/2017
564			07/12/2017
565	GRO		07/12/2017
566			07/12/2017
567	GRO Previous Claimant Number: 410		07/12/2017
568	GRO		07/12/2017
569			07/12/2017
570	GRO		07/12/2017
571			07/12/2017
572			07/12/2017
573			07/12/2017
574			07/12/2017
575			07/12/2017
576			07/12/2017
577	GRO Previous Claimant Number: 440		07/12/2017
578	GRO		07/12/2017
579			07/12/2017
580			07/12/2017
581			07/12/2017
582			07/12/2017
583			07/12/2017
584	GRO		07/12/2017
585	GRO Linked Individual: 536		07/12/2017
586	GRO Previous Claimant Number: 177		07/12/2017
587	GRO		07/12/2017



Claimant No.	Claimant's Full Name (including title)		Claimant's Home Address	Date of entry on Group Register
588	GRO	Previous Claimant	GRO	07/12/2017
	Number: 498			
589	GRO			07/12/2017
590				07/12/2017
591	GRO	Previous Claimant		07/12/2017
	Number: 511			
592	GRO			07/12/2017

## SCHEDULE 2

All claims howsoever arising, whether direct or indirect, relating to actual or alleged:

1. Shortfalls
2. Loss of investment and capital losses of any type whatsoever including without limitation losses linked to the purchase, fit-out, stocking, refit, improvement and resale of premises, equipment and stock including those relating to the Claimants' retail and residential premises and including those relating to goodwill
3. All claims for loss of earnings including those arising from suspensions, from failure to give notice, or adequate notice, and for loss of earnings post termination
4. Damage to reputation or stigma including loss of trade, prejudice to future employment or business prospects, loss of credit
5. All personal injuries including anxiety, distress and inconvenience and disappointed expectations
6. Any and all losses related to bankruptcy and all other insolvency procedures
7. Claims for aggravated and exemplary damages
8. Claims for business interruption losses
9. Claims for the cost of litigation funding
10. Claims for restitutionary damages and/or any account of profit or other equitable remedies.
11. All other consequential losses, whether direct or indirect
12. All other losses which could have been claimed in the Action
13. Interest, costs and expenses
14. The Defendant's Counterclaims

Nothing in this Schedule shall be construed or taken to mean that a claim for Malicious Prosecution has been settled or compromised in any way.

## SCHEDULE 3

## CLAIMANTS WHO REMAIN IN POST AS SPMS

Claimant Number	First name/company name	Surname
6	<b>GRO</b>	
13		
22		
24		
26		
46		
49		
54		
56		
62		
67		
70		
87		
104		
111		
113		
131		
133		
137		
138		
141		
147		
150		
151		
173		
183		

Claimant Number	First name/company name	Surname
189	GRO	
202		
209		
212		
217		
218		
223		
224		
232		
243		
250		
252		
256		
268		
271		
288		
Anonymity Order		
Anonymity Order		
304	GRO	
309		
312		
317		
319		
326		
329		
332		
336		
342		
344		



Claimant Number	First name/company name	Surname
350		
355		
357		
371		
373		
375		
379		
381		
382		
388		
392		
400		
414		
417		
423		
424		
428		
433		
435		
437		
439		
443		
447		
448		
450		
453		
455		
458		
470		

Claimant Number	First name/company name	Surname
478	<h1>GRO</h1>	
491		
496		
502		
504		
521		
524		
525		
527		
534		
541		
545		
552		
556		
568		
578		
579		
580		
589		

## SCHEDULE 4

## DRAFT TOMLIN ORDER

## THE POST OFFICE GROUP LITIGATION

Claim Nos. HQ16X01238, HQ17X02637  
& HQ17X04248

IN THE HIGH COURT OF JUSTICEQUEEN'S BENCH DIVISION

BEFORE: The Hon. Mr Justice Fraser

B E T W E E N:-

ALAN BATES &amp; OTHERS

Claimants

– and –

POST OFFICE LIMITED

Defendant


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[Draft] TOMLIN ORDER

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UPON the parties reaching the terms of settlement set out in Confidential Schedule I to this Order in compromise of claims and counterclaims in these proceedings and related matters, save for claims referred to in paragraph 3 below

AND UPON the parties' joint application for grant of an order in the terms set out herein

AND UPON hearing Leading Counsel for the Claimants and Leading Counsel for the Defendant

BY CONSENT, IT IS ORDERED THAT:-

Stay of proceedings

1. Subject to paragraphs 2 to 3 of this Order, all proceedings in this action be stayed upon the terms set out in Confidential Schedule I to this Order, save for the purposes

of enforcement of those terms of settlement that are identified in Part A of Confidential Schedule II to this Order, for which purpose there be liberty to apply.

**Discharge of Group Litigation Order and discontinuance of claims**

2. The Claimants shall apply to discharge the Group Litigation Order dated 22 March 2017 and discontinue all claims in these proceedings with no further order as to costs by no later than 4pm on 31 January 2020, upon compliance with the requirements in Part B of Confidential Schedule II to this Order.

**Malicious prosecution claims by Convicted Claimants**

3. Neither the stay in paragraph 1 of this Order, nor the discontinuance provided for in paragraph 2 of this Order, shall prejudice the right of any convicted claimant to bring an individual claim for malicious prosecution which, for the avoidance of doubt, have not been compromised under the terms of Confidential Schedule I to this Order.

**Court file**

4. Confidential Schedules I and II to this Order shall not be available on the Court File for inspection.

**Security for costs**

5. The Claimants are released from any requirement under the Order for Security for Costs dated 27 September 2018 to give or maintain security for the Defendant's costs.
6. The Defendant's application dated 16 February 2018 to add Therium Litigation Funding IC as a party to this litigation and for security for costs pursuant to CPR r.25.14 is dismissed, with no order as to costs.

**Costs**

7. Save as previously ordered in these proceedings, there be no further order as to common or individual costs in these proceedings or as to any costs incurred prior to the date of this Order.

**Date:**



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100 Wellington Street  
Leeds  
LS1 4LT  
Ref: JXH/1684/2113818/1/KL

**Womble Bond Dickinson (UK) LLP**

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34-49 Commercial Road  
Southampton  
SO16 1GA  
Ref: AP6/364065.01369

Solicitors for the Claimants

Solicitors for the Defendant

## THE POST OFFICE GROUP LITIGATION

Claim Nos. HQ16X01238,  
HQ17X02637 & HQ17X04248

IN THE HIGH COURT OF JUSTICEQUEEN'S BENCH DIVISION

Before The Hon. Mr Justice Fraser

B E T W E E N:-

ALAN BATES & OTHERS

Claimants

– and –

POST OFFICE LIMITED

Defendant

---

CONFIDENTIAL SCHEDULE I  
TO TOMLIN ORDER

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Confidential Deed of Settlement between the parties dated [date]

**THE POST OFFICE GROUP LITIGATION**

Claim Nos. HQ16X01238,  
HQ17X02637 & HQ17X04248

**IN THE HIGH COURT OF JUSTICE****QUEEN'S BENCH DIVISION**

Before The Hon. Mr Justice Fraser

**B E T W E E N :-**

**ALAN BATES & OTHERS**

**Claimants**

– and –

**POST OFFICE LIMITED**

**Defendant**

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**CONFIDENTIAL SCHEDULE II  
TO TOMLIN ORDER**

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**PART A**

The following are the terms of settlement in the Confidential Deed of Settlement which are enforceable by the Court under Paragraph 1 of this Order:

1. Section 2 (Clauses 2.1 to 2.3);
2. Section 4 (Clauses 4.1 to 4.4);
3. Section 12 (Clauses 12.1 to 12.8); and
4. Section 13 (Clauses 13.1.2 and 13.1.3).

**PART B**

**The requirements referred to in paragraph 2 of this Order are:**

1. Receipt of the Cash Settlement Sum under Clause 2.1 of Confidential I to this Order;
2. Receipt by the Claimants' Solicitors of a letter from solicitors acting for the Defendant confirming that Leading Counsel has been instructed in accordance with Clause 7.3.1 of Confidential Schedule I to this Order;
3. Release of the Joint Press Statement referred to in Clause 12.1 of Confidential Schedule I to this Order;
4. Receipt by the Claimants' Solicitors of confirmation that the Defendant has established a mediation procedure for the purposes of Clause 9.5 of Confidential Schedule I to the satisfaction of Charles Flint QC and Stephen Ruttle QC.



## SCHEDULE 5

### PLAN FOR IMPROVEMENTS

- A. New On-boarding processes:**
1. **More Training** – in addition to on-site / in-branch training opportunities, classroom training is now available 5 days a week at 18 classroom sites across the country.
  2. **More Trainers** – the investment in training has increased, with a team now comprising 18 classroom-based trainers and 40 on-site / in-branch trainers.
  3. **New Training Modules** – new training modules have been introduced which target specific products (e.g. ATMs and Lottery), and branch accounting and balancing.
  4. **New Business Support Managers** – this new role has been created so that each new SPM has a dedicated Business Support Manager available to assist them during their first 6 months of service, with the option of further support after that time if required. There are 20 Business Support Managers.
  5. **New Handover Process** – Business Support Managers formally handover branch support activity to dedicated Area Managers once a capability assessment has been completed, which addresses matters including Horizon navigation, branch accounting and balancing, and cash declarations and management.
- B. New Branch Support model:**
6. **SPM Engagement** – new channels are being explored to increase the levels of engagement with SPMs which create opportunities to listen and share.
  7. **New Area Managers** – 94 new Area Managers have been deployed to support SPMs' day to day activities, providing each and every SPM with a named individual allocated to their branch, who will visit the branch through the course of the year and can be called on to discuss matters concerning their specific branch.
  8. **New Branch Support Tools** – a new set of tools is being developed to help SPMs with the health of their business as a whole (i.e. not just the Post Office), including P&L, customer experience and store design.
  9. **Increased Agent Remuneration** – a further £20m has been invested in agents' remuneration for 2020/21, on top of the £17m p.a. increases for banking, fixed remuneration for community branches, Mailwork services and Mails products.
  10. **Transaction Corrections** - new quality control has been implemented for clarity and accuracy in Transaction Corrections.
  11. **Transaction Correction Disputes Team** – a dedicated team has been mobilised to help SPMs if they do not agree with a Transaction Correction.
  12. **Tier 2 Branch Support** - dedicated Case Handlers have been appointed to investigate discrepancies if a Tier 1 call is unable to resolve the issue.
  13. **Horizon Knowledge Based Faults (KBFs, formerly known as KELs)** – work has been undertaken jointly with IT and Fujitsu to identify known faults from Knowledge Based Articles (KBAs) and Knowledge Based Information (KBI).
  14. **KBF Process** – a new process has been formalised which the Branch Support, Loss Prevention and Area Manager teams can use to help identify faults when a SPM reports a discrepancy.
  15. **Branch Insight Tool** – operational performance information is now available to all Area Managers and Branch Support teams to facilitate supportive discussions with SPMs around operational activity.

C. **New approach to Branch Losses:**

16. **End-to-end process review** – we have re-baselined all processes relating to branch losses including changes to discrepancy letters, options to dispute discrepancies and discontinuance of practice of automatically deducting from remuneration.
17. **New Loss Prevention Function** – a new business function has been established which is dedicated to mitigating risks of branch losses.
18. **Loss Prevention Case Workers** – a new team has been mobilised to administer the end-to-end audit process and maintain clear, consolidated and consistent information for each individual case.
19. **Audit Attendance** - all audits are now attended by a minimum of two auditors to promote consistency and accuracy.
20. **Audit Rationale Document** – a new document explaining why an audit has been scheduled is now shared with the branch operator at the start of an audit.
21. **Telephone Quality Assurance** – a new process has been implemented to receive post-audit feedback from branches.
22. **Revised case management process** - new processes have been introduced to improve speed of resolution for suspension cases.
23. **Contract management restructure** – teams have been restructured to improve decision-making speed and consistency in suspension, termination and reinstatement cases.
24. **Loss Recovery Call Monitoring** - telephone calls are now being monitored for quality and consistency.
25. **Retail Crime Support** – increased support is being provided to SPMs to promote security compliance and reduce retail crime risks.

## SCHEDULE 6

### TERMS OF REFERENCE

The following shall be the key terms of reference of the Historic Shortfall Group which may be supplemented and/or amended by written and countersigned agreement between the parties:

1. Post Office shall establish a group led by the Post Office General Counsel and/or a senior manager to deal with any issues in respect of shortfalls which arose between 2000 and the Effective Date of this Agreement (the "**Historic Shortfall Group**");
2. The purpose of the Historic Shortfall Group shall be to set up a scheme (the "**Historic Shortfall Group Scheme**") to bring finality to SPMs in respect of all outstanding issues in respect of shortfalls incurred between 1 January 2000 and the Effective Date of this Agreement ("**Historic Shortfalls**") and to determine, in light of the Common Issues Judgment and the Horizon Issues Judgment (once handed down) whether such shortfalls should be paid, repaid or written off;
3. **Notification:** Within 3 months of the communication to SPMs of the Historic Shortfall Group Scheme, any person wishing to apply to join that scheme (the "**Applicant**") shall notify Post Office in writing of any outstanding issues in respect of historic shortfalls setting out the basis for the application with sufficient evidence. This should be addressed to the Office of the General Counsel and may be sent by post or personal delivery to Finsbury Dials, 20 Finsbury Street, London, EC2Y 9AQ;
4. **Information:** Within 14 days or as soon as is reasonably practicable, the parties shall provide each other with any obviously relevant information relating to the dispute and any information reasonably available that the other party may request – the parties shall cooperate in identifying such relevant information;
5. **Evaluation and investigation:** The Historic Shortfall Group shall evaluate and investigate each case and establish a mechanism for the provision of further information if required;
6. **HSG Good Faith Meeting:** As soon as is practicable the Historic Shortfall Group shall meet with the Applicant and endeavour to resolve in good faith all issues regarding any outstanding shortfalls in good faith and in a manner that takes into account the legitimate interests of Post Office and the Applicant (the "**HSG Good Faith Meeting**");
7. **HSG Escalation Meeting:** If the dispute is not resolved as a result of the HSG Good Faith Meeting, either party may within 21 days escalate the dispute to a member of the Defendant's senior management to be nominated by the CEO or the General Counsel who will meet with the parties to seek to resolve the dispute (the "**HSG Escalation Meeting**");
8. **Mediation:** If the dispute is not resolved as a result of the HSG Escalation Meeting, the parties agree to seek to resolve the dispute under the cost-effective and accessible mediation scheme as established by the Defendant;
9. **HSG Small Disputes:** All Disputes for sums totalling not more than £10,000 which are not resolved at or as a result of the Mediation, shall be resolved by recourse to civil proceedings in the County Court pursuant to the Small Claims Track and shall be subject to the fee scale applicable thereto and the parties agree not to seek reallocation of the proceedings to the Fast Track or the Multi Track;
10. **HSG Larger Disputes:** All Disputes for sums totalling in excess of £10,000 which are not resolved at or as a result of the Mediation, shall be referred to and finally determined by arbitration under the Arbitration Act 1996. The appointing authority shall be Charles Flint QC and Stephen Ruttle QC, the number of arbitrators shall be one, the seat of arbitration shall be London, England and the language of the arbitration shall be English.



## SCHEDULE 7

## JOINT PRESS STATEMENT

The Parties to the Group Litigation in Bates v Post Office are pleased to report that they have reached a comprehensive resolution to their long-running litigation in the High Court, following several days of respectful, challenging, and ultimately successful mediation during which the parties engaged with each other in good faith.

The Post Office would like to express its gratitude to claimants, and particularly those who attended the mediation in person to share their experiences with us, for holding us to account in circumstances where, in the past, we have fallen short and we apologise to those affected.

The Post Office is committed to applying the lessons it has learnt. Its new Chief Executive Officer, who joined in September and led this drive to a mediated resolution, is undertaking an ambitious and sustained programme of changes to the Post Office's relationship with postmasters whose role we recognise as being core to our future success. We look forward to working in genuine partnership with postmasters to seize the opportunities ahead of us and to continue to serve communities across the country.

Post Office Chairman, Tim Parker, said:

*"We are grateful to the claimants for taking part in this mediation and agreeing a settlement, bringing the Group Litigation to a close. I am grateful to Nick Read for his important engagement in the mediation process. We accept that, in the past, we got things wrong in our dealings with a number of postmasters and we look forward to moving ahead now, with our new CEO currently leading a major overhaul of our engagement and relationship with postmasters."*

Nick Read commented:

*"I am very pleased we have been able to find a resolution to this longstanding dispute. Our business needs to take on board some important lessons about the way we work with postmasters, and I am determined that it will do so."*

*We are committed to a reset in our relationship with postmasters, placing them alongside our customers at the centre of our business. As we agree to close this difficult chapter, we look forward to continuing the hard work ahead of us in shaping a modern and dynamic Post Office, serving customers in a genuine commercial partnership with postmasters, for the benefit of communities across the UK."*

Alan Bates commented:

*"The Steering Committee would like to thank Nick Read, the new CEO of Post Office, for his leadership, engagement and determination in helping to reach a settlement of this long running dispute. During the mediation, it became clear that he intends to reset the relationship between the Post Office and its Subpostmasters and put in place new processes and support for them, as part of a wider programme of improvements."*

*It would seem that from the positive discussions with Post Office's new CEO, Nick Read, that there is a genuine desire to move on from these legacy issues and learn lessons from the past."*