

ANNEX A: Draft information-sharing provisions for Framework Document

Reporting performance, information exchange and confidentiality

Section 14 - Shareholder's right to information

14.1 POL will endeavour proactively to share information on key strategic or policy issues with the Shareholder. In addition, under the Articles (Articles 12A and 12B), the Shareholder may *"request such information in relation to the affairs of the group ... as it may consider necessary or desirable. The company shall use its reasonable endeavours to comply promptly ... but only in so far as the company has such information within its possession or such information can reasonably be obtained by it"* and may meet with *"such specified or other relevant directors and senior managers of the company ... to discuss the affairs of the group"*. The Shareholder may make such requests itself or via the Shareholder's Representative or Policy Sponsor. The Shareholder, Shareholder's Representative and Policy Sponsor may use the information as necessary to properly exercise the shareholder function on the understanding that due care will be taken in handling POL's information, as set out in paragraph 16 below. The appointment letter for the Shareholder NED contains further provisions specifically on the sharing of confidential information between POL and the Shareholder NED.

14.2 Notification - POL's Board shall, prior to taking any final decision on a Relevant Issue (as defined in paragraph 6.10 below), give the Shareholder written notice setting out all relevant details of the Relevant Issue and the preliminary decision (if any) reached by the Board, not less than ten Business Days before the taking of any such final decision.

An issue is a "Relevant Issue" if, in the reasonable opinion of the Board:

- (i) it is not set out in reasonable detail in an approved [Group Business Plan];
- (ii) it is an issue which may have a material adverse effect upon the business or financial prospects of the Group or any Group Company; or
- (iii) it relates to regulatory matters, such as any Group Company being referred for regulatory investigation by a relevant regulatory authority.

Section 15 - Reporting performance to the Shareholder

Regular reporting against the targets and budgets set out in the Strategic Plan

15.1 As well as meeting, and subject to, the requirements set out in the Entrustment Letter and the Funding Agreement, on a quarterly basis POL shall provide a report via the Shareholder's Representative setting out:

- (i) a summary of its performance over the previous quarter;
- (ii) information on its expected draw-down on any available SGEI Payment for the remaining duration of the strategic plan referred to in the Funding Agreement; and
- (iii) an update on delivery against its approved business cases.

15.2 POL shall provide a regular update, typically on a quarterly basis, on the performance of its branch network against the Overall Aims set out in the Entrustment Letter (*see paragraph 2.2 above*), to enable the Shareholder's Representative to assess compliance. POL will inform the Shareholder Representative ahead of such quarterly updates if POL fails to meet the objectives set out in paragraph 2.2 of this Framework Document.

POL's information

15.3 The Shareholder and Shareholder's Representative each acknowledge that they shall ensure that:

- (i) Any information received or obtained from POL (including any Special Category Information as defined in paragraph 16.4 below) shall be treated as strictly confidential; and
- (ii) any such information is treated with at least the same degree of care that it uses for its own confidential information.

Reporting on legal risk and litigation

15.5 Notwithstanding the provisions of any protocol agreed under the terms of paragraph 16.2 below, POL shall also provide a quarterly update to the Shareholder's Representative on any active litigation and any threatened or reasonably anticipated litigation.

Section 16 - Special categories of information

Legally Privileged Information

16.1 The parties acknowledge the importance of maintaining the status of legally privileged documents, while at the same time ensuring that legal risks are communicated appropriately to the Shareholder.

16.2 In respect of any substantial piece of litigation involving POL, the parties will agree a litigation protocol which will include specific provisions to ensure the protection of legally privileged information which may be transmitted to the Shareholder from time to time in relation to that litigation. The parties will ensure that:

- (i) legally privileged documents and information are clearly marked as such;
- (ii) individual employees handling the privileged documents and information (including documents and information which are not marked legally privileged but by their nature are legally privileged or which the recipient knows or ought reasonably to know is legally privileged) are familiar with principles to which they must adhere to protect legal privilege; and
- (iii) circulation of privileged documents and information within HMG is kept to the minimum necessary.

Requests for Disclosure

16.3 For the purposes of this section, Special Category Information shall mean:

- (i) legally privileged information; and
- (ii) commercially sensitive information, in each case as marked by POL ("LEGALLY PRIVILEGED" or "COMMERCIALY SENSITIVE", as relevant) prior to the distribution of such information to the Shareholder or the Shareholder's Representative, or which is not marked as such but which by its nature is legally privileged or commercially sensitive information or which the recipient knows or ought reasonably to know is legally privileged or commercially sensitive information.

16.4 The parties acknowledge that the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (SI 2004/3391) (EIR) potentially apply both to information disclosed by POL to the Shareholder or the Shareholder's Representative and to information held by POL that is not disclosed to the Shareholder or the Shareholder's Representative. If the Shareholder or the Shareholder's Representative receives a request for the disclosure of any information that includes within its scope Special Category Information, it shall:

- (i) inform POL of the request; and
- (ii) allow a reasonable period for representations to be made by POL as to whether prejudice to its interests would occur were the Special Category Information to be disclosed, provided that POL shall make such representations within 10 Business Days from the date of the notification by the Shareholder or the Shareholder's Representative.

16.5 The Shareholder or the Shareholder's Representative will have regard to any representations received pursuant to the above part (ii) but retain sole discretion as to whether any Special Category Information falls to be disclosed under FOIA or EIR.