



POST OFFICE LIMITED BOARD MEETING
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MINUTES OF A MEETING OF THE POSTMASTER LITIGATION SUB-COMMITTEE OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON MONDAY 28 JANUARY 2019 AT 20 FINSBURY STREET, LONDON EC2Y 9AQ AT 16.00 HRS

Present:	Tim Parker Paula Vennells Ken McCall Tom Cooper Alisdair Cameron	Chairman (TP) Chief Executive (PV) Senior Independent Director (KM) Non-Executive Director (TC) Chief Financial and Operations Officer (AC)
In Attendance:	Jane MacLeod Veronica Branton Andy Parsons Angela Van-Den-Bogerd Rodric Williams Paula Vennells Ken McCall Tom Cooper Alisdair Cameron	General Counsel & Company Secretary (JM) Minute Secretary (VB) Partner, Womble Bond Dickinson (AP) Business Development Director (A VDB) Head of Legal: DR & Brands (RW) Chief Executive (PV) Senior Independent Director (KM) Non-Executive Director (TC) Chief Financial and Operations Officer (AC)
In Attendance:	Jane MacLeod Veronica Branton Andrew Parsons Angela Van-Den-Bogerd	General Counsel & Company Secretary (JM) Minute Secretary (VB) Partner, Womble Bond Dickinson (AP) Network Change Operations Manager (A VDB)

ACTION

1. WELCOME AND CONFLICTS OF INTEREST

A quorum being present, the Chairman opened the meeting.

The Directors declared that they had no conflicts of interest in the matters to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 and the Company's Articles of Association.

2. UPDATE

Common Issues trial judgment

Jane MacLeod reported that we had still not received the Common Issues trial judgment and did not know when it would be published.

Horizon trial

The Horizon trial would start on 11th March 2019. The trial would be largely decided on expert evidence. The claimants' side had posted some witness evidence. We had some issues with the evidence submitted by the claimants' expert witness and would like Fujitsu to be able to submit some counter evidence but would need permission to serve an additional witness statement. The main reports of the expert witnesses had already been filed and supplementary reports were due to be filed at the end of the week. The pre-trial review would be held on 22 February 2019.

A further briefing from the QCs on their view of the evidence and a further briefing for BEIS/ UKGI was requested. **JM**

The claimants' position was that the Horizon system had bugs, that there could have been more bugs and these bugs could have caused the errors/ losses in the claimants' branches.

Our expert witness was saying that there were bugs in the Horizon system, as would always be the case in IT systems, but given the volume of the transactions through the



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system it did not seem probable that these could have caused the errors/ losses in these branches.

Breach trial

The Breach trial would consider whether we had breached any of our legal obligations. It was hard to understand what these duties were until we had received the Judgment from the Common Issues trial.

Mediation

The Judge was approaching mediation on the basis of there being a third trial unless there had been a settlement prior to this.

The requirements to attempt mediation were discussed. It was reported that both sides recognised that it would be better to have received the Common Issues trial judgment and the Horizon trial judgment before entering mediation. We would need to appoint a mediator together but the claimants' side had not accepted either of the names we had put forward because they were not QCs.

Potential "red lines" in relation to mediation were discussed. These might include:

- 1) anyone who had a criminal conviction
- 2) anyone whose claim would not be heard because of the Criminal Limitations Act
- 3) any individual who was not or had not been a Postmaster.

It was noted that we were mandated to try and mediate and wanted to demonstrate that we were trying to do what the judge had asked us to do. Whether we could actually proceed with mediation would depend on our ability to agree what could be mediated on with the claimants' side.

There was a further question of whether the Judge would be prepared to stay the Horizon trial if the claimants' side appealed the Common Issues trial because this was seen as the best way for the claimants to achieve justice if the claimants' backer did not wish to continue funding the case.

We had analysed the points on which we were most likely to want to appeal if they were not found in our favour; however, this was hard to do in advance of the Judgment and would depend in part on the language used by the Judge. We would notify the Board when the Judgment was received under embargo. We would then provide a quick overview of the main points, followed by a more considered analysis. There would be 21 days in which to lodge an application to seek leave to appeal. We would need to engage with UKGI on whether we wanted to appeal and if so the grounds of appeal. Because the case was so complicated we did not think the Judge would state initially who would be expected to pay the costs associated with an appeal.

The Judge could turn down the right to seek leave to appeal but that request could be referred to another court.

The meeting closed at 17.00 hrs.

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Chairman

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Date