POST OFFICE ®

Post Office Limited
Postmaster Litigation Subcommittee

MINUTES OF A MEETING OF THE POSTMASTER LITGATION SUBCOMMITEE OF POST OFFICE LIMITED (THE "COMPANY" OR "POL") ON TUESDAY 10 JULY 2018 AT 11.00 AM AT 20 FINSBURY SREET, LONDON EC2Y 9AQ

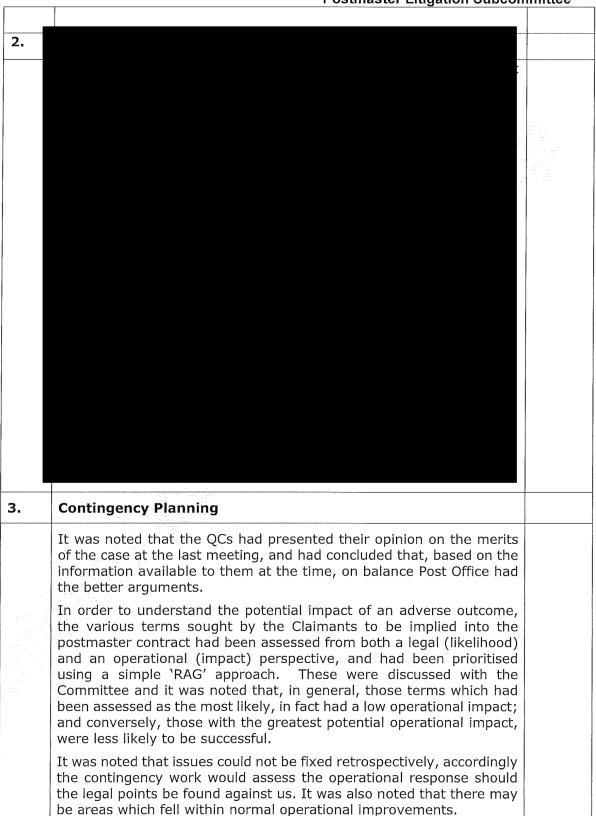| Present:	Tim Parker	Chairman **(TP)**
	Paula Vennells	Chief Executive **(PV)**
	Ken McCall	Senior Independent Director **(KM)**
	Tom Cooper	Non-Executive Director **(TC)**
	Alisdair Cameron	Chief Financial and Operations Officer **(AC)**
In Attendance:	Jane MacLeod	General Counsel & Company Secretary **(JM)**
	Veronica Branton	Minute Secretary **(VB)**
	Andy Parsons	Partner, Womble Bond Dickinson **(AP)**
	Angela Van-Den-Bogerd	Network Change Operations Manager **(A VDB)**
	Rodric Williams	Head of Legal: DR & Brands **(RW)**
	Mark Underwood	Head of Portfolio: Legal, Risk & Governance **(MU)**
Apologies:	None	

These minutes contain legally privileged information

1.	**Update on Court Process**	ACTION
	Andy Parsons and Rod Williams provided an update on the Court process.	
	Witness statements in relation to the Common Issues trial were due to be exchanged during September and once received, the Claimants' statements would be carefully reviewed. There had been ongoing discussion with the Claimants' lawyers as to the scope and extent of disclosure[1], however, the Post Office view was that we had complied with the narrower approach mandated by the Court. Information continued to be exchanged in relation to the Horizon trial and we were responding to a significant number of technical questions, although a number of these questions appeared to be either out of scope or would require identification and disclosure of an unmanageably large or wide ranging number of documents. All technical documents were being reviewed and the IT experts were working with assistance from Fujitsu. Cost management discussions had been taking place with a view to establishing the basis for the application for security of costs. We were seeking security to mitigate the risks with the existing 'After the Event' insurance policy, and litigation funding through an off shore hedge fund.	

[1] We had disclosed over 200,000 documents.

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Postmaster Litigation Subcommittee

2.		

3.	**Contingency Planning**	
	It was noted that the QCs had presented their opinion on the merits of the case at the last meeting, and had concluded that, based on the information available to them at the time, on balance Post Office had the better arguments.

In order to understand the potential impact of an adverse outcome, the various terms sought by the Claimants to be implied into the postmaster contract had been assessed from both a legal (likelihood) and an operational (impact) perspective, and had been prioritised using a simple 'RAG' approach. These were discussed with the Committee and it was noted that, in general, those terms which had been assessed as the most likely, in fact had a low operational impact; and conversely, those with the greatest potential operational impact, were less likely to be successful.

It was noted that issues could not be fixed retrospectively, accordingly the contingency work would assess the operational response should the legal points be found against us. It was also noted that there may be areas which fell within normal operational improvements. | |

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The Committee noted that the assessment very helpful. It was agreed that it would also be useful to see the interdependency between the items **(Action: Angela Van-Den-Bogerd)**. And that updates would be provided at each meeting. It was noted that the updated merits opinion should be available towards the end of September and would need to reassess the issues at this point.

It was also noted that the legal advice had cautioned against changing the contract in advance of the trials. It was noted that contractual changes potentially required prior discussion and negotiation with NFSP and there were therefore significant risks to commencing this process until the judgement had been received and it was clear what, if anything, needed to be addressed.

GRO

Chairman

25|9|11

Date