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Sent: Sun 23/02/2014 9:11:07 AM (UTC)

To: Paula Vennells [GRO]

Cc: Chris M Day [GRO]; Martin Edwards [GRO]
Angela Van-Den-Bogerd [GRO]; Belinda
Crowe [GRO]; Mark R Davies [GRO]

Subject: RE: Board papers - questions

Hi Paula - and equal apologies for lack of grammar on my part; I am on train between St Anton and Innsbruck at the moment and it is a bit bumpy! As requested, my very hurried thoughts and comments are set out below. Apologies if this crosses with anything Belinda has sent, - I have suffered from a lack of Wifi and 3G access, so am sending this blind as to what anyone else may have sent! I also know that Belinda only has BB access at the moment, so her comments may be fairly brief at this stage.

Cheers

Chris

From: Paula Vennells

Sent: 21 February 2014 17:32

To: Angela Van-Den-Bogerd; Belinda Crowe; Chris Aujard; Mark R Davies

Cc: Chris M Day; Martin Edwards

Subject: Board papers - questions

Hi there, thank you for what is clearly a great deal of work!

And as I am using up my holiday to go through all this, please excuse the brevity/lack of grammar etc....

Questions as follows:

BSP paper (Angela)

- how does 3.2 relate to 5.1? i.e., a long list of areas vs 9 workstreams?
- 6.1 £9m potential benefit: I assume as he has checked the papers that Chris D is comfortable with this - it is risky giving the Board a figure before the ExCo has signed off a business case. Pls can I have a breakdown of how we get to £9m. If it is validated, even approximately, is it in the scope of Colin's cost reduction programme? And/or Brian's BTr?

ICR/Mediation paper (Belinda & Chris A & Mark) • serious query: is there anything going well? Not at all looking for it if not, but (rightly) this paper sets out many risks (very well thank you). It would be good to voiceover any positives. (Don't find them if not there.) **Belinda will have views. There is clear engagement by JFSA and SS and the matter has been kept out of the press and (one assumes) largely off the radar as far as MPs are concerned.** • 3.1 legal assurance process more complicated (therefore adding time), why? **There are 2 issues here. The first is to make sure that nothing in the reports could inadvertently be read as an admission that (there are grounds for) a criminal conviction being considered unsafe; the second is to make sure that in trying to sound more conciliatory, we don't over step the mark and create future problems for ourselves.** Have we resolved the Fujitsu issue? I would have to defer to Belinda, but I had thought that Fujitsu had now responded to requests to try to speed up the retrieval of data. **That said, there are I understand systems limitations** Who are the new investigators referred to (internal)? **Yes, borrowed mainly from Kevin's area with some from John Scott's.** And are they ok?

- 3.2 how do we/will we know our report quality is ok? **I think that the reference here to the QA process is more a reference to presentational matters and explaining matters so that a non-expert can understand them. The quality of the reports is very clearly much, much better than it was.**
- 3.3 draft report stage for who? PO or SS? **The idea here is that we get the opportunity to comment on SS's draft report, before it finalised.**

- Settlement claims policy - did CA/CD sign this off (is it draft or confirmed) and are CD/CA comfortable to talk to it if we have questions? **Yes** I remember the steering group looked at a BDickenson proposal - could you remind me of the content and the principles behind how we decided on the different levels? **Will need to dig it out on Monday** Has it been shared with the working group or advisers? **Definitely not! Two reasons: the first it is only a guide, and with experience we may wish to change some of the parameters. The second is that it may encourage "gaming" the system, which we definitely want to avoid.**
- 3.5 advisers negotiating: what did we make clear in the details of the mediation scheme? **Would need to check on Monday, but my memory is that it wasn't very detailed. Belinda?** Eg., no consequential losses, no right of compensation, etc, etc? I.e., what could we go back and remind advisers/Spmrs of, in order to stop scope creep and manage the expectation gap? It seems to me we need to be very clear that if there are expectations that cannot be handled within the boundaries of mediation, then the Spmr needs to consider other action. If however, we said that, could it lead to class action? **The ability of an SPMR to bring a further action will only be effectively sterilised to the extent that he/she signs a settlement agreement of some sort, which will only happen at the end of a successful mediation. Otherwise, all their rights are retained, if that makes sense!** I am sure the Board will want to understand more on this. I do.
- 3.6 potential cost £10m+ serious. When we went into this, the motivation (Alice and me) was to find out what was really going on to create so much noise and to put in place processes that we felt were closer to the way we wanted PO to be run (more supportive) going forwards. The system that was in place at the time was when we were a division of RM and accountable to their Legal and Security Directors. Sparrow was our opportunity to reset the dial for PO as a stand alone business. We did not intend it to result in major compensation for policies that were followed and applied to thousands of others who did not have problems, and which were operating in a different corporate context. We seem to have lost this focus and I am looking for advice on how we regain it. It should be part of the SS/TH pre-meet in Monday. And will be a question from the Board. (Chris, Mark, Belinda).
- 3.7 what is the wider scope the working group want to go for? **Belinda will have better notes than me. JFSA have been a little vague, but keep referring to matters that were recorded in Hansard. This potentially could bring in the work that SS say that are mandated to do for MPs. In any event, at a minimum, they want it to cover the preparation of final report.**
- 3.9/10 what did we agree for advisers on fees? **There is a very limited amount payable for each of the preparation of the case questionnaire, and for attending the mediation. Can you recall the figures off-hand, though Belinda may have them.** Can we go back and reconfirm this and the nature of mediation? Have they all signed up for scope and fees? What is the point re TH and engaging him re advisers?

Prosecution paper (Chris A & Mark)

- 3.3 3rd bullet: why don't we know 31 were subject to some kind of recovery process? Presumably poor record keeping? **Would defer slightly to Belinda, but my feeling is in part, and in part the way that matters are cross-referenced (or not).** Do we now have the correct systems in place?
 - 3.4 if we are likely to take forwards fewer of the stacked cases - what is the reason and what is the comms line to explain that? Presumably this is genuinely a PO view of lessons learnt and/or closer to the supportive mutual culture we want in place. If we were to explain it like that, does it then lead to a need for further disclosure re past legal cases - presumably not as they were subject to the policy at the time? **Correct, and double checked with Brian Altman QC.**
- How quickly can we move on stacked cases? **Very quickly, once the Board makes a definite decision on the prosecutions policy.** I am uncomfortable keeping people waiting - this will be a big deal for some of them and stressful. **Agreed**
- Comms appendix: is there a 'higher ground' statement ref my point 3.6 above?

Thanks again everyone. This feels particularly difficult and I am grateful to you for all the time and effort and support you are putting into this. There was and still is a good reason for us seeing this through, and Angela's paper also points to it.

Paula

Sent from my iPad