

Message

From: Alisdair Cameron; [REDACTED] **GRO**
on behalf of Alisdair Cameron; [REDACTED]
Sent: 07/06/2019 13:34:12
To: Watts, Alan; [REDACTED] **GRO**; Massey, Kirsten; [REDACTED] **GRO**; Ben Foat
 [REDACTED] **GRO**; Thomas Cooper; [REDACTED] **GRO**; Tim Parker
 [REDACTED] **GRO**
Subject: GLO pre meet and sub committee - legally privileged and confidential

I spoke to Alan this morning and this is where I think we are. Alan can correct.

1. Appeal. The legal team is keen to submit the appeal on the common issues judgement. Alan will circulate an overview this afternoon. The grounds have been substantially narrowed and overseen by our new QC. The Judge has not yet published his reasons for refusing leave to appeal and therefore we may have a third, public kicking to come, especially as he must, apparently, be kept unaware of our latest grounds. I have asked Alan to look at a statement we can make to say "This is an historical issue, we have listened and the grounds of appeal have substantially narrowed...". We should certainly pre-brief this to the shareholder and I am interested in sharing it publicly if we think we can.
2. Horizon trial. Not a bad week but we do expect next week when our expert witness is called to be rough. There has been some useful reinforcement of the effectiveness of the system which is important to us, if slightly irrelevant to the case. We are working on a Postmaster campaign from July for several months to reinforce the value of the partnership.
3. Settlement. Alan is working through a plan to go into mediation, seeking settlement thereafter. The mediation may be unlikely to produce an outcome but it will enable us to test the claims and form a view on settlement and demonstrate to the Judge, who has commented on the duration and cost of the case, that we are open to a quicker outcome.
4. ARA. While we are probably right to stay as we are: just guessing at numbers so shouldn't provide, I have asked Alan to think through an alternative route. We could try and calculate a number that would be the starting point for mediation: reduced number of claimants (after taking out the people who have already settled, waited longer than 6 years, had criminal convictions etc); and claims limited to contractual rights. We could look at providing this in the ARA on the grounds of good accounting, signal that we are changing and signal to the Judge.
5. Working practices etc. We will update the Board on plans and progress in July.
6. Good bank/bad bank. At the right point, we will need to decide how we address new but historical claims, which we are starting to see around pay in periods of suspension. The choice will be around managing them internally and setting up an independent process. I think it's too early to make this judgement but we can talk that through.
7. KT meeting. I haven't seen a proper date yet although Tim and I have a standard 30 minutes on 25th. There is clearly very serious disquiet: have we really changed; are we running it properly; how much will it cost; and who will pay for it? We need to agree pre-read and approach. My belief is that our focus should be on (a) demonstrating that we have already changed approach with some explanation of why it has taken this long (b) demonstrated a new approach to settlement and mediation and explain the routes forward (c) explain the range of costs and how this would be funded. My preference is for (c) to be verbal.

We have a GLO sub-committee on Wednesday which will be limited because Alan, the new QC and Tony, the Horizon QC are all unavailable. I am keeping it in so we can run through the KT meeting and Tom, you and I have a dry run on Tuesday.

My suggestion for a Wednesday agenda is

1. Update – Kirsten
2. Discuss the approach and timings around 3 above, mediation and settlement
3. Discuss the approach to 4, ARA
4. Agree an agenda and approach to the KT meeting with draft pre-read (Ben and Kirsten) and verbal updates on numbers
5. Agree the next meeting date with updates from Helen and Tony

Comments appreciated Al



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