WITN10010100

Witness Name: Jane Elizabeth MacLeod

Statement No. WITN10010100

Dated: 30 April 2024

THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF JANE ELIZABETH MACLEOD

I, Jane Elizabeth MacLeod, say as follows:

INTRODUCTION

1. I am a former employee of the Post Office Limited ("**POL**") and held the position of General Counsel ("**GC**") from 19 January 2015 to 31 May 2019.

2. This witness statement has been prepared in response to a request made by the Post Office Horizon IT Inquiry (the "**Inquiry**") pursuant to Rule 9 of the Inquiry Rules 2006, dated 19 January 2024 (the "**Request**").

SCOPE AND CONTENT OF THE REQUEST

3. The Request covers the following topics:

   (a) My background, recruitment, and subsequent career

   (b) Overview of roles and responsibilities

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(c) POL legal department

(d) POL corporate governance

(e) Knowledge of the Horizon IT System

(f) Project Sparrow and the Mediation Scheme

(g) Review of criminal convictions: initial stages

(h) Project Sparrow after the closure of the Working Group

(i) Response to Panorama

(j) Tim Parker's appointment and the Swift Review

(k) Dalmellington Bug

(l) Brian Altman KC's 2016 advice

(m) Project Bramble

(n) The Group Litigation

PREPARATION OF THIS STATEMENT

4. I have been assisted in preparing this statement by BDB Pitmans LLP, who act for me in a personal capacity.

5. The Inquiry has requested that I address certain questions. I have copied or paraphrased (where clearer to do so) the relevant questions into the headings and sub-headings of the sections of this statement that answer the respective question. I have endeavoured to not phrase this as a "Q&A" and tried to prepare as clear a narrative and factual account as I can recall, with the assistance of the documents the Inquiry has provided me.

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6. I have retained no documents from my employment at POL. I have therefore been reliant on my memory of events from up to 9 years ago, or as a result of being prompted by the documents provided to me by the Inquiry. As part of the Request, I have been provided with 272 documents, running to around 3,500 pages. However, I wish to note that the documents provided to me by the Inquiry to date do not, of course, comprise the complete correspondence or documents from the relevant time or relating to the respective issues. I have therefore done the best I can to address the questions asked of me, based primarily on the documents provided to me by the Inquiry. To the extent that my recollection diverges with any contemporaneous documents that are subsequently produced, this is unintentional and is simply borne by the passage of time and my review of the documents provided to me.

7. Those documents which are expressly referred to in this statement are listed in the index accompanying this statement.

8. I understand from correspondence BDB Pitmans has had with members of the legal team for the Inquiry, and the solicitors acting for POL, that POL has waived legal professional privilege in matters addressed in this statement.

9. I have at the front of my mind the seriousness of the issues and events being investigated by the Inquiry and I am acutely aware of the human impact underpinning the Inquiry's work. I have had limited contact with POL or its employees since leaving its employment, but I have read media reports from time to time as the Inquiry has progressed. I support the Inquiry's work and am

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keen to assist in its investigation. I am very aware that the decisions in which I was involved during my time at POL regarding the Group Litigation and the investigation of Horizon's performance and robustness have had implications for many subpostmasters and their families. I regret that this has happened and apologise to those so affected for the adverse outcomes they have suffered.

MY BACKGROUND, RECRUITMENT, SUMMARY OF ROLE AT POL, AND SUBSEQUENT CAREER

My background and qualifications prior to joining POL

10. I obtained a Bachelor of Arts degree (BA) in 1983, and then a Bachelor of Laws (LLB) in 1985 from the Australian National University. I undertook articles at Macphillamy Cummins & Gibson, in Canberra, Australia and was subsequently admitted as a Solicitor of the Supreme Court of New South Wales, Australia in February 1985. I joined Minter Ellison Solicitors in Sydney in early 1986 initially in the Intellectual Property team, and later joining the Corporate and Commercial team. In October 1988 I moved to the United Kingdom and joined Simpson Curtis in Leeds for 18 months focusing on corporate and mergers and acquisitions. In 1990 I moved to London and joined Wilde Sapte Solicitors. I was admitted as a solicitor in England and Wales in September 1993. In October 1996 I moved back to Australia and from July 1997 I undertook a legal contract role with AMP Limited, an investment firm, and in July 1998, I then re-joined Minter Ellison Lawyers in Sydney (where I had previously worked).

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11. In January 2001 I relocated back to the United Kingdom and from June 2001 to the end of 2005, I held various Senior Legal Counsel roles at AMP (UK) Limited and its successor Henderson Group Plc. From March 2006 to November 2014, I held various legal roles at Pearl Group Limited (which in due course became Phoenix Group Holdings) and was appointed General Counsel in 2009. All of these roles were based in the United Kingdom.

12. With the exception of some limited personal injury litigation work during my articles in 1985, I undertook no criminal or civil litigation work in any of the roles referred to above. I would describe myself as a corporate lawyer, with significant experience of managing a legal function within the financial services environment.

My recruitment by POL

13. I was approached in February 2014 via a headhunter, Tungsten Noble, who had been appointed by POL to conduct a search for candidates for the role of GC. My recollection is that POL was looking for someone with a financial services background and the role was positioned as being responsible for manging the Legal, Company Secretariat, Internal Audit, Risk and Compliance, and Security Teams. I exhibit the job description I was provided at the time as **WITN10010101**.

14. The process was overseen by the POL HR Director and his team and it involved multiple interviews with POL senior executives, including: Martin George (Chief Commercial and Marketing Officer), Nick Kennett (Financial Services Director),

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Kevin Gilliland (Network and Sales Director), Paula Vennells (Chief Executive Officer ("**CEO**")), and Virginia Holmes (the then Chair of the Audit and Risk Committee). The briefing process covered the whole of POL's business which at the time included mails, government services, telecoms and financial services. The Initial Complaint Review and Mediation Scheme (the "**Scheme**") was referenced in discussions but did not have a greater focus than any of the other areas of the business. The whole recruitment process took around 10 months. I signed my contract on 9 December 2014, and took up my role on 19 January 2015.

The reasons for Mr Aujard's departure and handover

15. I was aware that Chris Aujard was employed as an Interim GC on a fixed term contract. Whilst that contract was extended pending my appointment, it came to an end shortly after I commenced the role, so as to enable a short handover period. My recollection is that POL had suggested a 3-month handover period. However, as it was becoming confusing having two people in the role of GC, Mr Aujard and I agreed, with POL's support, that after approximately 4 to 6 weeks, he would not be required to work the full 3 months in the office, and was thereafter available to me from home if required pending expiry of his contract. I cannot recall whether for that remaining period of his contract I did in fact speak to him about anything specifically.

16. My handover included briefings from Mr Aujard, as well as from the heads of each of the functions that reported to me, and other experts on specific topics. I cannot now recall the nature and extent of those briefings, but I relied on them

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to update me on the current matters they considered appropriate to brief me on. Those experts also provided me with relevant reading materials. I cannot recall specific details of the various reading materials provided to me, but I do recall asking for and receiving the most recent Strategy papers and copies of recent papers presented at the Group Executive and Board.

17. During my handover I also met with members of the Board, POL's external audit partner, and Simon Richardson, Senior Partner at Bond Dickinson. During my time at POL, Bond Dickinson changed its name to Womble Bond Dickinson but, for ease, I will refer to them as Bond Dickinson throughout this statement.

Brief summary of the roles I held whilst employed by POL

18. I joined POL as its GC on 19 January 2015. My role was also referred to as Director of Corporate Services to reflect the fact that my responsibilities were more extensive than the legal function, encompassing a wide range of corporate services as set out in more detail in the paragraphs below, which identify and expand on those additional roles. During my time at POL, my formal title changed, which I explain below.

19. I was Company Secretary of POL from 31 August 2017 until 31 May 2019.

20. I was never at any point a director of POL.

21. I was a Director of Post Office Management Services Limited ("**POMS**") (the regulated financial services subsidiary of POL which trades as Post Office

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Insurance) from 31 August 2015 until 20 March 2018. I was the Company Secretary of POMS from 31 August 2017 until 31 May 2019.

Professional career since leaving POL

22. Following my role at POL, I returned to Australia in October 2020 and on 1 March 2020 was appointed General Counsel & Chief Risk Officer for the Asia and Pacific region of FNZ Australia Pty Limited, a Fintech company. From 1 September 2022 to 31 March 2023 I was seconded to the Group holding company FNZ Limited as Interim Group Chief Risk Officer for the FNZ Group. I left FNZ on 31 August 2023. I am not currently in paid employment. I continue to reside in Australia.

OVERVIEW OF ROLES AND RESPONSIBILITIES

23. In this section I address the roles and responsibilities I had whilst employed at POL.

24. I considered the role of GC was to ensure that the relevant officers and employees of the organisation were provided with timely legal advice when requested, and that they were aware of the legal risks associated with their decision making. It was not for me to make the decisions on business operations for them, rather I saw my role as a facilitator and advisor in that process.

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25. When I joined POL, the GC role was responsible for managing the Legal, Company Secretariat, Risk, Internal Audit, and Security Teams. These teams were collectively known as the 'Corporate Services' directorate of POL, and as such I was also known as the Director of Corporate Services, which was an executive role. I was not a statutory director of POL, rather the title 'Director' was to indicate that I had day-to-day responsibility for managing this area of POL's business. I was a member of the Group Executive (originally called the Executive Committee or 'ExCo') which is the senior leadership team accountable to the CEO for the day-to-day operations of POL ("**Group Executive**").

26. To assist the Inquiry, I refer to an organogram prepared by BDB Pitmans with my input, which sets out the committees I sat on, the structure of the teams who reported to me, and the functional reporting lines at exhibit **WITN10010102**. This is just a visual aid to support what I go on to explain in more detail below.

27. During my time at POL, the teams that reported to me were restructured meaning that some of the reporting lines changed, and the name of the function changed from 'Corporate Services' to 'Legal, Risk, and Governance' ("**LRG**") which ultimately comprised Legal, Company Secretariat, Risk, Compliance, and Internal Audit. Each of the teams that reported to me was led by a 'Director' or 'Head of' who managed their specialist team. When I commenced the role in January 2015 my direct reports included two Heads of Legal, the Company Secretary, Head of Risk and Internal Audit, Head of Information Security, and the Head of Security. Each of these 'Head of' roles had their own direct reports.

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28. The Legal Team structure is described from paragraph 56 below.

29. From memory, over the period 2015-2019, the Company Secretariat Team ("**CoSec**") comprised three to four roles. Whilst the GC was responsible for managing the CoSec, when I joined POL the Company Secretary (then Alwen Lyons) continued to report to Ms Vennells as CEO, and it was not until I believe 2016, although I cannot be certain about that date given the passage of time, that Ms Lyons' reporting line changed to me directly. When Ms Lyons retired in 2017, I became the Company Secretary. Thereafter, Veronica Branton was appointed as the Head of Secretariat reporting to me and she fulfilled the day-to-day responsibilities of the Company Secretary. The responsibilities of the CoSec team included:

(a) supporting good corporate governance outcomes such that the Board was able to approve POL's strategic plans, monitor execution of those plans, and oversee management of POL's risks through an effective risk framework;

(b) ensuring that good governance practices were applied for all corporate boards, the Group Executive, the POMS Group Executive and their respective committees including scheduled meetings with agreed agendas based on the terms of reference, supporting executive management to prepare and present good quality Board papers, and the preparation of accurate minutes of the discussions

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and decisions reached at each meeting, together with follow up actions);

(c) ensuring that all statutory compliance requirements were met for all POL companies including filing and reporting to Companies House and the maintenance of corporate registers;

(d) supporting other activities such as the annual audit and preparation of the Annual Report, and responsibility for drafting the Governance section of the Annual Report. The CoSec team also undertook an annual Board evaluation process for both POL and POMS, and every three years this evaluation was externally facilitated. The CoSec team were responsible for coordinating completion of any recommendations coming out of those evaluations; and

(e) supporting POL's delegated authority approvals and processes and the document execution framework.

30. With both Ms Lyons and Ms Branton, I had regular catch ups on Group Executive and Board processes, including meeting schedules, agendas, forward planning, relevant actions, Annual Report content and other requirements such as Board evaluations, as well as looking at improvements in the operation of the CoSec function. In addition, as Company Secretary, I reviewed the draft minutes of the Board and its committees, as well as the

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minutes of the Group Executive and Risk and Compliance Committee meetings.

31. When I began as GC, the Internal Audit Team reported to the Head of Risk and Internal Audit and comprised approximately five roles supported by an external co-source arrangement with an external firm. This function had been run by an interim manager and in the first half of 2015, I recruited a new Head – Mike Morley-Fletcher. Unfortunately, Mr Morley-Fletcher left in, I believe, early 2016, and as a result we restructured the Risk and Internal Audit teams into separate functions, each of which had its own 'Head of' role, which reported directly to me.

32. The Internal Audit Team was responsible for undertaking internal audits in accordance with a programme approved by the POL Board Audit, Risk and Compliance Committee ("**ARC**"), the work of which is further discussed below in paragraph 83(a), and the POMS Board Audit, Risk and Compliance Committee. The forward programme of audits was finalised by the end of each financial year and covered a range of areas based on the risk profile of the business, best practice audit review cycles and any specific requests raised by management or the respective ARC. The Internal Audit Team was also responsible for monitoring and reporting to the respective ARC on completion of follow up items specified in the audit reports. There was an ARC approved Internal Audit charter which stressed the independence of the internal audit function and embedded a reporting line to the Chair of the ARC. I worked with the Head of Internal Audit to review the proposed audit plan, I reviewed the

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audit reports before they went to management or to the ARC, and I supported the Head of Internal Audit to improve the overall quality of the team over time as well as enhancing the audit reporting. During my tenure at POL, both the external auditors and the internal audit co-source were re-procured and I was part of the team that reviewed the submissions, interviewed the candidates and made recommendations to the ARC as to the outcomes of the procurement process.

33. The Risk Team comprised about five people. When I joined POL, the risk framework was in its infancy and was not embedded. During my time, we developed the risk framework, which included defining POL's risk universe, developing a risk appetite, developing policies for each of the key risk areas owned by me as GC (which were all regulatory risks) and working with business owners to support them in developing policies regarding the risks they owned, and developing a quarterly risk reporting framework across POL. To do this, we worked closely with the Chair of the ARC and with Deloitte as our external risk advisers. Following Mr Morley-Fraser's departure, I recruited a new Risk Director and supported her in the development of her team.

34. At the time of my appointment, the Security Team comprised approximately 40 - 50 people and covered physical security, investigations, and financial crime (which focussed on external financial crime including money-laundering). In late 2015, the Security Team was restructured and the reporting line for the physical security and investigations teams were transferred away from the GC and split between Alisdair Cameron (the then Chief Financial Officer and Chief

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Operations Officer ("**CFO**")) and Mr Gilliland (Network and Sales Director). As a result, the Financial Crime team, which focused on financial crime and anti-money laundering, became part of a wider Compliance team reporting to me.

35. The Information Security Team comprised around 10 - 15 people and covered data protection as well information security. Following the appointment of Rob Houghton as Chief Information Officer ("**CIO**") in 2016, this team was also restructured with the data protection team becoming part of a wider Compliance team led by a Compliance Director reporting to me, and information security team and related activity moved into the CIO team.

36. At the time I joined POL, Compliance was distributed across a number of functions. During 2016 these were consolidated under a Compliance Director who reported to me. Following this consolidation the Compliance Team comprised approximately 20 people and were responsible for advising POL on compliance requirements, and conducting assurance activity, and reporting on:

(a) financial services compliance which related particularly to the training and assurance for in-branch sales of travel and general insurance products in POL's capacity as Appointed Representative for POMS;

(b) compliance requirements of the Banking Framework under which POL provided deposit and withdrawal services to more than 20 British banks;

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(c) compliance requirements relating to the Telecoms business;

(d) data protection across POL including in branches, and in 2017-18 this included the project to implement GDPR requirements across POL and POMS and where I chaired the GDPR Project Steering Committee;

(e) managing and responding to Data Subject Access Requests, and Freedom of Information Act 2000 ("**FOIA**") requests;

(f) anti-money laundering and external fraud compliance;

(g) managing the externally sourced PCI DSS audits. (PCI DSS refers to the Payment Card Industry Data Security Standard, a globally recognized information security standard designed to safeguard payment card data, and which applies to businesses that process credit or debit card transactions); and

(h) managing POL's whistleblowing policy and investigating any reports received under that policy.

37. Around the same time, I believe in 2016, POL changed the name of the directorate from 'Corporate Services' to 'Legal, Risk and Governance'. My title therefore changed from 'General Counsel and Director of Corporate Services' to 'General Counsel and Director of Legal, Risk and Governance'. However, on

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a day-to-day basis I was known as 'General Counsel' and my sign offs on emails and letters used this shorthand up until 2018, when my full title was then used in sign offs.

38. As I have set out above, the number of my direct reports varied during my tenure, but following the various restructures, was six (excluding project leads), being the Director of each of Legal, Risk, Compliance, Head of Internal Audit, Company Secretary, and the Head of Portfolio, LRG. The total LRG team exceeded 50 people. In addition, where I was a project sponsor (e.g. GDPR) the Project Manager reported to me. Although each team within LRG had its own functional head, I was responsible for setting their objectives and overseeing progress against those objectives. Although it naturally varied over time depending upon the work the particular team was dealing with, on average I estimate that I spent approximately 15% of my time on each team and its activities. The balance of my time was spent on my role as a member of the Group Executive.

Committee Attendance and Membership

39. As part of my role as GC and as the member of the Group Executive responsible for legal, governance, risk, compliance and internal audit at POL, I attended a number of POL and POMS Board and committee meetings. I was also a member of a number of management committees and attended a variety of regular management meetings. I set out below a brief summary of those meetings relevant to the Request. I appreciate the Inquiry will by now be familiar with the corporate governance structures of POL, but I believe it is helpful when

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considering the various meetings I attended to understand that they can be distinguished in the following way:

(a) The **POL Board** and its **three standing committees** (Audit, Risk and Compliance Committee, Remuneration Committee and the Nominations Committee);

(b) **Specialist Board sub-committees** which were established by the Board from time to time such as the Pensions Committee, the Financial Services Committee and the Sparrow Sub-Committee (all of which were established before I started) and the Postmaster Litigation Sub-Committee which was established in 2018;

(c) The **Group Executive** and its **sub-committees** which included the Risk and Compliance Committee and, for a period, the Transformation Committee**.**

(d) **Management project steering committee meetings** of which there were many and which met at least monthly, but in some cases more frequently, and which oversaw the implementation of specific initiatives.

40. In respect of each of the Board and committees referred to above (other than the project meetings), they were supported by the CoSec Team for the production of agendas and minutes and in the follow up of actions.

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POL Board and its three standing committees

41. More detail about the composition of the Board and its standing committees is set out in the *Compostion and Operation of the Board* section of this witness statement (see from paragraph 77)81, but in summary I attended:

(a) The **Board** – prior to my appointment as Company Secretary, I only attended the Board from time to time in my capacity as GC to present or report on specific matters. Following my appointment as Company Secretary, I attended all Board meetings in my capacity as Company Secretary, and from time to time I presented reports on specific matters in my capacity as GC or as the executive director responsible for Internal Audit, Risk and Compliance.

(b) The **Audit, Risk and Compliance Committee** - **ARC** - this was a standing committee of the Board and I generally attended the whole of the ARC meetings in my capacity as the executive director responsible for Internal Audit, Risk and Compliance. I also separately provided regular reports on legal, risk and compliance matters.

(c) The **Remuneration Committee** ("**RemCo**") - this was a standing committee of the Board and I attended in my role as Company Secretary.

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(d) The **Nominations Committee** ("**NomCo**") - this was a standing committee of the Board and I attended in my role as Company Secretary.

Specialist Board Sub-Committees

42. What I describe as 'specialist board sub-committees' are committees which were set up to deal with a specific project or a stream of work and as such had a narrow focus. During my tenure there were four such committees:

(a) The **Sparrow Sub-Committee** – this committee was set up following a resolution of the Board to make recommendations to the Board and provide strategic oversight in respect of Project Sparrow. It was chaired by Alice Perkins (the then Chair of the POL Board). I do not know when it was established as it was before I joined POL, and I have not been provided with a copy of its Terms of Reference. I only recall attending one meeting of the Sparrow Sub-Committee shortly after I began my role as GC on 18 February 2015 (**POL00006574**), and I believe it was disbanded during 2015.

(b) The Pensions Committee was established to oversee the strategic work relating to employee pensions following separation from Royal Mail. It met two to three times a year and I attended in my capacity as GC.

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(c) The Financial Services Committee was chaired by Virginia Holmes and was established to oversee the development and implementation of the strategy for the Financial Services business and the restructuring of the arrangements with Allied Irish Bank, which resulted in the establishment of POL's regulated subsidiary, Post Office Management Services Limited. The Committee met three to four times a year. It was disbanded following the stand up of POMS as a regulated entity. I attended in my capacity as GC.

(d) The **Postmaster Litigation Sub-Committee** (the "**Litigation Sub-Committee**") - this was established in 2018 to oversee the litigation commenced by subpostmasters ("**SPMs**") (the "**Group Litigation**"), and was chaired by the Chairman, Tim Parker. It met at least four times per year. I attended in my capacity as GC. I set out more detail about this sub-committee in the Group Litigation section.

Group Executive and its committees

43. In respect of the committees connected to the Group Executive, I set out below a brief explanation of those which took up a reasonable amount of my time during my tenure:

(a) The **Group Executive** – this was also referred to as the "Executive Committee" or "ExCo" when I first joined, and later changed its name to the "Group Executive" or "GE". The Group Executive comprised the most senior executives generally being the direct reports of the

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CEO, as well as certain others, and the membership changed over the time I was at POL. However, it did include the Chief Financial Officer / Chief Operating Officer (when I joined Mr Cameron's title was 'Chief Financial Officer' and then it changed to be 'Chief Finance and Operating Officer'), the Commercial Director, the Network and Sales Director, the Group People Director, the Group Business Transformation Director, the Financial Services Director, the Director of Strategy, the GC and the Company Secretary.

(b) The Group Executive's role and responsibility was to implement the strategy agreed by the Board. It had decision-making authority within the Board-approved Delegated Authority Framework. The Group Executive held weekly and monthly meetings; the weekly meetings were usually only one hour and were a 'round the table' catch up on new developments. The monthly meetings usually took about half a day and were supported by papers and presentations from executives which informed decisions that could be taken by the CEO/Group Executive, or which were being recommended to the Board for approval. The papers (which often ran to 100 pages or more) were circulated in advance and the meetings were minuted.

(c) The **Risk and Compliance Committee** ("**RCC**") – I was initially Chair of this committee in my Risk and Compliance capacity, which reported to the Group Executive and its remit was oversight of risk management. The Chair later switched to the Chief Financial Officer

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/ Chief Operating Officer which aligned better with the objects and purpose of the committee. From memory, I believe this committee met bi-monthly. There was a forward-looking rolling agenda, papers (again usually in excess of 100 pages) were pre-circulated and the meetings were minuted.

Management project steering committee meetings

44. In respect of project steering committees, I sat on a considerable number of such committees during my tenure, and these changed from time to time as projects were initiated and then delivered. These meetings had papers (usually prepared by the project manager) which were pre-circulated, and actions and decisions were recorded. From memory, the project committees I attended included the projects related to the acquisition of Payzone Bill Payments Limited ("**Payzone**"), the Royal Mails contract negotiation, Transformation Programme, GDPR (which I chaired), the Health & Safety Committee (which I attended in my Risk capacity and which met quarterly), and I chaired a committee to oversee the implementation of 'joiner/movers/leavers' controls, the need for which arose from an adverse audit report. In addition, there was an annual working group set up to oversee the production of the Annual Report which I also attended. The committees which took up the majority of my day-to-day calendar were:

(a) The **Transformation Steering Committee** – this committee was set up by the Director of Transformation to monitor risks emerging from the overall Transformation Programme and oversee the implementation of mitigation actions. The Transformation

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Programme covered a number of initiatives across the Retail Network, HR and IT. I attended the Transformation Steering Committee in my Risk and Internal Audit/Assurance capacity. The Transformation Programme was a significant project and took up a lot of my time in the first 18 months of my time at POL. In addition to the committee meetings themselves I had regular meetings with the external assurance team to receive updates on the delivery of their assurance programme, and to set priorities for future assurance work. The progress of the Transformation Programme was of material importance to Post Office and was a periodic agenda item at Board meetings (for example see **POL00030888_0042**).

(b) The **Subpostmaster Litigation Steering Group** ("**Litigation Steering Group**") – this was established in May 2016 in order to oversee the Group Litigation. I have set out more detail about this committee in the Group Litigation section.

(c) The **GDPR Steering Committee** which was established to oversee the implementation of the regulatory GDPR requirements across Post Office. This was a significant project and we had up to 40 contractors working on the project at different times. I chaired the GDPR Steering Committee which met monthly. The role of the GDPR Steering Committee was to approve the work plan, monitor progress against the work plan, commission and receive assurance reports on implementation, discuss and give guidance on prioritisation issues,

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and oversee resourcing and the project budget. Papers were prepared by the project manager and pre-circulated, and actions and decisions were recorded. In addition, I met with the Project Manager on a regular basis (at least fortnightly) to discuss issues and progress.

POMS

45. As part of my role as a Director of POMS, I attended the following meetings:

(a) **POMS Board** which met approximately 8 times per year for approximately 2-3 hours per meeting. Meeting packs were prepared and distributed in advance, and the meetings were minuted; and

(b) **POMS Board Audit, Risk and Compliance Sub-Committee** which met quarterly for around 2 hours per meeting. Again, meeting packs were prepared and distributed in advance, and the meetings were minuted.

First Rate Exchange Services Limited

46. I also attended the **Risk and Compliance Committee** of First Rate Exchange Services Limited – the joint venture between POL and Bank of Ireland relating to the provisions of foreign exchange to Post Office branches. These meetings were quarterly for approximately 2 hours, meeting packs were prepared and distributed in advance and the meetings were minuted. I also attended the quarterly relationship meetings between POL and Bank of Ireland. Again, there were meeting packs prepared and distributed in advance, and the meetings

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were minuted. In both cases, my attendance related to my risk and compliance responsibilities.

My professional responsibilities derived from my position as GC

47. I have been asked to set out my view of my professional responsibilities derived from my position as a legal professional whilst acting as GC. As a solicitor admitted to the High Court of England and Wales and holding a practising certificate, I was under the same obligations and responsibilities as any other admitted solicitor. I was regulated by the Solicitors Regulation Authority and followed its Code of Conduct for solicitors, irrespective of whether the function I was undertaking was purely legal, executive, or a hybrid. As an in-house solicitor though, I was not subject to certain obligations that apply to solicitors working in law firms, for example in relation to trust accounts and client money accounts.

POL LEGAL DEPARTMENT

Management structure of POL Legal

48. At the time I joined POL in 2015, the legal team comprised approximately 10 specialist lawyers covering Procurement, Property, IT, Telecoms, Financial Services, Litigation, and general Corporate and Commercial expertise. There were two Heads of Legal who reported directly to me, each of whom had been at POL for several years. Jessica Madron had been at POL for over 20 years and headed the team that provided the legal support for all matters relating to the branch network. POL's civil litigation lawyer, Rodric Williams, also reported to Ms Madron, and I believe that Janail Singh, POL's criminal litigation lawyer,

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had reported to Ms Madron, however he left shortly after I started. Mr Williams was thereafter responsible for all litigation matters, becoming Head of Litigation, although there were no criminal matters afoot by that stage.

49. The other Head of Legal was Piero d'Agostino who had been at POL for I believe 3 - 4 years and led a small team that provided legal support for financial services, telecoms, IT and procurement, corporate matters, major commercial contracts, and mergers and acquisitions (e.g. the acquisition of the joint venture interest from Bank of Ireland relating to the General Insurance business).

50. Prior to me joining, it had been decided that a third Head of Legal role should be created, 'Head of Financial Services', to support the Financial Services business. I undertook the final interviews and appointed Ben Foat to that role. My recollection is that he started in that position in mid-2015.

51. In late 2015/early 2016, the leadership of the legal department was restructured so that there was only one Head of Legal (thereafter called the Legal Director). Following an internal selection process, Mr Foat was appointed to that role. Ms Madron and Mr d'Agostino exited the business in the subsequent 6 – 12 months. As Director of Legal, Mr Foat reported directly to me, and had responsibility across all the areas described above.

52. In terms of the reporting lines, as GC, I reported directly to the CEO, Ms Vennells. Ms Vennells and I would agree written annual objectives which related to the delivery of POL's strategy and annual plans, as well as objectives

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which related to the management and development of those functions for which I was responsible. Ms Vennells and I had regular monthly meetings where we tracked progress against these objectives, as well as discussing other matters that were material at the time. An agenda was prepared for each of these meetings, and we would both take notes of actions arising. In addition, we would have other subject specific meetings on an as needs basis either 1:1 or with others.

53. The LRG team and I contributed to the development of Group Executive and Board papers in relation to the legal, risk and compliance implications of specific initiatives, as well as producing our own papers and reports in accordance with agreed reporting cycles. The Board regularly reviewed and approved a Delegations of Authority matrix which set out the framework for those decisions that required Board approval, those decisions that were delegated to the CEO, and those decisions that were delegated to individual members of the Group Executive.

54. Across the LRG function, on an annual basis I agreed performance objectives with each of my direct reports. Performance objectives for each of my direct reports cascaded down from those that the CEO and I had agreed for me. I had monthly 1:1s with each of my direct reports where we tracked achievement of these objectives and discussed other issues relevant to their respective areas of responsibility, and we had ad hoc meetings as required to discuss material issues. In addition, I had weekly and monthly team meetings with my direct reports. At the one-hour weekly meetings we discussed recent developments

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and the priorities for that week. At the monthly LRG leadership team meetings we discussed matters relevant to the performance of the wider LRG function. We also had an 'all hands' monthly team meeting which updated the whole LRG function on recent developments and upcoming activities. There were also project meetings at which LRG was represented, some of which I would attend also in my capacity as a member of the Group Executive, and we also had meetings which were to brief other parts of the Post Office on new legal or regulatory developments. I would say that on average these meetings collectively took up one day a week. There was also associated preparation and reading for those meetings which took up a similar amount. So each week I would spend up to two days associated with these meetings.

55. Generally I tried to empower each of my direct reports to manage their teams and deliver their responsibilities without micro-management from me, and as such I would not have been briefed on minor day-to-day issues. However, my direct reports knew that they could discuss issues with me or seek my guidance whenever required.

The work of POL Legal

56. During my time as GC, there was a wide range of work undertaken by the legal function, and the legal team were constantly busy with their day-to-day functions. Whilst I go on to address specific questions regarding roles and responsibilities in the Group Litigation, I think it would be fair to say that the issues with which this Inquiry is concerned were only one part of a broader workload, and represented only a small part of what the internal legal function

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as a whole was managing. While it changed from week to week depending on what was happening at the time, on average I would spend c.15-20% of my time on legal matters – including my involvement in the Scheme and the Group Litigation. That is not to say I did not recognise the importance of those matters, but I relied on the support and advice of our internal litigation colleagues and external advisers in respect of this work.

57. Shortly after I commenced employment, POL moved from offices on Old Street, London to newly refurbished premises across 3 floors at Finsbury Dials. Following the move, the majority of the LRG team sat together in an open plan area on the Ground Floor. The CoSec team sat on the first floor near the Board Room, the Compliance team was split between the ground floor and the 2nd floor (where the Telecoms and Financial Services teams were located) and certain members of the team working on the Scheme and the Group Litigation worked from other offices (e.g. Swansea).

58. Although at the time POL encouraged hot desking, each team within LRG tried to sit together. I initially sat with the Legal team in the middle of the Ground Floor, however after a reorganisation of the space on the Ground Floor, the Legal team moved to provide greater opportunity for confidentiality given the nature of their work, and I remained in the middle of the floor. To me this physical positioning better reflected that my role covered a number of functions, not just Legal. After I was made Company Secretary, I moved to sit with the CoSec team on the first floor which worked better as I shared a PA with the Chairman, whose office was also on the first floor.

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59. Within POL Legal, when I joined, all of the specialist lawyers directly reported to their respective Head of Legal, and through the Heads of Legal to me. Following the restructure in 2015/16 all of the Legal team reported directly or indirectly to Mr Foat. The practical effect of this was that Mr Foat received regular updates across the whole Legal function, and his briefing to me at our monthly 1:1 would be based on those updates. I believe that Mr Foat conducted whole team meetings from time to time and given their physical proximity to each other I believe that the whole team had an appreciation of the nature of the work that was underway across the function.

60. I have set out below some examples of the wide range of key projects that the legal team were working on during my tenure, and on which I was briefed, and the progress, details and issues of which I was expected to be aware:

(a) Negotiations regarding the revised contract with the National Federation of Subpostmasters ("**NFSP**");

(b) Legal work to support the Network Transformation project which included the legal work relating to the disposal of premises formerly occupied by Crown branches;

(c) Negotiations with WH Smith to increase the number of post offices they operated (Project Paddington);

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(d) Negotiations with Bank of Ireland about the establishment of POMS and the transfer from Bank of Ireland to POMS of the 50% JV interest owned by Bank of Ireland in relation to the insurance business. POMS also looked at various acquisition opportunities from time to time;

(e) Renegotiation of the Mails Distribution Agreement with Royal Mail;

(f) The Scheme, and the subsequent Group Litigation. There was relatively little other litigation during my tenure;

(g) Legal aspects of various restructurings across POL's business including negotiations with the Communications Workers Union;

(h) Procurement was a major driver of work in the legal team given the requirements of the Public Contracts Regulations which were amended in 2015. Material procurement activity which the legal team supported during my tenure included:

i. Termination of the IBM contract (Project Trinity);

ii. Negotiations with Fujitsu about changes to its contract, and equivalent negotiations with other IT suppliers under the 'Towers' model;

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iii. Post Office regularly participated in tender processes for the provision of government services through the post office network e.g. for the DVLA in relation to drivers' licences and MOT renewals, and the BBC for TV licence renewals;

iv. The process to appoint new external and internal auditors. I was on the committee that oversaw the procurement process, interviewed candidate firms, and made recommendations as to the preferred firm for the ARC to consider; and

v. The establishment of a new legal panel in 2018.

(i) Re-negotiation of the Banking Framework which enabled customers of over 20 banks to engage in basic banking transactions through post offices;

(j) Extension of the Post Office Card Account contract with Department of Work & Pensions relating to the provision of services for in branch pension payments;

(k) Funding and relationship documents with Government;

(l) The acquisition of Payzone;

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(m) Purchase of a small telecoms business and the subsequent preparation for the sale process relating to the merged telecoms business;

(n) Legal issues relating to the provision of identity services in branch; and

(o) A project to consider the optimum legal structure for POL going forward.

61. As part of the separation from Royal Mail Group, POL had established a panel of external legal advisers. This was reviewed in 2018. Under Mr Foat's supervision, a compliant procurement process was undertaken to provide POL with the additional legal resources it required. Generally, external legal advice was sought either because additional specialist capability was required which the POL legal team did not possess (e.g. M&A activity, and material litigation) or extra capacity was required. Generally, the POL legal team managed the relationship with the external law firms and worked cooperatively with the relevant business managers to brief the external law firm.

My knowledge of POL's role in prosecuting SPMs

62. I have been asked to set out what I knew of POL's role in prosecuting SPMs for theft, false accounting and/or offences under the Fraud Act 2006 when I joined POL. I have reflected hard on this question and I do not now recall what I knew at the time of joining POL regarding the prosecutions. I do recall that as part of

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my induction once I had joined, I was briefed on the history that led to the establishment of the Scheme and I believe I was shown some of the investigation reports that were developed by the POL team under the Scheme, and the case reports prepared by Second Sight Support Services Limited ("**Second Sight**") (both of which are further explained in paragraph 111) by way of example of the issues raised. However, I cannot recall which reports I was given. There were no prosecutions underway at the time I joined, although I seem to recall that there may have been prosecutions in Scotland and/or Northern Ireland which were undertaken by the relevant external equivalents to the CPS, but I had no involvement in those matters. I do not recall being provided with any of the legacy legal advice at that time. I do recall asking how many prosecutions there had been and my recollection is that that the answer was 40-50 per year, which in the context of a network with more than 11,500 branches, I understood was not an unusual number.

My understanding of privilege

63. Later in this statement I address privilege in the context of the Chairman's Review and within the Group Litigation. With regards to privilege more generally within POL, I appreciate that privilege is a complicated area, particularly in litigation. As I was not a litigation lawyer, I would say my understanding of privilege was at a general level as it was not something, prior to joining POL, that I had to deal with in practice. When I joined POL, I understood that the term 'legal professional privilege' was the umbrella term for legal advice privilege and litigation privilege. I understood that in general terms, legal advice privilege attaches to confidential communications between a lawyer and their client

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where the dominant purpose of that communication is seeking or giving legal advice, and that applies equally to in-house lawyers acting in their capacity as such. Litigation privilege attaches to confidential communications between the lawyer and their client and/or a third party, or as between a client and a third party, where those communications are created for the dominant purpose of obtaining information or advice in connection with the conduct of existing or contemplated litigation. Unless expressly stated otherwise, in this witness statement I collectively refer to these two strands of legal professional privilege as 'privilege'.

64. My view on and approach to privilege at POL was no different to that in any other organisation that I had worked. It was rarely a matter that arose on a day-to-day basis given the nature of the majority of legal work undertaken by the POL legal team. Where a matter was being led by a colleague, I would not generally be consulted as to whether any particular document or part of a document would attract privilege or not; this would be dealt with by the relevant lawyer – usually in conjunction with external legal advisers. In practice, the question of whether privilege might properly apply mostly arose in relation to contractual issues which had the potential to become a dispute.

65. As lawyers, we were clear that where it applied, privilege only attached to legal advice being given or received or, in the case of litigation privilege, where the dominant purpose of the communication was litigation. However, generally, this was not well understood by the business who from time to time, sought to label documents, including emails, as "privileged", without appreciating privilege was

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unlikely to apply. As a result, the POL legal team would have to explain to the business why privilege was unlikely to apply in the situation in which the business was seeking to use it. If it was determined that in relation to a specific matter it was possible that one or more documents or parts of documents might attract privilege, the relevant POL lawyer would circulate an email to the relevant business teams setting out a high-level procedural approach to privilege in the specific context. This included statements to the effect that privilege only attached to legal advice contained within a particular document or part of a document, and would not apply to all communications on the subject. I recall conversations with colleagues where we outlined the protocols to be followed and reminded them that simply marking a document as privileged would not of itself confer the document with privilege.

66. In relation to the developing SPM issues such as the Scheme, the POL legal team discussed privilege with our external lawyers on a number of occasions on a case-by-case basis. As set out elsewhere in my statement, there were a number of circumstances where the POL legal team anticipated that certain documents would attract legal privilege by virtue of their nature, or if litigation eventuated. Where a specific document was identified as potentially being subject to privilege, then we would discuss with our external legal advisers whether privilege applied to that document. I do not now recall whether I made any decisions as to disclosure, but consider it unlikely that I would have done so without reliance on external advice given the nuances of the law around privilege.

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POL CORPORATE GOVERNANCE

Responsibilities of a board of a company solely owned by HM Government

67. I have been asked to summarise my views on the responsibilities of a board of directors in the operation of a company owned solely by HM Government, and in particular, in relation to the oversight of (i) criminal prosecutions, (ii) civil litigation, (iii) IT, and (iv) accounting systems used to collate individual transactions, cash and stock declarations etc. used for the purposes of preparing management and statutory accounts.

68. In my view, ownership, whether by HM Government or indeed any other shareholder, does not impact the basic duties of a board of directors which are set out in Chapters 2 and 3 of Part 10 of the Companies Act 2006, and in particular those duties set out in sections 172-177, as well as in other relevant legislation relating to specific duties such as health and safety etc. However, ownership by HM Government may also impose additional duties such as certain procurement processes that must be followed. While I hope that all boards believe that they should act with integrity, transparency and fairness, the boards of companies whose sole shareholder is HM Government should expect higher public scrutiny than would be the case for a privately owned company. This would apply not just to the four issues mentioned in (i)-(iv) above, but to all matters.

69. In addition to the statutory duties set out in the Companies Act, there are various guides issued by HM Government that apply to (inter alia) wholly owned entities such as POL. These guides include:

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(a) 'Guidance for Directors of companies fully or partly owned by the public sector' published by the Cabinet Office in 2016 (I am not aware whether there were previous versions of this document);

(b) 'Managing Public Money' issued by HM Treasury – the current version is dated May 2023, and I am aware there was a version in 2015 when I started at POL; and

(c) 'Code of Conduct for Board Members of Public Bodies' issued by the Cabinet Office. The current draft is dated June 2019 and replaces the previous version from 2011.

70. While these documents set out in detail the standards that are expected for government bodies and government owned entities, these are, in the case of a wholly owned subsidiary such as POL, consistent with the over-arching duties imposed by the Companies Act. Prior to me joining POL, the Board had included statements in the Annual Report to the effect that it would seek to observe the requirements of the UK Corporate Governance Code, being the Code that applies to companies listed on the UK Stock Exchange. This was a very onerous framework, however during my tenure we referenced the Code's requirements to determine what good practice looked like for the operation of the POL Board.

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71. While a board is ultimately responsible for setting the strategy and overseeing the management of the company, it delegates responsibility to its executives to implement the board approved strategy and manage the day-to-day operations of the company, including in relation to the four issues identified in the question (paragraph 67 above). The board should ensure that the company has the right management having the appropriate level of expertise to respond to the needs of the business including in relation to the four issues identified above, and the right risk management framework to provide assurance to the board that these (and other issues) are being addressed in accordance with the board mandated strategy and risk appetite. The board should also ensure that the company has clear reporting lines and an appropriate internal governance framework so that, wherever possible, decisions are suitably informed and taken at the appropriate level, and where appropriate, escalated to the board.

Corporate structure

72. I have been asked to summarise the corporate structure of POL and how the POL Board operated. During my tenure, the corporate structure was very simple.

73. I was aware that when POL became a public corporation in 2012, it was owned directly by the Secretary of State for Department for Business, Energy and Industrial Strategy ("**BEIS**") which held a special share (for clarity, the department changed its name in 2016 from Business, Innovation & Skills ("**BIS**") to Business, Energy and Industrial Strategy following a merger between two departments). Originally, the Shareholder Executive ("**ShEX")** managed BEIS's

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interest in POL. ShEx's functions - including oversight of POL, were transferred in 2016 to the newly established UK Government Investments ("**UKGI**"). In practice this made no difference to POL's Board, and Richard Callard remained the Government appointed Non-Executive Director ("**Shareholder NED**").

74. When I joined, POL was a wholly owned subsidiary of Postal Services Holding Company Limited (the "**Holding Company**"), which operated purely as a holding company. In June 2017, the Holding Company entered voluntary liquidation and the shares in POL were distributed to BEIS. This process was managed entirely by BEIS with support from Alwen Lyons as Company Secretary in relation to the actual transfer of shares in POL.

75. POL operated the mails, government services, financial services, and telecoms business, employed all staff (other than those in the regulated financial services business who were employed by POMS) and entered into all key contracts. At the time I joined POL, it had one wholly owned subsidiary, POMS, which operated the regulated financial services business (which comprised the provision of travel and general insurance), and POL also held a 50% interest in First Rate Exchange Services Holdings Limited ("**FRESH**"), which was a 50:50 joint venture with Bank of Ireland (UK) Plc. FRESH in turn had a wholly owned subsidiary, First Rate Exchange Services Limited ("**FRES**"). FRES supplied POL with foreign exchange, so that POL could operate foreign exchange services through its Post Office branches including the provision of foreign currency.

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76. In October 2018, POL acquired, and became 100% shareholder in Payzone. Payzone provides bill payment services, and offers terminals for payment of bills, tickets, lottery, and mobile phone top ups.

Composition and Operation of the Board

77. The POL's Board comprised of two Executive Directors (the CEO and CFO), a representative of BEIS through ShEx (and later UKGI), in the form of a **Shareholder NED**, and independent Non-Executive Directors (including the Chair) whose appointment was approved by BEIS.

78. At the time of my appointment as GC, POL's Board comprised of the Chair (Alice Perkins), four independent Non-Executive Directors (Neil McCausland, Tim Franklin, Virginia Holmes and Alasdair Marnoch), the Shareholder NED (Richard Callard), and two Executive Directors (the CEO Ms Vennells, and the newly appointed CFO, Mr Cameron). During my tenure at POL, the Chair, three of the independent non-executive directors, the Shareholder NED and the CEO changed. At the time I left POL, the Board comprised Tim Parker as Chair, Ken McCall as Senior Independent Director, Carla Stent, Mr Franklin, and Shirine Khoury-Haq as Non-Executive Directors, Tom Cooper as Shareholder NED, and Mr Cameron as Acting CEO.

79. In addition to POL Board members and the Company Secretary, there were attendees at each Board meeting. Usually such attendees (being members of the Group Executive with responsibility for the particular matter under discussion, together in some cases with certain of their direct reports) were present only for

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the specific items that they were presenting on. Attendees were recorded in the minutes of each Board meeting.

80. Throughout my tenure, the POL Board met approximately eight times per year (including an annual strategy away day), in accordance with a schedule that was agreed circa 6 – 12 months in advance. Under Alice Perkins, Board meetings lasted approximately a full day. Under Tim Parker's chairmanship, Board meetings were reduced in length and were usually only circa 3 hours. As a result, the business of the meeting was more tightly controlled. Nevertheless, all Board members had the opportunity to speak on matters, and I do not recall the shorter Board meetings being challenged through the annual Board evaluation process.

81. The agenda for Board (and sub-committee) meetings was developed by the Head of Company Secretariat, discussed with me, and then finalised in meetings between the Company Secretary, the CEO, and the meeting Chair. The inputs into the agenda planning included an annual forward plan, actions from previous meetings, decisions required to be made in relation to ongoing business in accordance with the Board's or Committee's Terms of Reference, as well as any other matters that either the CEO or Chair wanted raised. The agenda for scheduled Board meetings broadly included:

(a) Administrative matters, e.g. attendees, conflicts, actions from earlier meetings, sealings;

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(b) CEO report which summarised material developments across the business since the last meeting, areas of concern for the CEO, and material upcoming developments. This paper was collated from, among other sources, the reports from each senior executive submitted to the Group Executive;

(c) CFO report summarising the financial position of the business including profit and loss and balance sheet updates, and performance of each individual operating business;

(d) Papers for approval – the Board Terms of Reference set out those matters that required Board approval as well as those matters that also required Shareholder approval being those above a specified threshold;

(e) Strategic papers, which varied from meeting to meeting;

(f) Reports from committees;

(g) Other matters required by the forward agenda; and

(h) Other ad hoc matters.

82. The level of discussion at each meeting varied depending on the topic. Some papers were for noting only, as they were not controversial, and were taken as

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read with no discussion. Other papers, even where no decision was required, would generate significant discussions, and those papers requiring decisions would generate discussions depending on the complexity and significance of the subject matter.

83. In addition to its own deliberations, the Board had established three standing Board sub-committees, which each had their own Terms of Reference setting out (inter alia) their responsibilities and delegated authority:

(a) **ARC** - Audit, Risk and Compliance: this committee approved the annual audit plans for the internal and external auditors, considered strategic risks, reviewed the risk management framework, and reviewed and approved policies. It was chaired by a Non-Executive Director, and the other members were the Senior Independent Director, and two Non-Executive Directors. I attended the whole of the ARC meetings as the Executive having responsibility for Internal Audit, Risk and Compliance and it was normal for the CFO and the Head of Internal Audit to also attend. The CEO attended a number, but not all, of the meetings. The Risk Director and the Compliance Director were also present during the meetings. There were also other attendees from time to time who came to present on specific items, and their attendance was noted in the minutes;

(b) **RemCo** - Remuneration Committee: this committee discussed matters relating to the remuneration of the Executive Directors (CEO

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and CFO), as well as for members of the Group Executive. It also reviewed and approved the structure and terms of POL employee incentive schemes. It was chaired by the Senior Independent Director, and the other members were another Non-Executive Director and CEO. The Group People Director/HR Director was a standing attendee. I attended in my role as Company Secretary, and I believe the CFO attended regularly as well; and

(c) **NomCo** - Nominations Committee: considered the skills and experience required by the Board for any new appointments to the POL Board. It also approved appointments of senior executive officers and agreed changes to the Board composition of POL's wholly owned subsidiaries. It was chaired by the Chairman, and the other members were the Senior Independent Director and the Shareholder NED. The Group People Director/HR Director was a standing attendee, and I attended in my role as Company Secretary.

84. In addition to these three standing committees, the Board established four other sub-committees which were in operation during my tenure. These were the Pensions, Financial Services, Sparrow and Litigation sub-committees, which I discuss further below.

85. The Terms of Reference for each committee were made available on POL's website, and were summarised in the Governance section of the Annual Report.

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86. Meetings for all the Board sub-committees were held in accordance with a pre-agreed schedule – usually within 2 weeks prior to the relevant Board meeting. Under Mr Parker, the ARC frequently met immediately before, and on the same day as, the Board.

87. Aside from the scheduled Board and sub-committee meetings, there were also ad-hoc Board and sub-committee meetings from time to time to discuss specific issues or developments. The Board meeting held on 18 March 2019 to discuss the recusal application is an example of such an ad-hoc meeting (**POL00027594**).

88. During my tenure, work was undertaken to improve the quality of Board reporting, and the agendas at Board meetings were more focussed. My sense was that Mr Parker had certain matters that he wanted to prioritise for discussion at each meeting, and while all directors were encouraged to, and did, participate, the conversation was kept focused.

89. In my experience, irrespective of ownership, boards are frequently expected to have detailed oversight of the operations of a company despite the fact that the board is usually comprised of a majority of non-executive members, each with a commitment of c.40-60 days a year who, in many cases, earn relatively low levels of remuneration. The POL Board faced the same challenges. Given the scope and complexity of POL's business and the level of its maturity as a standalone business following the separation from Royal Mail Group in 2012, and the quality of the reporting provided to it, I think the Board's oversight was generally

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appropriate, although clearly there was more that the business could have done to support the Board in the way of better quality and more timely briefings, and that was part of the governance initiatives which the CoSec team and I worked on.

90. I have been asked to give my views on whether POL's corporate structure, as described above was adequate in order to fulfil a board of directors' responsibilities in the operation of a company solely owned by HM Government, and the adequacy of POL's oversight in respect of (a) criminal prosecutions, (b) civil litigation, (c) IT, and (d) any accounting system. I have interpreted 'corporate structure' as comprising two factors: the legal entity structure, and the governance structure.

91. As described in paragraphs above, POL's legal entity structure was very simple, and I do not believe the corporate structure impacted the ability of the Board to exercise effective governance – either at all or in relation to the four matters identified above.

92. However, I think it is relevant to mention more generally that during 2018, Mr Foat and I set up a project to look at the optimum corporate structure for POL's business and to address the various conflicts that were inherent in its structure. The establishment of the project was approved by the Board. The conflicts that we had identified included the following: POL was the sole shareholder of POMS and there were various decisions specified in POMS' articles of association which required POL's approval. At the same time, POL was the Appointed

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Representative of POMS for the distribution of regulated financial services products. This meant that POL was accountable to POMS for financial services compliance, and POMS exercised oversight over POL's compliance with various regulatory and contractual requirements relating to the sale of regulated products which were set out in the Appointed Representative Agreement. At the same time, POL provided a range of services to POMS including Finance, HR, and Legal services under a service level agreement. This raised a concern that if, as the strategy of POL required, financial services grew materially, then these conflicts would be of increasing concern to the regulator, the Financial Conduct Authority, which would want assurance that POL did not, as shareholder, exercise undue authority over POMS. The project was ultimately stood down I believe in late 2018/early 2019 as the relative costs of the proposed initiatives were considered disproportionate at that time.

93. As set out in the March 2020 "Post Office Limited: Shareholder Relationship Framework Document" ("**Framework Agreement**"), an open-source document I have found online and now exhibit as (**WITN10010103**), POL is classified as a Public Non-Financial Corporation. As such the POL Board retains responsibility for the operations of the Post Office. A Framework Agreement was put in place during my employment at POL which sets out the relationship between UKGI as shareholder and POL, and which states that neither BEIS as the Shareholder, UKGI as the Shareholder's Representative, nor the Shareholder NED (Mr Callard at the time of my joining POL, and subsequently Mr Cooper) have any involvement in the day-to-day operations of POL or in the management of its network of post offices and staff. The Framework Agreement stipulates that while

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the POL Board retains operational control, it is accountable to BEIS for the performance of POL and is required to seek shareholder consent for certain matters, as set out in the Articles. In addition to its responsibilities set out in the Companies Act, and other relevant legislation, as a government owned entity, POL was required to comply with certain statutory requirements such as procurement and FOIA, and certain other guidelines mandated by Government such as those set out in paragraph 69.

94. The POL Board was comprised of a majority of independent non-executive directors. Their role was to not to manage the business of the company directly but to ensure that it had the right governance structures, policies and risk and control frameworks in place to ensure that POL could discharge its strategic purpose in a compliant way. The day-to-day responsibility of running POL was with the CEO and her direct reports. The Board had an annual strategy review at which the strategy for the next 3 - 5 years was approved by the Board, and then submitted to BEIS as shareholder for formal approval. Management then executed various actions to deliver this strategy. The Board oversaw this programme of activity and tested whether the strategy was being delivered in accordance with the approved plan.

95. As referred to above, POL was a statutory company subject to the Companies Act, and other relevant legislation which mandated legal responsibilities on the entity and on its directors, as well as legislation that related to specific aspects of its business such as financial services. In 2017, the Legal Team developed a Legislative & Regulatory Framework that identified all the statutory and

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regulatory responsibilities applicable to POL and its operations. This was presented to the Group Executive to support a discussion on executive accountability for compliance with specific legislative requirements. This framework is common in financial services firms but was new to POL and supported the work of the Legal, Compliance and Risk teams to ensure that POL's operations reflected good practice. I cannot now recall but the production of the framework may also have been prompted by a request made by the Chair and recorded in the ARC Minutes of 22 January 2016 (**POL00030888_0021**). The review identified that there were more than ten regulators with oversight over some or all of POL's activities with a consequential significant number of legislative requirements that applied to POL. Further details of this are set out in paragraph 372. The purpose of the work was to ensure that there was an identified executive accountable for compliance with all relevant legislative and regulatory requirements in each business area. The accountable executive was required to provide assurance to the Board each year by way of declaration as part of the annual accounts process, that within the executive's area of responsibility POL complied with its regulatory and legislative obligations.

96. In relation to the Board and its structure and operations, POL broadly followed the best practice governance recommendations set out in the UK Corporate Governance Code. At a Board level, I believe that the governance structure was adequate to fulfil the responsibilities listed in paragraph 90 (a) to (d) above. However as commented on in paragraph 371, I believe that POL's internal management governance framework, contract management framework and risk management framework were still in development and therefore were not

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sufficiently mature to enable management or the Board to have a reliable and comprehensive understanding of risk across the business. The improvement of the risk framework was one of my responsibilities. In order to help my executive colleagues better understand how a properly developed and implemented risk framework could assist them to discharge their responsibilities, the Transformation Team and I developed a RACI matrix. RACI is a business management tool which uses four key levels of 'ownership' (responsibility, accountability, consultation, and being informed) to map out executive accountability not just for legislative and regulatory compliance, but also for ownership of (among other things) systems and processes. This concept is well developed across the regulated financial services sector but was new to POL. I was concerned that the different business functions within POL operated in silos, so that ownership and therefore accountability, was unclear. One example of this was that IT systems were seen as being owned by, and were therefore the responsibility of, the IT function, rather than being key business processes on which the relevant executive was dependant for the operation of his/her business area. The lack of clear ownership also impacted the Board's ability to have effective oversight over key aspects of POL's business operations. As I discuss later at paragraph 372, this concept of accountability requires significant cultural change, and for a number of my colleagues these constructs were unfamiliar and took time to adopt and embed.

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Criminal prosecutions

97. It is difficult for me to comment on whether the corporate and governance structure of POL was adequate to fulfil the responsibilities of the Board and whether POL's oversight was adequate in respect of criminal prosecutions, as the prosecutions of SPMs stopped well before my appointment. Therefore, the question of the Board's responsibilities and whether they should have oversight (or had adequate oversight) of prosecutions did not arise. I am aware that a prosecutions policy had been in development for some time prior to my arrival and this was finalised and approved by the Board in March 2016 (see **POL00030888_0008**).

Civil litigation

98. In respect of civil litigation, I believe POL's corporate structure was adequate to meet the responsibilities of a board of directors and provide POL with adequate oversight of civil litigation. ARC received quarterly reports on all material civil litigation, and by way of an example such updates can be seen in the papers from 27 March 2018 (**POL00021445**), and 28 June 2018 (**POL00021446**). Moreover, as the Group Litigation developed, the Litigation Sub-Committee was established as a sub-committee of the POL Board following the Board meeting on 29 January 2018 (**POL00021553**) which provided the Board with oversight of the Group Litigation. The members of the Litigation Sub-Committee were senior members of the Board including Mr Parker, Mr McCall, Mr Cooper, Ms Vennells and Mr Cameron. I attended the Litigation Sub-Committee meetings in my role as GC. In addition, the (management based) Litigation Steering Group provided operational oversight on a day-to-day basis, and each of those steering group

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members in turn reported to their relevant Group Executive member. I believe the effect of this was that POL as a business had good oversight of the Group Litigation across its functions.

IT

99. From memory, only one Non-Executive Director during my tenure was specifically recruited to bring additional IT experience - Shirine Khoury-Haq, who I believe was only on the Board for 12 months between July 2018 and July 2019. I believe that Mr McCall had responsibility for IT in his executive role at Europcar and brought some expertise. Nevertheless, irrespective of the specific skillset and expertise of the individual directors, I believe that the Board had adequate oversight by means of receiving regular updates from the respective executives in charge of IT, which was usually the CIO, on a range of IT matters including the relationship with, and oversight of Fujitsu, information security, and strategic IT developments. Through these updates the Board could raise matters with the executives, request independent assurance to be carried out, and bring in specialists in the field to assist and guide the Board. There were three CIOs during my tenure: Lesley Sewell, Chris Broe (interim) and Rob Houghton. During Mr Houghton's tenure, I recall the Board asked for external assurance work to be commissioned in relation to the strategic approach that Mr Houghton was recommending in relation to the modernisation of, in particular, the Horizon network. For example, see the discussion at the POL Board on 23 November 2017 in (**POL00021552_0003**), though it should be noted that this relates to the IT strategy assurance review undertaken by Actinista, and is not a review of Horizon itself. The ARC also received reports on IT developments, for example

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see in the meeting on 27 November 2018 it received reports on the regular 'ethical hacking' exercises that were conducted on POL's IT estate and the Payment Card Industry certification process (**POL00021559**), and in the meeting on 23 November 2017 details on IT related issues and disaster recovery (**POL00021441**).

100. There was significant structural and contractual change introduced as a result of the Towers model (before my appointment) where there were four main outsourced suppliers (including Fujitsu) across the IT estate, as coordinated by Atos as integrator. Each Tower supplier then managed a number of subsidiary suppliers. In my opinion, at the time I joined POL, it did not have a mature contract management framework to effectively manage significant outsourcing suppliers, and this should have been an area of concern for the Board. With the appointment of Mr Houghton in 2016 as the new CIO, steps were implemented to start to address this, and the Board's level of confidence grew during Mr Houghton's tenure.

Accounting systems

101. The Board's oversight of accounting systems relied heavily on advice from the CFO (Mr Cameron), internal audit reports and the annual statutory audit. In addition, there were various reports commissioned from independent parties to review aspects of POL's accounting systems, e.g. the Deloitte work on suspense accounts. In addition, there was a major programme during my tenure to update POL's finance and accounting systems. The Board and in particular ARC Committee members took these responsibilities seriously and asked challenging

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and probing questions of the various Finance executives who brought reports to them, and of the external auditors who attended all ARC meetings. Additionally, in accordance with recommended best practice, at least once per year the ARC met with the audit partner from POL's external auditors without management being present.

Government Oversight

102. Oversight of POL by Government, through the Shareholder NED, became more intense during my tenure. In 2015 Mr Callard was the Shareholder NED, and he had a small team which I believe comprised three people to support him. He attended all Board, ARC and NomCo meetings. He was also on the Sparrow Sub-Committee. Mr Callard stood down from the Board in March 2018 and was replaced by Mr Cooper.

103. Under the arrangements agreed with BEIS, and which were formalised in the Framework Agreement and Funding Agreements, POL was required to submit regular reports (later specified to be quarterly) to BEIS/UKGI covering prescribed topics. I believe that both the CEO and CFO had regular meetings with BEIS/UKGI although I did not attend these. I also believe that Mr Parker as Chair had regular meetings with BEIS/UKGI.

104. Mr Cooper's team within UKGI was significantly larger, although I believe he also oversaw other Government entities. Both Mr Cooper and members of his team were much more visible in the business on a regular basis. They requested and held meetings with a wide variety of executives at a number of levels and would

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regularly request significant amounts of information to be provided, which in many cases required the creation of specific information and reports.

105. The Framework Agreement was negotiated following Mr Cooper's appointment. Mr Cooper operated in a very executive manner and was an active participant in Board and committee meetings. I am unable to comment whether his oversight was adequate from a Government/shareholder perspective, however it was much more detailed than had been the case under Mr Callard.

ARC

106. I have been asked to review the minutes of the ARC Committee meeting on 25 March 2015 (**POL00026719**) and the minutes of the RCC meeting on 7 September 2015 (**POL00110129**) and explain the nature and extent of my responsibilities in respect of ARC and RCC. As I explain above, ARC was the Board sub-committee. The RCC was an executive level committee, which had its own terms of reference. The RCC's remit was similar to ARC, but it did not include internal or external audit. It was designed to provide executive management with an overview of risk and compliance within POL. As an executive committee it reported through the executive line to the CEO, and it reviewed those matters that went to the ARC, as well as other matters of lower materiality.

107. The Risk & Compliance team, who reported to me, prepared the agenda for the RCC meetings in conjunction with the CoSec team following a similar process to

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that for the ARC. POL had adopted the standard '3 lines of defence' risk management model where:

(a) the first line of defence was the line management responsible for running the business and therefore for identifying and managing the risk associated with that business;

(b) the second line was the Risk function which developed and helped implement the risk management framework and provided assurance to the RCC and the ARC as to the effectiveness of risk management within POL; and

(c) the third line of defence was Internal Audit. Under the Board-approved Internal Audit charter, they had a direct reporting line to the Chair of the ARC.

108. I chaired the early meetings of the RCC, however, overtime, Mr Cameron took over the chair role as it was a 'first line' committee and therefore properly the responsibility of those executives who were accountable for managing those risks. As Mr Cameron was CFO and COO, he had first line accountability for the management of many of POL's operational risks.

109. The RCC received copies of the internal audit reports and was able to discuss these, however given the independence of internal audit in accordance with the

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Internal Audit Charter, it was for the ARC to receive and accept the internal audit reports.

110. I have been asked to expand on the statement: "*The Committee asked if he was aware of the challenges in the Business and the less than mature risk framework. The GC assured the Committee that he was well aware of the challenges"* at POLARC 15/15 in (**POL00026719**). The discussion related to my update on the recruitment of a Head of Risk & Audit to replace the interim role who had recently resigned. The specific reference relates to the fact that at the time the risk framework at POL was very immature and there was significant work to be done to develop and embed a suitable framework. In addition, the risk team was small. This statement in the minutes referenced the discussions I had had with the successful candidate as to his responsibilities in developing POL's risk management maturity.

KNOWLEDGE OF THE HORIZON IT SYSTEM

111. At the time I joined POL, I had only a very limited knowledge of the background to 'Project Sparrow' as it was referred to. As part of my induction process following joining, I was briefed on a range of issues regarding Horizon, the Scheme, and the issues leading to that (including the fact of prosecutions), and, at a high level, the work and enquiries that had been undertaken to date in relation to addressing these issues. The briefings were largely in person, and I believe I was provided with examples of Post Office Investigation Reports ("**POIR**") prepared by POL, and Case Review Reports ("**CRR**") prepared by Second Sight under the Scheme. My

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recollection is that I had verbal briefings from Mr Aujard, Mr Williams, from members of the Scheme Secretariat, which was at the time headed by Belinda Crowe, and from the external legal team at Bond Dickinson.

112. I also recall a discussion of the reasons why POL was no longer undertaking prosecutions. My recollection is that there was a consistent view that prosecutions were not being pursued as any evidence that was generated from the Horizon IT system would be challenged, and the onus would be on POL to prove that Horizon-based evidence was robust, and at that time there was no expert witness available who would be able to address these issues. It was felt that for POL to 'prove a negative' that is, establish that there was nothing wrong with Horizon and therefore the evidence from it was reliable, would be onerous and disproportionate given the age and complexity of the system. I do not recall receiving any specific training on Horizon when I started, although from time-to-time training on the Horizon IT system was provided in the Model Office which was established in the Finsbury Dials building; for example, prior to providing Christmas support to Crown branches, which I attended. These training sessions were available to all those employees who did not use Horizon as part of their day-to-day work, but it was not designed to enable staff to actually operate Horizon and no user IDs were issued with it.

113. I also attended briefings in the Model Office which were provided to external parties such as our external legal team, on an as needs basis. For example, when we appointed our Counsel for the Group Litigation, we provided them with demonstrations of Horizon in the Model Office, which I attended.

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114. My knowledge of the Horizon IT system developed over time as I became more familiar with the issues arising through the Scheme and the Group Litigation, as well as through other issues that I was involved in such as Project Trinity (the termination of the IBM contract), and the resulting re-negotiation of the Fujitsu contract, and the discussions around the IT strategy led by Mr Houghton. My view was that no IT system was perfect, but that the real challenge was how the organisation (in this case POL and Fujitsu as the system supplier and operator) identified bugs, defects and/or errors, understood their impact and then prioritised and effected remediation.

THE PROJECT SPARROW AND THE MEDIATION SCHEME

115. I have been asked to describe the nature of any briefing received on Second Sight, and the nature and purpose of the Scheme. When I joined, Mr Aujard and Mr Williams briefed me on the Scheme, in particular:

(a) the process by which, and the purpose for which, it was established. My recollection is that I was provided with copies of the Terms of Reference and minutes of the most recent Steering Committee meeting;

(b) the steps that had been undertaken to inform potential interested parties across the postmaster community about the Scheme;

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(c) the agreed steps involved in producing the POIR, the CRR and Second Sight's role in producing these (in this regard I was provided with a copy of Second Sight's first Interim Report).

(d) the role of the Working Group and the approach that the Justice for Subpostmasters Alliance ("**JFSA**") had more recently taken; and

(e) the criticisms that had been levied at the Scheme.

116. I no longer have access to the notes that I took during these briefings, and they have not been provided to me by the Inquiry, and my memory of these briefings is impacted by what I learned subsequently over time. However, my recollection of the briefing process generally as part of my induction across all aspects of POL's business was that it was initially high level, and that I requested and received more detailed information as matters developed over time. I do recall that the focus of my induction was on other parts of POL's business first, and that handover on the Scheme came slightly later. My recollection is that we agreed this based on the work that was underway to prepare for the Parliamentary Select Committee and I agreed with Mr Aujard that he should continue to lead this work. In addition, my recollection is that both Mr Aujard and I had separately pre-booked holidays during this period, and these delayed the hand-over of some matters. Given the recommendations that were put to the Sparrow Sub-Committee and the Board during this period relating to the closure of the Scheme, termination of the Working Group and the termination of Second Sight's appointment, I sought more

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detailed briefings on these areas so that I was sufficiently prepared to handle these issues.

117. When I started at POL, the future of the Scheme was the subject of discussion at both Executive and Board level given the lack of progress with mediations, and the criticism being directed against the Scheme, which came to a head with the Select Committee hearing on 3 February 2015. The Select Committee took place only a few weeks after I started at POL. I did not attend the hearing, but watched a recording of it, and it was clear that MPs were no longer supportive of the Scheme. This was summarised to the Sparrow Sub-Committee in an updated dated 11 February 2015 as "*MPs raised concerns about the time the process is taking, while the business also faced hostile questioning from MPs about the range and scope of information being shared with Second Sight*." (**POL00040911_0001**)

118. Prior to my appointment, Mr Aujard and Mark Davies had developed a draft paper setting out the options for the Scheme in light of the criticisms that were being made about its progress and outcomes (see **POL00158191)** which was discussed at an internal meeting on 27 January 2015. Following Mr Aujard's departure, this paper was converted into a paper dated 11 February 2015 which was prepared for the Sparrow Sub-Committee (**POL00040911**). That paper was subsequently discussed at, the Sparrow Sub-Committee meeting on 18 February 2015 (**POL00006574**) and I believe that a similar paper dated 2 March 2015 (**POL00102254**) was also discussed at the Board meeting on 25 March 2015 although the minutes of that meeting (**POL00027279**) only refer to a verbal

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discussion. The recommendation to close the Working Group and offer to mediate all cases that were not the subject of a Court decision, was accepted by each of the Sparrow Sub-Committee and Board. I note that I am listed as a co-author of this paper, but I do not recall whether I had much input into its drafting. I do recall that, based on the briefings I had received, the documents I had reviewed, and my understanding of the criticisms that were being levied at the Scheme, I agreed with the conclusions and recommendations of the paper, which appeared to represent the safest option for POL – the conclusions were closest to the intentions of the Scheme and the way in which the Scheme already worked, and sought to ensure that POL met its obligations to those who applied to the Scheme.

119. I was made aware that Bond Dickinson had been advising and guiding POL throughout the course of the Scheme prior to my appointment, and this continued during my time at POL. Decision-making by POL in relation to the Scheme was therefore informed by Bond Dickinson's advice.

120. I have been asked to describe the issues raised by Mr Davies in his email on 12 February 2015 (**POL00132956**), and in particular what I was addressing in my reply on the same day when I said, "*Chris & I are on the case re Patrick and Tom".* POL provided the Secretariat support for the Working Group and to Sir Anthony Hooper as Chair of the Working Group. This was led by Belinda Crowe as Programme Director and supported by others who reported to her including Patrick Bourke and Tom Wechsler (Programme Manager). By early 2015 Ms Crowe had announced her intention to retire. Mr Bourke was a contractor and his contract was due to expire around this time, though I cannot recall the precise date. I don't recall Mr

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Wechsler's employment status. Taking all of this into account, along with the fact that no decision had been made as to leadership of the Secretariat team following Ms Crowe's departure, Mr Davies' email was to highlight that issue and the resulting uncertainty that this created, and which was exacerbating the existing resourcing challenges. From memory, Mr Wechsler was appointed to replace Ms Crowe, and I subsequently agreed with Mr Bourke that we would extend his contract. Around mid-2015, Mr Wechsler changed roles internally, and Mr Bourke was appointed to lead the team that was running the mediations.

121. I have been asked to consider (**POL00023833**) which is the draft CRR dated 8 February 2015 produced by Second Sight regarding Mr Timothy Burgess, and consider in particular paragraph 4.21 of that draft CRR, and address why POL took the stance it did in responding to concerns raised about it bringing charges for both theft and false accounting. I had only been in post for a couple of weeks when the draft report regarding Mr Burgess was provided to me. I did not expect to read or sign off POIRs or CRRs given they were very factual and detailed in nature, although several had been provided to me as examples as part of my induction. I believe that Mr Burgess' CRR was provided to me as an example of Second Sight providing opinions on matters outside their acknowledged areas of expertise.

122. Second Sight asserted that POL brought charges of theft so as to 'bully' Mr Burgess into accepting a lower charge, such as false accounting, in circumstances where the grounds for theft were not made out. POL's position, as explained in its letter to Second Sight on 24 February 2015 (**POL00002503**), was that false accounting was not a lower charge. I was not involved in the instruction of Cartwright King,

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POL's criminal legal advisers, to review the POIRs and CRRs and am not aware whether they reviewed all of them, or only those that involved criminal charges. I had sight of the advice from Simon Clarke dated 16 February 2015 (**POL00023832**) which is expressed in more general terms rather than being limited to any specific CRR prepared by Second Sight. That advice raises concerns, expressed in strong terms, with the conclusions that Second Sight was reaching. On that advice, POL believed that Second Sight was acting outside its sphere of expertise in opining on these matters, and that this did not assist the overall process given the reliance that the SPMs placed on Second Sight's work.

123. I supported the decision to close the Working Group as its role had been to determine which cases should proceed to mediation. Given that POL had previously stated that it was, except in very limited cases, not prepared to mediate cases with a criminal conviction, then the decision to offer mediation to all cases (other than those with a Court decision) obviated the need for the Working Group's opinion. CEDR continued to oversee the mediation process in the revised form.

124. Terminating the Working Group then raised the question of Second Sight's ongoing role. The internal view, which I supported, was to terminate Second Sight's engagement on notice in accordance with the terms of the relevant engagement letter. POL expected that Second Sight would be able to complete the work that had already been commissioned, including its Part Two report, during the notice period, and proposed that Second Sight would continue to have a role in helping resolve the concerns of applicants to the Scheme. In this regard, POL would continue to fund Second Sight to review the files and materials and prepare a CRR

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for each remaining applicant, if the applicant so wished and if Second Sight was willing to assist. This meant that Second Sight would effectively continue to do the same role (at POL's cost) and would enable each remaining applicant to have their files reviewed in the same way that would have applied if the Scheme had remained on foot. However, any other legacy work that Second Sight had underway from previous POL engagements would be terminated.

125. POL was genuine in its offer to mediate all remaining cases other than those involving a Court decision. Under the Scheme, it was for the Working Group to recommend whether a case should be mediated, however POL did not have to accept this recommendation, and had made it clear that, save in exceptional circumstances, it would not mediate criminal cases or cases involving Court decisions. The JFSA believed that all cases should be able to go to mediation subject to the Working Group's decision, and we were aware that the JFSA had called for SPMs to withdraw from mediation, and had abstained from voting at the Working Group as a result. POL had received advice from CEDR that the settlement rates from the mediation were lower (45%) than is normal for mediation (65-75%). POL continued to offer mediation over the next 12 months until the Group Litigation commenced.

126. POL was aware that none of the various options as originally set out in the draft options paper prepared in January 2015 (**POL00158191**) would be seen positively by any of the stakeholders, and that there would be significant adverse comment. Even though the option chosen – to offer to mediate all cases other than those with a court decision – reflected as closely as possible the intention of

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the Scheme, it was heavily criticised. Much was made of the termination of Second Sight's role, even though they continued to perform the same role for the applicants as they had previously, and at POL's expense. POL was concerned that Second Sight continued to opine on matters outside their expertise, however this was not a reason for termination of their engagement.

127. The paper submitted to the Sparrow Sub-Committee and the Board summarised the various options, and properly set out the proposals and then discussed a series of issues - of which risk was properly one factor. A key risk was the PR risk in that we expected an adverse reaction from all stakeholders irrespective of which option was chosen. However, this prospective PR risk was not the reason for choosing to close the Working Group. The driver for closing the Working Group was that no one thought the status quo should continue and the process generally needed to be accelerated. The Scheme was not working though for a number of reasons which included the fact that applicants had different and higher expectations of what mediation could offer (as evidenced by the CEDR feedback); the thorough investigation and review process by POL and Second Sight meant that progress was perceived as being too slow so wasn't meeting political expectations; the JFSA (led by Alan Bates) had refused to engage as they believed all cases (including those involving criminal convictions and other court decisions) should be considered for mediation; and the Parliamentary BEIS Select Committee had been extremely critical. As a result, there was a major loss of confidence. Hence why we thought the option to continue offering mediation of all cases other than those involving a Court decision was the option that was most

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aligned with the original intentions, and in that case, the Working Group's role was redundant.

REVIEW OF CRIMINAL CONVICTIONS: INITIAL STAGES

128. I have been asked to describe the nature and extent of any involvement with or oversight I had of POL's review of past convictions of SPMs using data generated by the Horizon IT system, including post-conviction disclosure. I had no direct involvement in POL's review of past convictions of SPMs. When I joined POL my understanding was that Cartwright King had undertaken a review some time previously, and that this had subsequently been reviewed by Brian Altman KC in 2013. I have no recollection of receiving a copy of this review and I do not recall any formal communication as to whether all recommendations from Mr Altman had been actioned. However, I was aware that prior to my appointment there had been a discussion about the duty of disclosure to those who had been previously convicted should POL become aware of information relevant to those convictions. This duty was one of the reasons why Cartwright King were involved in the review of cases in the Scheme - to consider whether a duty of disclosure arose. Bond Dickinson were also aware of this ongoing disclosure duty, no doubt because of their longstanding involvement around the Horizon issues and POL's dealings with the Criminal Cases Review Commission ("**CCRC**"). I referred to this at the meeting with Second Sight on 4 March 2015 (see paragraph 37 of **POL00063428**). I recognised that there was an ongoing duty of disclosure to convicted SPMs and my expectation was that this duty was being discharged, largely owing to the regular interaction between the POL team and external legal advisers on the particular subject matter, and 'Sparrow' more generally. An

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example of this arose in relation to the Computer Weekly publicity in November 2015 in relation to the 'Dalmellington bug' which demonstrates that POL was alive to the disclosure obligations raised by new information. As set out in the email exchange on 10 November 2015 (**POL00153527_0001**), Mr Williams was noted to be collating "*all the coverage to date on this (Computer Weekly, Shropshire Star and Tim McCormack's blog) to send to CK for disclosure considerations*."

129. The Inquiry has drawn my attention to five documents:

(a) the Helen Rose Report (**POL00022598**);

(b) the Second Sight reports:

i. Interim Report dated 8 July 2013 (**POL00099063**);

ii. Briefing Report – Part One dated 25 July 2014 (**POL00004439**);

iii. Mediation Briefing Report – Part Two, version two – 30 July 2014 (**POL00022150**)

(collectively the "**Second Sight Reports**"); and

(c) the Project Zebra report dated 23 May 2014 (**POL00028062**).

and asked me to set out the nature and extent of my knowledge of them, and the extent to which they ought to be disclosed to convicted SPMs. I will take each of these in turn.

130. I knew that there was a report referred to as the Helen Rose Report (**POL00022598**), although I do not now recall the circumstances as to how I became aware of it as I have no recollection of seeing it prior to the provision of

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these documents to me by the Inquiry. I note from the documents provided to me by the Inquiry that POL proposed to disclose the report to the CCRC. However, while the document was marked "legally privileged", as Mr Williams set out in his email on 31 March 2015, POL recognised that privilege would not apply (**POL00022597**). Following this, POL provided a copy of the Helen Rose Report to the CCRC on 2 April 2015 (**POL00151754**). I am not aware whether this Report was at any time otherwise considered for disclosure to convicted SPMs. Given that this Report was prepared in 2013, I would have expected that the question of disclosure had been dealt with in the Cartwright King/Mr Altman review ("**2013 Sift Review**"). Nevertheless, looking at the report now, had I seen the report at the time, I would most likely have asked the following questions: (i) was any work done to identify whether there were other cases where this, or similar fact patterns had presented? If so, (ii) was there a discrepancy in those cases between the ARQ logs and the underlying data?; (iii) if so, were these disclosed at the time to the SPM, or indeed to any convicted SPM where the prosecution had only relied on ARQ data and the underlying data told a different or more complete story?; (iv) were the changes recommended by Ms Rose actually made? Given that the information provided to me by the Inquiry is not a complete record, I am unable to answer these questions.

131. With regard to the Second Sight Reports, I believe these were made public at the time of publication, notwithstanding that they were intended to be provided to the participants in the Scheme and their advisers, and otherwise were expected to be treated as confidential. POL was aware that the Second Sight Reports were circulated more widely, although I do not now recall if this was by Second Sight,

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the JFSA or by one of the recipients. In this regard, I note that, in an email to me on 16 February 2015 (**POL00025781**), Gavin Mathews of Bond Dickinson said that the July 2013 (Interim Report) was published by Second Sight and that the CCRC would therefore have seen it. I also note that on 2 April 2015, POL provided the CCRC with the first iteration of Second Sight's Part Two Report and POL's response to that iteration. POL also said in its letter dated 2 April 2015 it would provide a copy of the final Part Two Report once it received it from Second Sight (**POL00151754**). I do not now recall how the early Second Sight Reports were provided to the CCRC, but I know that the CCRC had them. There is reference in an email from Mr Williams to me on 5 April 2016 (**POL00123890_0002**) to a conversation between Mr Williams and Amanda Pearce of the CCRC which took place before Easter 2016, in which Ms Pearce makes reference to content in the Second Sight Reports, so it is clear that the CCRC did receive them.

132. I do not recall how or whether the Second Sight Reports were considered for disclosure directly to convicted SPMs but as Bond Dickinson was actively involved with the Scheme and reviewed the Second Sight material, I would have expected them to consider the possibility of disclosure of the Second Sight Reports to convicted SPMs. My expectation was that, if Bond Dickinson thought the Second Sight Reports might need to be disclosed to convicted SPMs, they would advise POL to seek specialist criminal advice from Cartwright King on the point.

133. Cartwright King did review other documentation prepared for the purpose of the Scheme. For example, when an applicant became part of the Scheme, POL would investigate the applicant's complaint and produce a report detailing the result of

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those investigations (the POIR). The POIR was reviewed by both Bond Dickinson and Cartwright King prior to being provided to Second Sight, who would then produce their own report (the CRR). With this in mind, if either POL's or Second Sight's Reports required disclosure to the CCRC or to convicted SPMs, I would have expected Cartwright King to advise POL as such.

134. With regard to the Project Zebra reports, I believe there are two documents related to this review: the actual Deloitte report dated 23 May 2014, a copy of which has been provided to me and which I refer to as the Zebra Report (**POL00028062**), and a Board Briefing which I believe was dated June 2014 and which is referred to in Sir Jonathan's report dated 8 February 2016 (**POL00006355_0048**), neither of which I saw during my time at POL. Having been provided with a copy of the Zebra Report (but not the Board Briefing) by the Inquiry, I am now aware that the Zebra Report was an assurance review carried out by Deloitte in 2014 which was undertaken before I started at POL, and it contained recommendations as to how POL should implement a risk based approach to its oversight of Fujitsu and Horizon, and flagged that there were risks that should be considered as part of this framework including in relation to the controls around superuser/privileged user access, and that POL's assurance framework did not cover all the identified risks.

135. I recall being made aware of the fact of the Zebra Report relatively shortly after joining POL, and the fact that it had gone to the Board although, not having seen it at the time, I don't know whether it was the Zebra Report or the Board Briefing (or both) that was referenced. I had asked the team whether there was anything about the work that I needed to be aware of. The position was presented to me as a

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legacy matter, which had been addressed, and therefore no longer of relevance. I do not recall being informed of the content.

136. I am not aware whether either the Zebra Report itself or the Board Briefing were considered at the time they were produced for disclosure to convicted SPMs. I also cannot recall, and the documents I have seen from the Inquiry do not specify, whether either of them were disclosed to the CCRC. However, given the scope of the CCRC's disclosure request, my current assumption is that they would have been disclosed. My general position to the CCRC was that POL should take a cooperative approach to disclosure and I believe this was clear to the wider POL legal team. I tried to encourage a constructive dialogue between POL and the CCRC on the question of disclosure and how that was facilitated.

137. I have seen in the papers provided to me by the Inquiry that there is an advice note from Cartwright King dated 27 March 2015 (**POL00315631**). I see that Cartwright King say that the Zebra Report is "*potentially disclosable*" where there are certain suggestions raised in the convicted defendant's defence, but it goes on "*that is not to say the material is presently to be disclosed, only that we cannot determine that issue without further information",* and then sets out a series of questions for POL in respect of the Zebra Report which need to be answered in order to properly consider the disclosure point. I appreciate the significance of this advice note, and I have thought hard about this, but I do not recall seeing it at the time, even though I received a copy on 29 April 2015 (**POL00315630_0001**), although the cover email under which it was sent focuses on the point that the Deloitte report could not be used as expert evidence, rather than on the recommendations made to undertake

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further enquiries. In the absence of any further information I am unable to assist the Inquiry any further about this document or what steps were taken upon receipt of it, although the recommendations are broadly similar to those of Sir Jonathan in his report in early 2016, and those recommendations were picked up through the Bramble work. Had the questions asked by Cartwright King been identified and addressed in early 2015, then decisions about disclosure – both in context of the Group Litigation and potentially to convicted SPMs – could have been addressed, and I regret that I did not follow up with this at the time.

138. I have been asked to what extent I or others at POL considered searching for other documentation relevant to the integrity of the Horizon IT system to determine whether the same ought to be disclosed to convicted SPMs. I am not clear whether this question is targeted at the periods in which each of the reports referred to in paragraph 129129 were prepared or completed, or during the whole of my tenure, but I will attempt to address the question in its broadest sense.

139. When I started in 2015, as per my comments above, the 2014 Deloitte (Zebra) and 2013 Sift Review were presented as legacy matters as they predated my arrival. I therefore cannot comment on whether a wide search of documentation was considered as part of the 2013 Sift Review, or at any other time prior to my appointment. With regard to any new matters relating to Horizon that were brought to POL's attention during my tenure, POL would consider whether these suggested issues could have affected branch transactions, and if so, would undertake further investigations including requesting relevant information from Fujitsu (as was the case with the later Project Bramble reports). POL was reliant upon Fujitsu to

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respond to such requests by searching for and identifying relevant information to address the question being raised. My expectation was that Fujitsu would carry out reasonable and proportionate searches, and a decision would be made in relation to the disclosure of any relevant information identified through that process. I recall being advised in 2015 or 2016 that POL and Fujitsu had, I believe, weekly meetings to review operational issues in relation to Horizon, and that given the challenges that had been raised in relation to the integrity of Horizon, these meetings were attended by Mr Williams, and Bond Dickinson, and I believe that Cartwright King may also have attended. I did not attend those meetings, but I would have expected that any newly identified issues would have raised a requirement for further investigation, including the search for relevant information. If an issue was identified that upon investigation gave cause for concern as to whether it should be disclosed, then my expectation was that this would have been reviewed by the relevant lawyers given their attendance.

Correspondence with the CCRC

140. Although I was aware in early 2015 that the CCRC had been in touch with POL, it was not until 14 January 2015 that the CCRC requested specific information – in particular a copy of Mr Altman's report dated 15 October 2013. I do not have a copy of that request, however my recollection (aided by subsequent correspondence provided to me by the Inquiry) was that the CCRC did not provide any explanation as to the basis of the request. Bond Dickinson noted that the form of the approach was unusual as there was no 'case under review' at that time by the CCRC, nor was there any case under review for the Court of Appeal, being the two grounds of reasonableness set out in the CCRC's own Formal Memorandum

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on its powers (and set out as an attachment to the letter to CCRC dated 11 February 2015 (**POL00151181**). By that letter dated 11 February 2015, we therefore asked the CCRC for clarification.

141. Whilst, with hindsight, I appreciate that my first letter could be interpreted as resisting the CCRC's request, this was not the intention or purpose. My letter, prepared on the advice of, and with input from, Bond Dickinson, was seeking clarification from the CCRC on its request. That conversation with the CCRC evolved, and its letter of 12 February 2015 (**POL00151293**) provided POL with a degree of understanding of what it was seeking. In that letter, the CCRC stated "*Recently, the Commission has been made aware of potential miscarriages of justice arising out of convictions where information produced by the Horizon software was used in evidence. Therefore the Commission would be looking to the information provided by the Post Office to identify the individuals that may be affected by the Horizon issues and asses the safety of any convictions*". What flowed from there was discussions regarding how best to provide information and material to the CCRC.

142. The Inquiry has drawn my attention to my email to Mr Williams on 16 February 2015 (**POL00025781**). In this email, I note that the CCRC are asking to see Mr Altman's report and I note that the CCRC state that they expect that this would also cover the "Horizon system" (see paragraph 6 on page 2 of the CCRC's letter dated 12 February 2015 (**POL00151293_0002**)). I have been asked to expand on what I meant when thereafter stating *"In relation to the Horizon system, we should consider what can be provided around this; would any of Second Sight's own*

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reports assist on this". The CCRC's request for documents relating to the "Horizon system" raised the same question that Second Sight had to address, namely what "Horizon system" meant and whether this was limited to hardware and software, or whether it extended to training, branch support and other processes. The statement I made in **POL00025781** was a query in relation to whether provision of the Second Sight Reports would help the CCRC to clarify the focus of its enquiry – whether it was considering the hardware and software, or whether it was considering training and other elements, or both. In the event, I note that Gavin Matthews of Bond Dickinson then confirmed in his reply on 16 February 2015 (**POL00025781**) that the CCRC already had a copy of Second Sight's July 2013 report.

143. POL was aware that the CCRC's requests as presented to POL would result in a significant volume of documents being provided to the CCRC, much of which POL believed would not be relevant to the CCRC's investigation. POL therefore wrote to the CCRC on 27 February 2015 (**POL00114301**), asking them to identify the findings and recommendations in Mr Altman's report which were pertinent to its investigations, in order for POL to provide disclosure on those elements. This was not intended as an attempt to withhold documents, rather to ensure that the disclosure process was manageable on both sides. Indeed, POL took a proactive step in setting up an electronic data room at POL's cost to facilitate CCRC's access to a large numbers of documents. My recollection is that this was the first time that this had been offered to the CCRC and they were appreciative of our efforts in this regard.

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144. POL engaged actively with the CCRC in correspondence and in person meetings to ensure that all relevant information falling within the scope of the CCRC requests was supplied.

145. As the CCRC's request became clearer, I relied on input from Bond Dickinson and then Mr Altman (see email of 26 February 2015 **POL00151297_0001**), as to what POL's response should be to the request. Bearing in mind that by this stage I was only a month into my role, and my lack of familiarity with the CCRC, I wanted to ensure that I correctly understood their powers and POL's obligations, and took advice on this from POL's external legal advisers. Having then understood this, my instruction to the team was that we should work constructively with the CCRC.

146. I have no specific memories of any material discussions, meetings, or conferences, regarding POL's response to the CCRC. To be clear, I do not deny there were none, rather with the passage of time, I cannot recall them. The emails the Inquiry have provided do provide a window into those discussions.

147. As I set out above, my involvement of responding to the CCRC's letters of 18 March 2015 (**POL00063501**), (**POL00063503**), (**POL00063513**), (**POL00065654**), (**POL00118556**), (**POL00118558**), (**POL00118559**), (**POL00118560**), 19 March 2015 (**POL00118563**), (**POL00118570**), 20 March 2015 (**POL00118550**), 23 March 2015 (**POL00118569**), 24 March 2015 (**POL00323854**), 26 March 2015 (**POL00091220**), 8 April 2015 (**POL00162706**), 10 April 2015 (**POL00065652**) and 6 May 2015 (**POL00066947**) was part of a

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wider team's contribution. The engagement POL had with the CCRC meant that they alerted us in advance that the requests were coming. While I engaged with the CCRC formally on more high-level issues in written correspondence and this was done with the contribution of the legal team and external legal advisers, the actual delivery of documents was dealt with by the internal and external legal teams as well as certain others who supported the legal teams from an operational perspective. I occasionally dealt with issues regarding the timing of the provision of specific documents (for example where work was ongoing on a specific report, such as the Chairman's Review) and I saw the dataroom, but I do not recall having specific involvement in deciding which documents were disclosed to the CCRC and nor can I now recall the contents of the dataroom.

Meeting with CCRC – 8 May 2015

148. I have been asked to set out my recollection of the meeting with the CCRC on 8 May 2015 and the steps I took to prepare for it. That meeting came about following a suggestion from the CCRC on 18 March 2015 that it would be useful for the CCRC and POL to meet to establish the issues and clarify the level of CCRC involvement (**POL00151662**). It was my first meeting with the CCRC, and my recollection is that both entities saw this as an opportunity to meet and establish ways of working. POL offered to brief the CCRC on the background to the issues and what steps had been taken to address this, which was welcomed by the CCRC, and this was the basis of the speaking note (**POL00110243**) which I believe was prepared by myself and Mr Williams. I recall that the meeting, which I think lasted about 2 hours, was constructive. .

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Search for a new expert

149. I have been asked to set out the nature or extent of any involvement I had, or any oversight of, POL's search for a new expert to provide evidence in prosecutions based on data generated by the Horizon IT system. In an email from Mr Williams to me on 1 March 2015 (**POL00125594**) he refers to the potential appointment of Imperial College London ("**ICL**") to conduct an independent assessment of Horizon. I cannot recall how ICL was identified, although I believe there had been discussions with them prior to the commencement of my employment. I recall that only limited work was undertaken by them, which I reference in an email to Jonathan Swift KC on 12 October 2015 (**POL00104216**). I was not involved in discussions relating to the selection of, or appointment of any other potential experts, other than Deloitte in relation to Mr Parker's review (Project Bramble) and Dr Robert Worden as expert witness in the later civil litigation. In relation to appointing Deloitte, the wider legal team (which included the POL internal lawyers, Bond Dickinson, and the Counsel team) concluded that it made sense for them to undertake the work in light of their familiarity as a result of Project Zebra. I discuss the appointment of Dr Worden at paragraph 264264 below.

PROJECT SPARROW AND THE CLOSURE OF THE WORKING GROUP

150. I have been asked to describe my recollection of any updates on Project Sparrow, or the issues arising from the Horizon IT system to POL's Group Executive or Board, and set out to what extent I, or others, were encouraged to provide updates on Project Sparrow orally rather than in writing. I understand by this question that the Inquiry is seeking to understand any specific recollections

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I have of any updates on Project Sparrow. I recall that regular updates on Project Sparrow were provided to the Board and the Group Executive, particularly where there were material developments. From the material I have been provided by the Inquiry, such updates were provided to the Board on 25 March 2015 (**POL00027279**), 22 September 2015 (**POL00021538**), 24 May 2016 (**POL00027219**), 28 March 2017 (**POL00027188**) and to the Group Executive on 13 July 2017 (**POL00027182**). I note I have received a relatively small selection of Board and Group Executive papers and so the examples above should not be taken to mean they were the totality of Project Sparrow updates to those committees. The means by which briefings were conducted varied according to the topic, some were written and some were oral.

151. From April 2016 when we were informed that Freeths, the Claimants' solicitors, had filed a claim in the High Court, I was more sensitive about confidentiality and privilege issues given the risk that litigation was imminent, and therefore some updates were verbal only. While POL had implemented a facility for electronic Board and Group Executive papers, a number of directors and executives still chose to receive paper copies which posed a higher security and leak risk. We were also aware that POL Board papers were distributed within BEIS, beyond the nominated UKGI Board member, and this increased the risk of disclosure and/or the loss of privilege where it applied to specific documents or parts of documents (e.g. through FOIA applications).

152. With regard to the nature and extent of my involvement in the release of the final draft of Second Sight's Part Two Report and POL's response to it, I do not have

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any specific recollection of having any involvement in the release of the Part Two Report. This was released by Second Sight in April 2015 and was contemplated in the correspondence with Second Sight at the time the Working Group was closed (for example see the letter on 18 March 2015 (**POL00022529**)), and when the Second Sight engagement was terminated on notice. Following receipt of a draft copy, POL prepared a detailed response, of which we informed Second Sight in my letter of 18 March 2015 (**POL00022529**). I have not been provided with a copy of the detailed response but recall it was prepared by the internal POL team and I believe, had input from Bond Dickinson. While I read the report and POL's response, much of the material related to events that pre-dated me, and I relied on the POL staff who were managing the preparation of the response to ensure that the responses were accurate and proportionate.

153. I have been asked to set out my knowledge of Fujitsu's ability to alter transaction data or data in branch accounts without the knowledge or consent of SPMs when POL responded to the Second Sight Part Two Report. The POL IT team in 2015-16 was relatively small, so all questions regarding Horizon and IT related matters went directly to the Fujitsu team. POL had specifically relied on Fujitsu to provide detailed answers in relation to the issue of remote access, and had correspondence with Fujitsu on this point on a number of occasions during my employment. For example, the email dated 21 July 2015 (**POL00024087**) in which the Head of Information Security, Ms Julie George, informs me and others as to the outcome of her questions to Fujitsu about a particular application (Cygwin) that Fujitsu used and whether it could be used by Fujitsu for remote access. Ms George's email was to confirm that she had received written

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confirmation from Fujitsu which she summarised as Fujitsu "*…cannot/do not access for amendment or deletion the branches* (sic) *Horizon front office business/financial systems"*. This use of the language 'cannot' was consistent with what I understood was POL's previous understanding.

154. The scope of the question also changed over time. Early on, it arose in relation to Mr Rudkin's allegations, and the focus of the initial queries was to establish or disprove those allegations. Later the question became more nuanced: could either POL or Fujitsu employees remotely access and alter branch data without leaving an audit trail? It was not until 2016 at the time of the Group Litigation that we received specific positive information that remote access was in theory possible. These matters are further dealt with at paragraphs 209 - 225.

155. Within POL there were frequent discussions as to the implications of the remote access issue. Other than Mr Rudkin's statements and those of Mr Richard Rolls in the BBC Panorama programme, no evidence had been presented that remote access had occurred or that records had been remotely changed other than in ways that were mandated. There had been no suggestion that POL had instructed Fujitsu to alter records; and there was no evidence presented that any one from either Fujitsu or POL had benefitted from changes remotely made. So while resolving the issue was important, there was a sense within POL that in the absence of evidence that records had actually been deliberately altered to the detriment of the SPMs, then this was a lesser issue.

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Dealings with the Shareholder Executive ("ShEx")

156. I have been asked to describe the nature and extent of my dealings with the ShEx and the Government in relation to the complaints made by SPMs regarding Horizon. From a POL operational perspective, there wasn't a significant difference between the ShEx and the day to day contact we had with BEIS, and there was frequently overlap. Most of my interaction was with the ShEx team who had a very wide remit, and they could, and did, ask questions on, and require copies of documents and reports on a wide range of topics.

157. As I set out above, Mr Callard was the Shareholder NED when I arrived and he had a small team. Mr Cooper then replaced him and developed a larger team. Their approach was much more intensive in terms of the frequency of interaction, the depth of information they sought, and the range of POL employees with whom they sought to engage.

158. At the time I joined POL, there was no formal arrangement as to briefings in relation to Scheme matters. We received requests for briefings from time to time on the progress of the Scheme, and interactions with MPs. Briefings to BEIS/ShEx usually followed an agreed agenda, and the materials prepared followed the issues flagged in developing that agenda. Accordingly, the priority was to address the questions that were raised, and as a secondary goal, give BEIS confidence that the POL team were managing the situation regarding the complaints from SPMs. I believe that this was one of the original reasons for the establishment of the Board Sparrow Sub-Committee (of which Mr Callard was a member) so that the committee had oversight over progress to address the issues raised in relation

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to Horizon. There were regular interactions with a number of MPs about the complaints raised by SPMs which was handled mainly by the Communications team lead by Mr Davies with support from Mr Bourke in my team. There were several changes of minister during my tenure, and each time there was a request to brief the new minister on the background to the issues. Other than the briefing for Baroness Lucy Neville-Rolfe (referred to in internal documents as 'BLNR' or LNR'), who was appointed in 2015, I don't recall details of specific cases being requested by, or provided to ShEx or BEIS during my tenure. Regular briefings were provided to various BEIS officials including Alex Chisolm, the then BEIS Permanent Secretary who received briefings similar to that which went to Baroness Neville-Rolfe.

159. Ahead of the meeting with Baroness Neville-Rolfe on 6 August 2015 there were a series of both internal discussions, and conversations with Laura Thompson (a member of the BEIS team reporting to Mr Callard) , which I refer to in my email to Ms Vennells on 2 August 2015 (**POL00102431**) to agree the scope of the meeting, as well as to agree within POL the key messages, which were then discussed in advance with the BEIS team. The Inquiry has drawn my attention to an email I sent to Mr Cameron on 31 July 2015 (**POL00162554_0005**) and the comment "*no one is opining on the merits of the case*". In this email I am reporting to Mr Cameron a conversation I had with Laura Thompson regarding the issues Baroness Neville-Rolfe (referred to as "L-NR" in the email) was likely to be considering and on which she would want to be briefed. I believe that reference to be a statement of BEIS's position at that time; that is, that BEIS had not formed their own view of the merits or otherwise of the case. Had it been a question as

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to the merits, then I would have expected it to be phrased as a request for an opinion.

160. The Inquiry has drawn my attention to an email from Ms Vennells to me on 3 August 2015 (**POL00065477**) in which she states "*As my earlier note, our priority is to protect the business and the thousands who operated under the same rules and didn't get into difficulties; the points and queries are not to reopen anything but to ensure so we are well briefed for Thursday"* and asks me to comment to what extent was "*protecting the business"* a priority in dealing with challenges brought by SPMs regarding the Horizon IT system. The POL approach was premised on the fact that while there were a number of SPMs (and others) who had raised concerns, there were a significant number of users both currently and historically (c.60,000 at any one time, and more than 500,000 since Horizon was launched) for whom Horizon worked as intended and who had raised no concerns; there were c.6 million transactions processed every day without problem; and POL provided reliable services to over 20 Government and third party customers (such as Royal Mail, Department for Work and Pensions, Bank of Ireland, banks generally, utility providers etc, WH Smith etc). POL therefore had to maintain the trust and confidence of these stakeholders at the same time as investigating and addressing the complaints brought by a group of SPMs. Therefore it was important to ensure that for those SPMs for whom Horizon was operating as intended, that we continued to support them, and that they were not de-stabilised by the ongoing challenges. As part of the Government funding for POL, it was a condition that certain access criteria were maintained – these included a minimum of 11,500 branches which had to meet certain requirements

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as to geographic spread. Maintaining this geographic requirement was challenging, so stability in the network was important. Equally, the fees received from Government agencies and third parties for providing services underpinned POL's financial position, so maintaining their confidence in the system was critical. The reputational damage arising from the ongoing challenges from the JFSA, SPMs and the press were unhelpful in the context of retaining the confidence of SPMs, customers, suppliers and business partners. POL considered it important that it not only understood whether there were real issues to be addressed, but also that the reputation of the business would not be enhanced by failing to address and identify significant IT issues, if such issues did in fact exist. It was also reputationally important to be seen to be addressing the criticisms.

RESPONSE TO PANORAMA

My involvement with POL's response to the BBC

161. My recollection of POL's engagement with the BBC in respect of its broadcast of Panorama concerning the Horizon IT system is that it was handled largely by POL's communications team, with support being provided to the communications team by internal and external lawyers.

162. I do not recall having direct input into the response to the BBC, as this was largely led by Mr Williams, with support from external legal advisers at CMS Cameron McKenna, although I was aware it was taking place and I recall attending meetings to discuss the engagement with the BBC and was copied into emails attaching drafts of the proposed correspondence with the BBC. As with other

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matters, I relied on other members of POL's legal team to have carriage of this work and would receive high-level briefings and updates from them.

163. The Inquiry has provided me with a copy of an email dated 2 June 2015 from Mr Williams to Mr Bourke, Mr Underwood, Ms Corfield and others RE: Horizon / Panorama – Join Up Session – SUBJECT TO PRIVILEGE – DO NOT FORWARD – Panorama Letter (2) (**POL00229353**) and has asked me to set out whether I attended a meeting on 3 June 2015 at CMS and what my recollection is. The email says *"Thank you for being available to meet at 3pm tomorrow at CMS's London offices".* I note that I am copied to the email rather than being a direct recipient, however I do not recall whether I attended the meeting at CMS on 3 June 2015, nor do I have access to my diary from that time to check whether I did. I am afraid I therefore unable to assist the Inquiry on the contents of that meeting.

164. In light of my recollection that I had little direct involvement with the response to Panorama, I am unable to comment on how POL satisfied itself that the contents of the response to Panorama was appropriate, in respect of remote access or otherwise. However, having considered the documentation provided to me by the Inquiry, namely the draft letter from POL to the BBC sent to me on 2 June 2015 (**POL00229354**), the draft letter from POL to Karen Wightman sent to me on 4 August 2015 (**POL00230790**), the draft statement for Panorama (**POL00230791**), and the letter from BBC to POL 19 October 2015 (**POL00139193**) I note that much of the content contained in the correspondence with the BBC was common to equivalent statements made to Second Sight, to the BIS Select Committee, etc.

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Based on the information of which I was aware of at the time, I believed that the content relating to remote access in the aforementioned letters reflected the advice that POL had received from Fujitsu.

TIM PARKER'S APPOINTMENT AND THE CHAIRMAN'S REVIEW

The purpose and scope of the Chairman's Review

165. Baroness Neville-Rolfe, the BIS Minister responsible for Post Office at the time of Mr Parker's appointment, wrote to Mr Parker shortly after his appointment, requesting that he undertake a review. I understand that the Inquiry refers to the review as the "Swift Review", but the review was referred to internally at POL as the "Chairman's Review" or "Tim Parker's Review" and I will use this terminology throughout my statement.

166. The Inquiry has not provided a copy of the Minister's letter to me although I have seen what I understand to be a copy of the letter online (**WITN10010104**). It is dated 10 September 2015 and I believe it was received in POL's offices in hard copy on Friday 11 September 2015. The Minister does not specify the scope of the review but merely states "*I am therefore requesting that, on assuming your role as Chair, you give this matter your earliest attention and, if you determine that any further action is necessary, will take steps to ensure that happens*". I emailed a copy of the letter to Mr Parker on 14 September 2015 (**POL00102550**), and summarised the request as "*the Minister requests you to review personally the issues relating to the Post Office 'Horizon' system and determine whether any further action should be taken"*. I expect that the Minister considered that, in light

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of the criticisms that had been levelled at how POL was handling complaints, a newly appointed Chair would be able to look at things afresh, take an independent view, and would then be well placed to drive through any recommendations.

167. The documentation provided to me by the Inquiry reflects my recollection, which is that there was discussion internally within POL legal (**POL00065606**), about how to address the Minister's request so that an independent review could be delivered on behalf of Mr Parker, and, if appropriate, actionable findings or recommendations could be made. I believe that POL legal also discussed the letter at the time with Bond Dickinson.

168. Mr Parker had only just been appointed to his position as Chair and my recollection was that he had agreed to dedicate approximately 1 - 1.5 working days per week to his role at POL. In light of the very limited amount of time Mr Parker would therefore be able to dedicate to the review, and given the large amount of material relating to the subject matter of the review, Mr Parker considered that he would need to seek external professional assistance to undertake the review. It was clear that Mr Parker, who was unfamiliar with the detailed history of the subject matter and the relevant materials, would need some practical assistance from my team in order to facilitate the process and be the conduit for information to flow to his external adviser. It was understood by me and my team that we were not acting as Mr Parker's legal advisers – our role was to provide information and assistance when Mr Parker or his advisers requested it.

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169. In a meeting on 25 September 2015, Mr Parker asked me for recommendations as to leading barristers who would be able to advise and assist him with his enquiry (**POL00027126**). I recall that Bond Dickinson sourced and recommended two potential KCs, one of which was Sir Jonathan Swift . Having first checked their availability, I passed those recommendations on to Mr Parker. Mr Parker requested that Sir Jonathan be instructed.

170. I have been asked to comment on whether there were any disagreements within POL as to the purpose of the review. I do not recall that there were any disagreements as to either the purpose or scope of the review, either from the Group Executive or from anyone else. Both the members of my team who ultimately supported the Chairman's Review and myself were very clear that this was the Chairman's Review and therefore, ultimately, both the fact and scope of the review were a matter for Mr Parker.

171. POL's view was that it was important for the scope to be settled independently of POL given the significance of the scope – it would clearly have a direct impact on the content, and likely the conclusions, of the Chairman's Review.

172. The Inquiry has asked me to describe why I recommended the wording for the scope of the Chairman's Review in the Instructions to Sir Jonathan to advise in consultation on 8 October 2015 (**POL00156617**). I believe the Instructions were drafted by Bond Dickinson, and reviewed by Mr WIlliams and myself before they were sent. As referred to above, when the Minister's letter arrived, Mr Parker had only just been appointed Chairman and so was unfamiliar with the background

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and the issues, which had, of course, been ongoing for some time. As I say, Mr Parker was also only working part-time and therefore, in order to assist him, I prepared what I thought was a starting point for Counsel to consider. In those Instructions, I noted that the Chairman, considered the letter from Baroness Neville-Rolfe to be a request: *"To review the Post Office's handling of the complaints made by sub-postmasters regarding the alleged flaws in its Horizon electronic point of sale and branch accounting systems, and determine whether the processes designed and implemented by Post Office Limited to understand, investigate and resolve those complaints (including through the Complaints and Mediation Scheme), were reasonable and appropriate".* I do not recall why I chose this specific language to describe the scope, but I do not recall having a specific 'agenda' - the letter from Baroness Neville-Rolfe did not contain a scope, and so I think I intended this to be simply a succinct description of the issues to date. One of the challenges prior to the Group Litigation was to define the issues and challenges which were being made, and which were wider than 'Horizon' (hardware and software), it also encompassed POL's processes and procedures and the approach POL took to resolving complaints. I may have had a call with BIS to talk about the letter in more detail, but I cannot now remember if this was the case.

173. The Instructions to Sir Jonathan requested that he provide advice to Mr Parker on "*the scope of the review and how this is framed*", it was therefore clear in my mind at the time of preparing these instructions that neither myself nor anyone else at POL was setting the scope. I recall that Mr Parker wanted to complete his review by Christmas of 2015, so a proportionate scope needed to be considered and

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agreed, taking into account Mr Parker's preference as to timing. My understanding was that the responsibility of settling the scope lay with Mr Parker, having been provided with advice and assistance by Sir Jonathan. I therefore did not consider my role as providing advice to Mr Parker about the scope of the review, or shaping the review in any way. That was a matter between Mr Parker and Sir Jonathan. Accordingly, within the instructions Sir Jonathan was provided with a number of background documents, including the initial letter from Baroness Neville-Rolfe of 10 September 2015, so as to provide transparency as to the request which had been made by the Minister to the Chairman. The POL team (being mainly Mr Williams, Mr Bourke and Mr Underwood) and I had discussions with Sir Jonathan and Christopher Knight (Sir Jonathan's junior) in early October 2015 in order to provide more detail in relation to the history of the matter, and also any assistance Counsel required to enable him to settle the scope of the review, as I refer to in my email to Mr Parker on 16 October 2015 (**POL00102614**). The provision of information to Sir Jonathan and Mr Knight sometimes took the form of direct discussion with them, and at other times, we provided written information, for example when I provided background information relating to each proposed term of reference (**POL00130961**). In those discussions Sir Jonathan asked a number of questions which formed the basis of the terms of reference he was considering with Mr Parker. The POL team and I did our best to answer Sir Jonathan's questions, and as can be seen from **POL00130961,** this culminated in a question and answer document provided to Mr Parker on 16 October 2015. Aside from what can be seen in the written exchanges leading up to the question and answers (emails on 13 October 2015 (**POL00104216**) and 15 October 2015

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(**POL00162692**), and its attachment (**POL00162693**), I cannot now recall specific oral discussions with Sir Jonathan or Mr Knight.

174. Throughout my engagement with Sir Jonathan in this process, I kept Mr Parker updated. He was however reliant on me for the provision of information to Sir Jonathan, given that he was new to the role – this was in my role as a conduit and facilitator for information, rather than as a decision maker.

175. Following the initial engagement, there were separate subsequent discussions between Mr Parker and Sir Jonathan in which the wording of the scope was discussed and finalised. Based on materials provided to me by the Inquiry, it appears that the final version of the scope was agreed at a conference between Mr Parker and Sir Jonathan on 20 October 2015. I attended that conference, where the scope of the Chairman's Review was finally agreed, but I now do not recall the meeting itself. I note, however, that I have been provided with a copy of an email (**POL00102616**) which I sent the next day summarising the outcomes of the meeting.

176. Following the conference on 20 October 2015, the POL team had several meetings with Sir Jonathan and Mr Knight, where we discussed the practicalities of the review, including ways of working, the documents to be provided to Counsel, and the interviews to be arranged between Counsel and third parties. As mentioned above, Mr Parker made it clear (and I agreed with this approach) that the role of the POL team was to be a conduit to provide materials and support to Counsel, but it was Mr Parker's review. Save as explained above, I did not

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consider it my role to give instructions to Counsel, or make decisions about what Counsel should, or should not, be provided with, or the trajectory of the review. Once Counsel had initially been briefed on the historical issues, which included the provision of a range of documents and a detailed chronology, the role of the POL team (including me) was to be responsive to Counsel's requests for documentation and information and facilitating third party interviews. I personally had very little involvement during this period. My email to Sir Jonathan on 14 October 2015 indicates that the volume of material the team was collating was significant and I requested that Sir Jonathan indicate to me what he would particularly like to see (**POL00102604**). This was simply an interim provision of material whilst the team undertook to collate the remaining documents. Thereafter, I recall that Sir Jonathan and Mr Knight would either request specific documentation when they saw reference to it or knew it existed and, otherwise, they would make 'issue-based' requests for documentation.

177. The Inquiry has asked me to consider an email from Mr Bourke to Mr Knight, whereby Mr Bourke summarises a meeting on 27 October 2015 and notes *"In relation to the Horizon system, Jane outlined the very real difficulties involved in what is, at its heart, an exercise in proving a negative, only made more complicated by the age of the system"* (**POL00102638**). I believe that Mr Bourke's note derives from me explaining to those at the meeting on 27 October 2015 that, increasingly, POL was being pressured to establish that Horizon did not have any flaws (i.e. it was required to prove a negative). I considered that proving a negative was particularly difficult in these circumstances because all systems have issues, but that does not necessarily mean that they are inherently flawed. Another

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difficulty was that a large number of the complaints arose from issues with the Horizon system pre-2011. It was therefore very difficult to locate records (assuming they still existed) in order to determine whether the Horizon system was or was not the underlying cause of the discrepancies in the branch accounts.

The nature of Sir Jonathan's advice

178. On 30 October 2015, I emailed Mr Parker to update him on the progress of the Chairman's Review (**POL00102649**). I have been asked to consider the following part of that email: "*At this stage we propose that Jonathan will provide you with a legally privileged report...It is not our intention that this report would be made public, and we will therefore need to consider the best way for your findings to be presented in a way that can be made public".* At this point in time, Sir Jonathan had not provided advice or recommendations to Mr Parker, and I was not sure what Sir Jonathan's advice would ultimately look like, but I thought that it was likely that Sir Jonathan's recommendations to Mr Parker would constitute legal advice and thus it would be appropriate for Mr Parker to assert privilege over the report if he chose to do so. I note from Sir Jonathan's amendments / comments to the draft letter prepared for Mr Parker to send to the Minister briefing her on the outcome of the inquiry in February 2016, he asks Mr Parker to "*consider whether or not [Mr Parker] wish to maintain privilege in the report."* (**POL00131715**) which suggests the issue of privilege was raised with Sir Jonathan at some point. My approach to privilege arose from the fact that this was deemed to be the Chairman's Review, such review being informed by the legal advice and assistance of Sir Jonathan.

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179. Nevertheless, it was clear from the outset that Mr Parker would be required to write to the Minister to inform her of the outcomes from his review, and we expected that the Minister would want to be able to rely on the detail provided to her in some way either in Parliament, through discussion with other Ministers and interested MPs, or to the public. All were considered to be possible outcomes. We assumed that the Minister might make that detail public or, alternatively, the detail might be made public by way of a FOIA Request to BIS. Particularly in circumstances whereby Sir Jonathan's recommendations and conclusions might be privileged, we wanted to ensure that we had some control over the information which was communicated outside of POL. We wanted to ensure that no potential privilege would be lost, whilst also ensuring that the Minister was properly informed about Mr Parker's findings. In the event, a letter was sent by Mr Parker to the Minister on 4 March 2016 as discussed below. I note that (**POL00103136**) contains two emails from me to Mr Parker attaching what is effectively an interim draft of the letter (my email dated 19 February 2016) together with a further email dated 1 March 2016 which attaches the recommended final draft following receipt of comments from Sir Jonathan. In the email of 19 February 2016, I refer to my concerns that providing the Minister with a copy of the report could mean privilege is lost, and this simply reinforced the previously understood position that the report attracted privilege. I also noted that BIS officials were also concerned as to the legal status of the report:

"*As discussed last week, we have considered the best way for you to brief the Minister on the outcome of your enquiry to date. As you will recall, I expressed concerns that were we to provide the Minister with a copy of the legal advice*

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you have received from Jonathan Swift, there was a risk that privilege could be lost and that the report could become disclosable by BIS through FOI requests or similar. We have also received a call from the Minister's office in which they sought to understand how the reporting would be undertaken. During that call it became apparent that BIS officials are also concerned as to the legal status and positioning of any report received from you.

Accordingly we have sought to construct a report from you to the Minister which carries fewer risks should it ultimately (have to) be made public by BIS, and which therefore balances a description of the scope of work that has been done and the resulting key findings, with the need to retain privilege. To this end, please find attached for your consideration a draft letter from you to the Minister. It describes the questions addressed in the review work, as well as the high level findings, and it summarises the further work that is being undertaken. We have discussed this approach with BIS, and believe that it will be acceptable to the Minister. We have sent the draft letter to Jonathan Swift for him to advise whether he is satisfied as to how his findings are represented."

180. I am aware from press reporting and online commentary that there has been a suggestion that POL and I were seeking to use privilege as a means to avoid disclosing the Chairman's Review in the Group Litigation. I understand that sentiment in light of what has happened, however, I wish to be clear that it certainly was never the intention of POL or myself. It was understood within POL (which relied on the advice from Counsel and Bond Dickinson) that the Chairman's Review constituted legal advice to Mr Parker on the basis that it

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provided a series of recommendations borne out of legal advice. The whole internal, and external, legal team operated on that basis, and indeed at no time was POL advised that the Chairman's Review was not a privileged document either in whole or in part. I regret that I did not turn my mind to this question explicitly and seek specific advice as to whether the report could have been released with appropriate redaction to protect any sections that were properly determined to constitute privileged advice, given that disclosure of the advice in or even before the Group Litigation may have assisted SPMs.

181. The threat of litigation was not relevant to the way in which the review was conducted by Mr Parker, although we would have communicated to Sir Jonathan that POL was aware that Mr Bates and others were keen to bring some kind of proceedings against POL. POL was informed by a journalist in November 2015 that the JFSA was preparing a class action (**POL00153696**), however the Claim Form was not filed until April 2016, and therefore this was no more than a 'threat' for the majority of the period his review was underway. Following the conclusion of Sir Jonathan's report, the recommendations were implemented and I note that Mr Altman in his report dated 26 July 2016 comments "*The review commissioned by Mr Parker has subsequently been brought to a close, and POL is actively defending the civil claim. I have, however, been instructed to continue with the work requested by Mr Williams for the purpose of assisting POL' s defence of the civil proceedings.*"(**POL00112884_0003**).

182. The Inquiry has drawn my attention to Mr Williams' suggestion on 20 November 2015 that *"We should seriously consider suspending Tim Parker's review...we*

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should be very careful about generating through the TP review material which is disclosable in the civil action" (**POL00153696**). In my view, Mr Williams was right to flag that potential litigation should be considered even though I don't believe that at that point we had visibility of the likely recommendations, let alone the report itself. Nevertheless, I took the view that the Chairman's Review needed to be completed, and it was not at all certain at that point that litigation would eventuate. Sir Jonathan continued his work and provided his report on 8 February 2016.

Discussions with Mr Parker, other senior managers or board members about Sir Jonathan's findings, how to communicate those findings and how to respond to those findings

183. My recollection is that Sir Jonathan provided a draft version of his findings to Mr Parker, who shared them with me. I shared them with my team and we provided some comments (largely typos and some fact-checking) to Sir Jonathan (**POL00103112**). Sir Jonathan then finalised his findings, which he and Mr Knight then discussed directly with Mr Parker ahead of Mr Parker's report back to the Minister in March 2016. I cannot recall if I was involved in that discussion between Mr Parker, Sir Jonathan and Mr Knight.

184. I have not been provided with the minutes of any Board meetings or Group Executive meetings in which the Chairman's Review or the findings from it, were discussed, although it is clear that the Board were aware that it had been commissioned as the CEO informed the Board at its meeting on 22 September 2015 that "*the Minister had asked the new Chairman for his independent review*

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of Sparrow". (**POL00021538_0001**). I do not now recall whether the Group Executive was briefed. With regards to the Board, I am aware from open-source material that Mr Parker has said that I had advised him not to brief the Board on grounds of confidentiality and privilege. I exhibit at (**WITN10010105)** an email exchange between Mr Cooper and members of UKGI on 26 – 27 August 2020 and at (**WITN10010106)** an email exchange between Mr Cooper and members of UKGI on 16 September 2020, in which it is reported that I advised Mr Parker that Sir Jonathan's report needed to be kept confidential in light of the Group Litigation and that I raised issues of privilege. My recollection is different to Mr Parker's, although I agree that I discussed privilege and confidentiality when I met him. My recollection is that the Senior Independent Director, Mr McCall asked a question at a Board meeting as to whether the Board would be briefed on the findings of the Chairman's Review, although I do not now recall the exact timing, but it was after the further work recommended by the Chairman's Review had commenced. I believe that, as a result of that question, I provided an oral briefing to the Board (although I do not recall if this was at the same meeting or subsequently) as to the scope and findings of the Chairman's Review as well as a summary of the further work being undertaken following the Chairman's Review . Although I have not seen any documents which indicate that the full report was circulated to the Board, my recollection is that I advised the Board that the full report was available on request.

185. With regards to communicating the findings to the public, it was agreed that a summary of the findings should be sent by Mr Parker to Baroness Neville-Rolfe, and I discuss this in more detail above and below. I do not otherwise recall having

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any specific conversations about the findings being made public, but I note that Mr Bourke had a discussion with BIS in late January 2016 where the possibility of preparing some form of public document was discussed (**POL00027116**). Other than the letter being sent to the Minister, I do not now recall what happened thereafter, but I do note that those in the Minister's office had concerns about inadvertently creating disclosure issues for BIS or the Minister, which I set out in my email to Mr Parker on 1 March 2015 (**POL00103136**). Given the way Departments (e.g. BIS) worked with their Ministers, the provision of the 4 March 2016 letter to the Minister meant that BIS/UKGI were thereby informed, and Mr Callard is likely to have been at the Board meeting at which I summarised the findings.

186. Following receipt of Sir Jonathan's final report, workstreams were set up in February 2016 to address each of the recommendations. This work involved reviewing criminal convictions, Horizon controls, suspense accounts and the postmaster helpdesk. The scope of each workstream was discussed with Sir Jonathan in advance to ensure that he was comfortable that the scope would properly address his recommendations. The necessary work was then commissioned, and the results were reported back to Sir Jonathan. In parallel, I recall I provided written fortnightly updates to Mr Parker on progress (see my email dated Friday May 13 2016 as an example at **POL00103192_0002**) . Where I was made aware that Mr Parker was due to meet with Government in relation to the review, my team and I arranged the Government briefings and prepared and supplied briefing notes.

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The letter of 4 March 2016 from Mr Parker to Baroness Neville-Rolfe

187. I do not now recall who prepared the first draft of the letter to the Minister, however, based on the materials that have been provided to me by the Inquiry, I believe the letter would have been initially drafted, and commented on, by the POL team (including the internal team, Bond Dickinson, and myself) and was then submitted to Sir Jonathan to ensure he was comfortable with the positioning of the statements as an accurate summary. I can see that Sir Jonathan provided a tracked changed version making some suggestions which he said we should "*feel free to adopt/or not"* for consideration on 24 February 2016, which was considered by myself, Mr Williams, Mr Underwood and Mr Bourke (**POL00103134**). During this review process, we (and I cannot remember who, but I believe it would have been either Mr Bourke or Mr Underwood) had a discussion with the Minister's office about whether such a letter would create "disclosure issues" for BIS or the Minister (see **POL00103136**). What I mean by "disclosure issues" is not in the context of any litigation, but rather in terms of any FOIA request. The draft letter was emailed to Mr Parker for final review and sign-off. I cannot now recall whether I had a discussion with Mr Parker about this draft, and whether any further drafting amendments were made, but I believe this was left with Mr Parker to finalise as he considered appropriate.

188. I have been asked to note Sir Jonathan Swift's proposal to remove the following text from the draft letter from Mr Parker to the Minister: *"However nothing in the materials we reviewed suggested that there is any evidence that the Horizon system was responsible for those losses which resulted in convictions"* and to explain what, if any, importance I attributed to the deletion. I believe the deletion

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here was due to (a) it no longer being the right place for such a comment given the changed content of this section, and (b) replacement with the following language:

> *"The review report recognised that, in a system of the age, size and complexity of Horizon, it was unremarkable that occasional bugs, errors or glitches were uncovered and addressed. A limited number of specific problems with the potential to affect branch accounts were brought to the attention of Second Sight during the course of their work, together with details of the way in which the Post Office had addressed these matters. Based on the review it has become apparent that these bugs were capable of having a generic impact (i.e. of affecting all users of the Horizon system and not only those who had raised complaints about them). However, the review did not disclose any evidence to suggest that any of these bugs had been the cause of loss to any sub-postmasters other than those who had raised the problem.*"

189. Sir Jonathan then goes on to recommend that further work be undertaken in relation to this. There are a number of possible reasons as to why Sir Jonathan may not have felt comfortable with the original language which was very wide. After all, the Report did state at paragraph 95 that: "*We emphasise that none of the Second Sight reports identify systemic flaws in the Horizon system likely to have caused the losses incurred at the Scheme Branches*" and also at paragraph 146: "*We recognise that the existence of the two matters highlighted by Deloitte are most likely to be wild goose chases. It is improbable that they have been used beyond the identified instance. However, in the light of the consistent impression*

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given that they do not exist at all, we consider that it is now incumbent on POL to commission work to confirm the position insofar as possible. Accordingly we make a recommendation to that effect." I therefore can see that the original wide language was not appropriate to address the nuances described in these two paragraphs of the report. That said, I am not in a position to broadly speculate about what language Sir Jonathan used and why. Fundamentally POL and Mr Parker were comfortable with the revised wording and the associated recommendation which formed the basis of work commissioned from Deloitte.

190. The Inquiry has also asked me to consider Sir Jonathan's inclusion of the following text (**POL00131715**):

> *"it has become apparent that these bugs were capable of having a generic impact (i.e. of affecting all users of the Horizon system and not only those who had raised complaints about them). However, the review did not disclose any evidence to suggest that any of these bugs had been the cause of loss to any sub-postmasters other than those who had raised the problem"* [OBJ] (emphasis added by the Inquiry).

and the following text in Mr Parker's letter to Baroness Neville-Rolfe (**POL00024913**) and explain the reasons for the change in wording away from Sir Jonathan's suggestion above:

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> "*It is apparent that these bugs were capable of having a generic impact...However, no evidence has emerged to suggest that a technical fault in Horizon resulted in a postmaster wrongly being held responsible for a loss*" (emphasis added by the Inquiry).

I have no recollection as to how or why the language was changed although I can see from my email to Mr Parker of 1 March 2016 (**POL00103136**) which attaches a revised draft of the letter (**POL00103137**) that I had accepted Sir Jonathan's proposed amendments in this respect. In the absence of any knowledge as to the reason for the change, I'm afraid I cannot comment on the significance of these changes.

POL's approach to the CCRC and POL's review of criminal convictions

191. Sir Jonathan made a number of recommendations in relation to the criminal convictions and POL's engagement with the CCRC (**POL00006355** at paragraphs 92-94, 99, 149(6)). Sir Jonathan's recommendations were implemented by POL. I expand on this below when I discuss Mr Altman's advice (see paragraphs 199 ff).

192. I do not have any specific recollection of the meeting with the CCRC on 6 November 2015. I have been provided by the Inquiry with a draft of my speaking notes prepared for that meeting (**POL00110246**). I do not have a copy of the final version and therefore cannot comment on whether the draft is an accurate reflection of the final document.

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193. Nevertheless, the draft speaking notes reference documents in certain categories (mediation related documents and what seem to be the prosecution related files) provided to the CCRC to that point, and include the comment '*Unless it discovers something new, POL does not expect to be providing any more documents in the above categories".* Given the beginning of that sentence is 'Unless it discovers something new', I interpret that comment as meaning that POL had disclosed everything that it had found in relation to the 20 cases, and that there was therefore nothing more to be disclosed. There are then further notes about other files which may be relevant, although the note suggests that these points had been previously raised in correspondence with the CCRC. The draft speaking note also queries whether we should mention the Chairman's Review with the notation 'I think not'. I suspect that this was a timing issue given that the Chairman's Review had only commenced in the previous month, and we had little to say about it at that point. As with the first meeting with the CCRC in May 2015, the tone of the speaking notes suggests POL was seeking to be helpful and cooperative. Although I don't specifically recall the meeting, that approach is consistent with how I would have wanted to position POL with the CRRC.

194. I do not recall the precise nature and extent of information which POL may have passed to the CCRC in relation to the Chairman's Review, Project Zebra and/or any other work by Deloitte. As I mention at paragraph 136136 above, I do not recall whether the Project Zebra report was passed to the CCRC, but it is my assumption it would have been. I believe that Mr Parker's briefing letter to the Minister was disclosed under a s17 request (as per section 17 of the Criminal Appeal Act 1995) to BIS from the CCRC. I am not aware of any reason why POL

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would not have disclosed the full report produced by Sir Jonathan, although there would have a been a question around the right time to disclose it given the follow up work that was recommended. At the time of the November meeting with the CCRC, Sir Jonathan's work was still underway and no report had yet been provided. I note that **POL00123890** (an email from Mr Williams to me dated 5 April 2016) refers to the fact that POL had advised the CCRC of the ongoing Deloitte work under Project Bramble, although the report had not been shared with them given it was still being developed.

195. I have been asked to consider statements in an email from Mr Williams to me dated 5 April 2016 in which Mr Williams states (**POL00123890**):

> "*This to me raised the question of whether, and if so when, we might want to disclose Jonathan's report to the CCRC. Providing the report to the CCRC sooner than later would demonstrate the serious and transparent (to them) efforts we are making to run down the various issues. It might also avoid the CCRC embarking on a course of action which could confuse and delay substantially the conclusion of their investigations. The risk of course is that we would need to provide to the CCRC the outcome of the further work being done on Jonathan's recommendations in circumstances where we don't yet know all of the outcomes.*
>
> *My gut feeling is that we should disclose the report to the CCRC relatively soon. The CCRC are likely to hear about it through the Arbuthnot connection, and it fits within their informal request for any Board level reports (I am confident we would get a s.I7 Notice for it if the CCRC knew of its existence).*

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I'm reasonably comfortable about where we might get to with Brian's "sufficiency of evidence" review, but substantially less so with the Deloitte work, which in turn would feed Brian's advice on whether any disclosure is required (it would however demonstrate to the CCRC that we are thinking about that!).”

196. I have been asked to consider the underlined words (underlining added by me). Out of context, these words might suggest that the recommendation was not to disclose the report. However, Mr Williams' view was that we should disclose the report, even though there were (identified) risks of doing so. As stated above, I do not recall specifically whether the report was in fact disclosed to the CCRC, however I believe that I would have been supportive of disclosing it. As flagged by Mr William's email, the real question was one of timing given that, although the report itself had been completed by that time, the work pursuant to the recommendations was still underway. Nevertheless, it is clear that POL had informed the CCRC about the scope of work being commissioned as earlier in that same email, Mr Williams' comments:

“*I have told Brian that Deloitte is looking further into the balancing transaction and "sealed basket" issues in order to address Jonathan's Recommendations 4 and 5. It therefore seemed sensible to us to park this issue until Deloitte's work is further progressed, bearing in mind that we cannot in the meantime be accused of concealment because voluntary disclosure has been made to the CCRC.*“

197. We subsequently became aware in October 2016, that various documents relating to Mr Parker's report of 4 March 2016 to Baroness Neville-Rolfe had been

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disclosed by BIS to the CCRC under the terms of a request under s.17 of the Criminal Appeals Act (which was the source of authority for all the CCRC's formal requests). In late September 2017, the CCRC contacted Mr Williams advising that they had obtained further information from UKGI relating to the Chairman's Review. It therefore appears that POL had not disclosed the report by this time, which I can only assume was because of the ongoing work being undertaken on Project Bramble and the ongoing Group Litigation.

DALMELLINGTON BUG

198. While I have some recollection about this issue having arisen, I don't recall the details, or whether I had any conversations with senior managers or board members regarding the Dalmellington bug. I am afraid the documents provided to me by the Inquiry do not assist my recollection as to what happened, but I note two emails in November 2015 (4 November 2015 **POL00153483** and 10 November 2015 **POL00153527**) say that Computer Weekly and the Communications Workers Union purportedly raised this as a new issue, but that in fact, the issue had been know about for some time.

MR ALTMAN'S 2016 ADVICE

199. The Chairman's Review recommended that: "*Legal advice be sought from counsel as to whether the decision to charge an SPMR with theft and false accounting could undermine the safety of any conviction for false accounting where (a) the conviction was on the basis of a guilty plea, following which and/or in return for which the theft charge was dropped, and (b) there had not been*

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sufficient evidential basis to bring the theft charge…. If such a conviction could be undermined in those circumstances, that counsel review the prosecution file in such cases to establish whether, applying the facts and law applicable at the relevant time, there was a sufficient evidential basis to conclude that a conviction for theft was a realistic prospect such that the charge was properly brought" (**POL00006355**). Mr Altman was instructed to advise POL in relation to these points.

200. Mr Altman sets out in paragraphs 5 – 7 of his advice (**POL00112884**) that by instructions dated 18 February 2016, he had been requested to advise on 2 areas arising from the recommendations of Sir Jonathan in his report of 8 February 2016. These 2 areas were:

"(1) Legal advice be sought from counsel as to whether the decision to charge an SPMR with theft and false accounting could undermine the safety of any conviction for false accounting where (a) the conviction was on the basis of a guilty plea, following which and/or in return for which the theft charge was dropped, and (b) there had not been a sufficient evidential basis to bring the theft charge.

(2) If such a conviction could be undermined in those circumstances, that counsel review the prosecution file in such cases to establish whether, applying the facts and law applicable at the relevant time, there was a sufficient evidential basis to conclude that a conviction was a realistic prospect such that the charge was properly brought."

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6. As regards the second area of concern, which was dealt with in the review they recommended:

> "*POL seek specialist legal advice from external counsel as to whether the Deloitte reports, or the information within them concerning Balancing Transactions and Fujitsu's ability to delete and amend data in the audit store, should be disclosed to defendants of criminal prosecutions brought by POL. This advice should also address whether disclosure should be made, if it has not been, to the CCRC.*""

201. Mr Altman notes (at paragraph 14) that he had been instructed that in relation to the second issue (Balancing Transactions), these had already been disclosed to the CCRC. He went on to note (at paragraph 16) that he had previously advised by email:

> "*I advised that there was no point advising on the recommendation set out in paragraph 149(6)* [use of Balancing Transactions and Fujitsu's ability to delete and amend data in the audit store] *unless and until the reviews recommended in paragraphs 149(4) and (5) were complete, and POL knew whether there was a real problem, rather than some highly speculative possibility, my view being that premature wholesale disclosure might lead to unjustifiable, new claims of third party tampering being made*."

202. Mr Altman saw his review as responding to the Chairman's Review, rather than pursuant to any other duty (**POL00123890**) and as such following agreement with Sir Jonathan, it was agreed that he should review a selection of files in order to consider the first area from Sir Jonathan's recommendations, and that

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consideration of the disclosure points in the second area should wait until the investigations had been completed (which was the subject of the Deloitte review known as Project Bramble and which is addressed separately below). The legal team initially identified 19 cases within the Scheme pool which appeared to meet the criteria for review of the first area. I do not recall how or why 8 cases were ultimately chosen for the review, but I note from the papers I have received that they were "*high profile cases within the Group Litigation and/or CCRC cases*" (**POL00022754**). On further review by Mr Altman, only 3 of the cases squarely fit the review criteria. Nevertheless, Mr Altman reviewed the 8 prosecution case files (**POL00112884_0051**). One file did not contain enough materials for him to draw a conclusion, however, in the case of each of the other files, he concluded that (at paragraph 205): *"I have also not discovered any evidence in the cases I have been invited to review that theft (or fraud for that matter) was charged without any proper basis to do so and/or in order only to encourage or influence guilty pleas to offences of false accounting".*

203. In respect of those cases, Mr Altman concluded that (at paragraph 204) *"… any allegation that POL (or Royal Mail pre-separation) operated a deliberate policy to charge theft when there was no or no sufficient evidential basis to support it, just to encourage or influence pleas of guilty to charges (said to be lesser charges) of false accounting, is fundamentally misplaced; not only is there no evidence of such a policy, there is positive evidence that each case was approached both by internal and external lawyers professionally and with propriety, and, unquestionably, case-specifically*." Mr Altman's findings were clearly stated and

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were reassuring and gave me some degree of comfort that there were appropriate processes that had been followed – at least in these cases.

204. I do not recall any particular action resulting from Mr Altman's findings. POL would have submitted the review back to Sir Jonathan to ensure that it sufficiently addressed the recommendations that he had made, however, I cannot recall the extent to which Sir Jonathan commented on Mr Altman's findings. As there were no criminal prosecutions on foot at the time, the findings could not be applied to any current practices, and at least in the case of the 8 files that Mr Altman did review, no grounds for disclosure were identified. While only 8 files were reviewed covering a period 2006 – 2011, in relation to those files, Mr Altman was able to conclude that:

a) POL adopted a fact specific approach to cases; there was no 'one size fits all' approach (paragraph 203).

b) There was no evidence of a deliberate policy to charge theft where there was no sufficient evidential basis to support it, and there is positive evidence that each case was approached ... "*professionally and with propriety, and, unquestionably case –specifically*" (paragraph 204).

c) No evidence that theft or fraud was charged without any proper basis to do so, and/or in order only to encourage guilty pleas to offences of false accounting (paragraph 205).

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205. As referred to above, POL and I took comfort from these findings. Given that a further 20 cases were under review by the CCRC, and that at the time POL understood that only one criminal case had been appealed, POL took the view that Mr Altman's review met the requirements of the Chairman's Review, and in light of those findings, that no further action was required.

206. I have been asked to consider the following extract from paragraph 208 of Mr Altman's advice (**POL00112884_0052**): *"More substantive criticism, albeit beyond the remit of this review, involves the risk of challenge, not that POL has been charging theft where there was no proper basis to do so only to encourage or influence pleas of guilty to false accounting charges, but that POL has been using the criminal justice system as a means of enforcing repayment from offenders by charging and pursuing offences that will result in confiscation and compensation orders".*

207. The reference to the criticism 'being beyond the remit of this review' relates to the criticism that POL used prosecutions as a means of recovering monies via confiscation and compensation orders, rather than relying on (if appropriate), civil debt recovery proceedings. This was not an area identified by Sir Jonathan as requiring further investigation and hence why Mr Altman stated that it was 'beyond the remit of this review'. I note that, in relation to this paragraph, Mr Altman considered whether there was any evidence to support this risk of challenge, and observed that: *"In fact, the Code for Crown Prosecutors (which POL adopts and applies) stipulates that it is appropriate to consider, among other things, when selecting charges, the court's sentencing powers and the*

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imposition of appropriate post-conviction orders. In the cases I have reviewed, I am satisfied that where offences were indicted with an eye to the making of applications for confiscation and/or compensation orders on conviction, there was, in each case, a proper legal and evidential basis for so doing, which included consideration of the orders that might follow conviction."

208. Again in this case, I took comfort from Mr Altman's comments that in the cases he reviewed there was 'a proper legal and evidential basis' for the selection of the respective charges. I don't now recall what discussions took place in relation to the advice, however given that the CCRC were reviewing a further 20 cases, I did not consider that further investigative work was then required, particularly as POL had ceased to conduct criminal prosecutions. However as stated elsewhere in this statement, I would have expected POL's internal and external legal team to raise with me any issues that they may have identified.

PROJECT BRAMBLE

209. As noted earlier in relation to the Chairman's Review, Sir Jonathan recommended to Mr Parker that a number of areas warranted further investigation (**POL00006355_0065**). As far as these related to Horizon, the recommendations were:

"(3) POL consider instructing a suitably qualified party to carry out an analysis of the relevant transaction logs for branches within

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the Scheme to confirm, insofar as possible, whether any bugs in the Horizon system are revealed by the dataset which caused discrepancies in the accounting position of any of those branches.

(4) POL instruct a suitably qualified party to carry out a full review of the use of Balancing Transactions throughout the lifetime of the Horizon system, insofar as possible, to independently confirm from Horizon system records the number and circumstances of their use.

(5) POL instruct a suitably qualified party to carry out a full review of the controls over and use of the capability of authorised Fujitsu personnel to create, amend or delete baskets within the sealed audit store throughout the lifetime of the Horizon system, insofar as Possible;

...and

(8) POL commission forensic accountants to review the unmatched balances on POL's general suspense account to explain the relationship (or lack thereof) with branch discrepancies and the extent to which those balances can be attributed to and repaid to specific branches."

210. Having received Sir Jonathan's recommendations, the POL team proposed, and I agreed, that Deloitte should be instructed to undertake the work required under recommendations 3, 4, 5 and 8 as they were familiar with Horizon from

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their work in 2014 (Project Zebra). However, I was concerned to ensure that Sir Jonathan's recommendations were deliverable as drafted, and therefore suggested that the first step should be for Deloitte to undertake a feasibility study to ensure that the recommendations could be actioned as recommended, and if so, what Deloitte would require to undertake the work, the expected timeframe, and cost. I flagged this approach to Mr Parker on 5 February 2016 (see **POL00153884_0001**). Following this, POL instructed Deloitte to consider how these matters could be addressed. I believe I was involved in framing the draft instructions to Deloitte, which were then discussed by the team involved in this phase of work, namely Bond Dickinson, alongside Mr Williams, and Mr Underwood, and Sir Jonathan to ensure the proposed scope to Deloitte met his recommendations. This new work was referred to as 'Project Bramble'.

211. Once the external Counsel team were instructed following the commencement of the Group Litigation process, they were also involved in reviewing the scope as the project developed.

212. Following Deloitte's confirmation that the work was feasible, albeit with some challenges relating to earlier versions of Horizon, Deloitte was further instructed to progress with the project. The day-to-day liaison with Deloitte was handled by Mr Underwood, who liaised with Fujitsu and POL to arrange access to documents and the relevant people for interviews. I recall his role was to facilitate the engagement between Deloitte and Fujitsu, rather than any active involvement in the lines of enquiry Deloitte were pursuing; that was strictly a

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matter between Deloitte and Fujitsu. I believe Mr Underwood worked with Mr Williams and Bond Dickinson throughout this process.

213. I ought to clarify that whilst the Interim and Draft Reports I have been provided with all state that they are "*produced for the General Counsel of POL"* this simply reflects how, and to whom, the engagement letter was formally addressed, rather than a reflection of my involvement. Once Deloitte had commenced their work, I had little day to day involvement with the project. From time to time, I asked Mr Underwood how the Deloitte work was progressing, and received a high-level summary of progress; typically, the fact that work was ongoing, the need for further investigations, matters of timing, and additional costs. At no point either during the Deloitte work, or as a result of what I learnt in those briefings, did I consider it was necessary for me to be more actively involved in the process to enable Deloitte to undertake or complete their work. Additionally, as flagged to Mr Parker in my email to him of 13 May 2016, (**POL00103192_0002**) I had asked the new CIO Rob Houghton "*to review the process undertaken by Deloitte, to sense check these further decisions*".

214. The Inquiry has provided me with seven drafts of the Deloitte report which were produced in the period July 2016 to January 2018. The first, dated 8 July 2016, is marked as the 'Sparrow Interim Report' (**POL00029984**), and then the reports develop as follows:

(a) Bramble interim report dated 27 July 2016 (**POL00030009**);

(b) Bramble draft report dated 31 October 2016 (**POL00031502**);

(c) Bramble draft report dated 1 September 2017 (**POL00041491**);

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(d) Bramble draft report dated 3 October 2017 (**POL00028070**);

(e) Bramble draft report dated 15 December 2017 (**POL00029097**); and

(f) Bramble draft report dated 19 January 2018 (**POL00028928**).

215. I do not know if this is the complete set of all of Deloitte's draft reports, nor do I recall if the report was ever finalised. The reports are iterative and reflect the outcomes and findings of the further investigations that Deloitte recommended, and POL agreed should be undertaken, to better understand the design and effectiveness of Fujitsu's control framework particularly as regards remote access by privileged users. As further set out in paragraph 227, in June 2016, Antony de Garr Robinson KC strongly advised that the subject matter of the Deloitte work should continue, provided that it was re-scoped and re-instructed for the purposes of the litigation (**POL00168551**). This resulted in recommendation 8 being de-scoped from the Bramble work by October 2016 (as seen by the reduced scope reported at **POL00031502_0003**), although I believe this work continued under a separate engagement letter.

216. In terms of which reports I received, and read, I have thought very hard about this, but I do not recall receiving copies of the draft reports referred to at paragraph 214214 above, and as a result I do not recall reading them at the time or forwarding them on to others at POL. I appreciate this may sound unusual, but it is important to bear in mind that in circumstances where I was overseeing a large legal and corporate function, and where POL had external advisers engaged on the day-to-day detail of the project, my expectation was

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that the team and POL's external advisers would brief me on any material issues that I should be aware of.

217. My recollection is that the draft reports from Deloitte were issued by them to Bond Dickinson, who then circulated them to Mr Williams and Mr Underwood. Other than the email from Mr Parsons on 13 July 2016 (**POL00029990**), in which he does not attach a copy of the 8 July 2016 report, I do not have copies of any of the email correspondence relating to Project Bramble, and so I am unable to say with certainty who else was on the initial distribution list.

218. I would have relied on our external lawyers to summarise the impact of the findings of the reports and advise on options. I believe the first time this happened was when I received the email from Mr Parsons on 13 July 2016 (**POL00029990**), in which he, as I would expect him to, raised a material matter for my concern. In that email he advised that Deloitte had identified that a small number of 'super users' at Fujitsu had the ability to delete and edit transactions from the Branch Database. He went on to say that the access was subject to strict controls and that Deloitte's understanding at the time was that it would not be possible to delete or edit transactions without leaving a footprint in the audit trail. This to me, was 'new news' as it was separate to what POL already knew about Balancing Transactions. However, what was apparent from what Mr Parsons said, was that this type of access was not unusual in IT systems of this scale, and as he said, "*the likelihood of someone actually making such changes is extremely low*". Nevertheless, I took this seriously, particularly considering

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POL's historic statements on the question of "remote access" (as Mr Parsons refers to in his email).

219. In the materials I have received from the Inquiry, there is an email dated Sunday 24 July 2016 in which I shared the information received from Mr Parsons with Ms Vennells in the context of a board meeting the following day (**POL00041258**). It is apparent from the materials provided to me that there was significant internal discussion on the 'superuser' issue between 13 July and 24 July. I operated on a 'no surprises' basis with Ms Vennells and I believe that I would have briefed her on this development earlier than 24 July. In the email of 24 July to Ms Vennells I refer to the Board taking place "*tomorrow*" i.e. Monday 25 July 2016 and informed her " *... as a result of the work undertaken by Deloitte in relation to Horizon, we will be flagging that within Fujitsu there are a limited number of individuals who have super-user rights which can only be used in very limited and controlled circumstances. We do not believe that this causes us any concerns from a legal perspective, however it is a different positioning to the public statements that we have previously made, and therefore we should be prepared for adverse comments from the usual commentators. Given the Board tomorrow, you may wish to advise them that we will be responding to the Freeths claim towards the end of the week (which we are still finalising), and that we will issue a briefing to the Board at that point."*. As I say earlier in that email, my intention was to take Ms Vennells through the approach to POL's response to Freeths' Letter of Claim on 26 July 2016 and issue an update to the Board on Friday 29 July 2016. I go on to say in that email that "*we will be flagging* [in the letter of reply to Freeths] *that within Fujitsu there are a limited*

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number of individuals who have super-user rights which can only be used in very limited and controlled circumstances.".

220. I cannot now recall whether I attended the Board on 25 July 2016 to provide a briefing and as I have not been provided with the Board agenda, minutes or papers from that meeting, I am not in a position to verify this. I note in an email to Ms Vennells on 23 May 2016 (**POL00103201**) (before the email from Mr Parsons on 13 July 2016) that "*I propose to provide a brief update to each Board meeting".* In light of the contents of my email to Ms Vennells on 24 July 2016, I believe my intention was to provide an update to the Board the next day, as well as a separate written briefing on the Letter of Claim issues and response later that same week. I cannot recall the detail of that Board briefing on 29 July 2016 and I have not been provided with any papers to assist me in that regard.

221. As Mr Callard attended Board meetings, he received the same updates as the Board and I would not have provided a separate briefing to BIS/UKGI outside of the Board meeting, unless one was specifically requested by them, and in this instance, I do not believe they did.

222. I also informed the Group Executive after Mr Parsons' email of 13 July 2016. I note from the material I have been provided, that in an email dated 26 July 2016 (**POL00110482**) I advised Mr Parsons that I had briefed the Group Executive that morning (that is, on 26 July) on, inter alia, the progress of the Group Litigation and the proposed response to Freeths including the response on the remote access issues. The email notes the Group Executive response that "*As*

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expected there was significant concern around the apparent change in emphasis from previous public statements, the resultant adverse publicity this may create, and the impact this may have on new ministers etc, who will not have been briefed".

223. In terms of to what extent I thought that any of the issues raised in the interim / draft Deloitte reports ought to be disclosed to convicted SPMs or the claimants in the Group Litigation, Mr Parsons' email on 13 July 2016 (**POL00029990**) flags that POL would need to consider, "*once we have a much clearer picture"* whether to have Mr Altman review the draft Deloitte reports in relation to criminal law/disclosure perspective, and also whether to disclose it to the CCRC. I note that there was a Litigation Steering Group meeting the following day (14 July 2016) which Bond Dickinson attended, in their usual way. I do not have sight of any minutes from that meeting, however there are subsequent emails (see **POL00023487_003**) addressed to the members of the Litigation Steering Group on 16 July 2016 and relating to the review of the Letter of Response, which reference the discussion on remote access at the Litigation Steering Group so it was clearly discussed at that meeting. What I do recall was that the focus at the time was on general disclosure in the Group Litigation, especially as POL's response to the Letter of Claim was in the process of being finalised when this new information became known, and therefore the remote access issues would be disclosed in the Letter of Response. As Deloitte's findings and understanding developed through the course of the project, this then fed into the Group Litigation. My expectation was that, as Bond Dickinson had raised this issue for consideration, this was on their radar. I would have

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expected that, had the Deloitte work moved to a point where we were advised that either Cartwright King or Mr Altman should review the position, then I would have followed that advice. I do not recall the issue of disclosure of the reports being brought to my attention again after the email of 13 July 2016. As stated in paragraph 278, from my point of view, the issue fell off my radar in light of the focus on Horizon in the Group Litigation, and I do not recall raising it again.

224. As referred to in (**POL00123890**), by April 2016, the CCRC had been made aware that Deloitte was undertaking work to address Sir Jonathan's recommendations 4 and 5. However, I cannot now recall whether either the draft Deloitte reports, or the information from them, was disclosed to the CCRC, and if it was provided, when that was.

225. As I mention above, disclosure of 'superuser access' was made in the Generic Defence and Counterclaim and in the Reply in the Group Litigation. POL was not seeking to hide anything from the Group Litigation and took its disclosure obligations seriously.

THE GROUP LITIGATION

The initial stages and the effect on Mr Parker's review

226. POL changed its approach to the Chairman's Review because of clear and unambiguous advice given by leading Counsel. I relied upon that advice, I believed then and continue to believe now that I was entitled to do so.

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227. After the claim form was filed, Sir Jonathan suggested in May 2016 that Mr de Garr Robinson, the barrister being retained to advise POL on its defence to the Group Litigation, should advise POL whether, in light of the Group Litigation, the various work streams following on from the Chairman's Review should be continued, paused or re-defined (**POL00103212**). In June 2016, Mr de Garr Robinson strongly advised that the work being undertaken should not continue, but that the subject matter of the work should continue, provided that it was re-scoped and re-instructed for the purposes of the litigation (**POL00168551**). I do not now specifically recollect Mr de Garr Robinson's reasons for this. The Inquiry has asked me to what extent I agreed with the reasons for POL changing its response to the Chairman's Review. I do not recall the discussions around this, however, ultimately, I followed and relied upon the advice of Leading Counsel.

228. The main piece of work then underway was the Deloitte work (Project Bramble), and my recollection is that this work was then re-scoped under a new engagement letter. Around the same time, it became apparent that, in light of the work Deloitte had done for POL in relation to Horizon, Deloitte would not qualify as 'independent' in circumstances where it was expected that one or more independent IT experts would be required for the Group Litigation. Further, it was considered unlikely that it would be possible for the expert witness to rely on work undertaken by Deloitte because (i) any expert witness would likely not be able to show that their work was independent if they relied upon Deloitte, who we thought would not qualify as 'independent'; and (ii) Deloitte would likely have required non-reliance assurance if their work was

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going to be shared with a third party, and therefore would not achieve the objective of the assurance.

229. Deloitte's work on suspense accounts (in relation to the relationship between the POL suspense accounts and specific branch accounts) continued under a separate engagement letter as, at that stage, it did not appear to be in scope for the Group Litigation.

230. As described above, another workstream which was underway was Mr Altman's advice in relation to several of Sir Jonathan's recommendations. That advice continued and was not re-scoped – Mr Altman was re-instructed for an alternative purpose (in accordance with Mr de Garr Robinson's advice) and his work carried on and he provided his advice in July 2016 (**POL00112884**).

231. I have been asked to consider Mr Parker's position that *"there will soon be frustration at the time this is taking (indeed I am also beginning to get somewhat frustrated)"* (**POL00103192**). Given that Mr Parker's original instructions from Baroness Neville-Rolfe had been in September 2015, and he had initially hoped to complete the review by the end of 2015, it was understandable that Mr Parker was concerned by what he saw as 'delays', such that the review process was still not concluded in May 2016. I infer from Mr Parker's email that he may also have been under pressure from BIS to produce a final report.

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Summary of my role and responsibilities in relation to the Group Litigation

232. As the most senior lawyer at POL, I was the executive accountable for the strategy and conduct of the Group Litigation. As litigation was not my area of expertise, I relied heavily on advice provided to me throughout the course of the Group Litigation by POL's external lawyers (Bond Dickinson and the external Counsel team), who were all highly experienced litigators and whose advice I trusted. I do not recall any instances where I went against the legal advice. Nevertheless, if I felt additional legal advice was required, or if POL wanted to steer certain practical aspects of the Group Litigation, I instigated this. For example, following receipt of the Common Issues judgment in March 2019, I felt it was important that POL have access to a 'second opinion' in relation to the appeal and recusal options that were being proposed, and I sought independent advice both in relation to the proposed strategy (from Lords Neuberger and Grabiner) and for the Board (from Norton Rose), both of which are discussed later.

233. Moreover, there were occasions when I directed the legal team to follow a particular course of action in respect of practical steps to be taken pursuant to that advice. For example, prior to the commencement of the Common Issues trial, we discussed 'tone'. Considering the criticisms received to that point from Mr Justice Fraser and others, POL needed to act, and to be seen to be acting, constructively and cooperatively, and the language used in the Courtroom needed to be consistent with that approach.

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234. I was involved in key meetings and strategic decisions in relation to the Group Litigation. The POL team comprised:

(a) From a POL perspective – myself and (initially) one in-house lawyer, Mr Williams, who had significant litigation experience both in practice and in house. We were supported internally by a wider (non-legal) team whose responsibilities included project management, support on writing papers, and locating, extracting and collating records relating to the Claimants as well as internal POL policies and procedural documents. The non-legal team included Mr Davies in his capacity as Director of Communications, Mr Wechsler (prior to his appointment as Chief of Staff), Mr Bourke (prior to his appointment as Government Affairs and Policy Director), Mr Underwood, Angela van den Bogerd (in parallel with various operational roles which she held during this period), and a team of 4-5 other long serving POL staff who were responsible for locating and extracting historic records and providing them to Bond Dickinson, and who reported to Ms van den Bogerd. Additionally, Tom Moran chaired the Litigation Steering Group (see paragraph 240) and members of that Steering Group came from various functions across the business.

(b) External solicitors, Bond Dickinson – the team was led by litigation partner Andy Parsons and included a number of litigation solicitors and paralegals. In certain cases, materials and papers were also reviewed by POL's criminal law advisers, Cartwright King.

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(c) Counsel – Mr de Garr Robinson KC and David Callendar KC, both from One Essex Court. At one of the Case Management Conferences, Mr Justice Fraser had stated that no allowance would be made for counsel's diary commitments, and accordingly, Mr Callendar was brought in when Mr de Garr Robinson had a clash with another pre-existing matter. My recollection is that they were initially supported by one junior (Owain Draper), and a second junior, (Gideon Cohen), was brought onboard to support on the Horizon trial.

235. Mr Williams was committed to the Group Litigation full-time and he, together with Bond Dickinson and the Counsel team, managed the day-to-day progress of the Group Litigation. I had regular (I believe fortnightly) catch ups with Mr Williams and Mr Parsons to discuss issues and progress, and other POL team members were often also in attendance. Although Mr Williams' reporting line was not to me directly (he initially reported to Ms Madron, and subsequently to Mr Foat once Mr Foat became the Legal Director in mid-2016), Mr Williams and I worked closely together in relation to both the Scheme matters and subsequently the Group Litigation. Mr Williams had day-to-day carriage of the Group Litigation from a POL perspective. Given Mr Williams' significant level of experience and his close working relationship with Bond Dickinson, I trusted Mr Williams to proactively keep me informed as to developments, progress on key projects, and ensure I was properly briefed on upcoming discussions or where tactical or strategic decisions needed to be made. Where matters needed escalation (for example to the Litigation Steering Group, members of the Group

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Executive, the Litigation Sub-Committee, or the Board), Mr Williams would brief me and request my assistance in raising matters with those groups.

236. The Litigation Steering Group had been established to oversee the Group Litigation from an operational perspective and, in particular, to understand and provide feedback on any impacts which the Group Litigation could have on POL's business. As a result, key decisions were escalated to the Litigation Steering Group, and/or Litigation Sub-Committee, and/or Board as required, which I discuss in more detail below.

237. My time requirements varied considerably during the Group Litigation. Some weeks it took up very little of my time, other weeks were very intensive; for example, I attended most of the hearings in the Common Issues and Horizon trials. I would estimate that, during the course of the Group Litigation, I spent on average between 10-20% of my time on the Group Litigation, with my other areas of responsibility (as set out in the organogram (**WITN10010102**)) continuing to take up a significant amount of time.

238. Throughout the course of the Group Litigation, I relied upon advice from Counsel and external solicitors in relation to the strategy and conduct of the Group Litigation. Bond Dickinson, in particular, had been and were heavily involved with all of the 'Sparrow' related issues, both prior to and during my time at POL and so had far better knowledge than me of how the Horizon issues had evolved over time. Bond Dickinson were in the POL office regularly, spoke with Mr Williams on a daily basis, and were able to, and did, contact other individuals

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outside of POL Legal whom Bond Dickinson knew were the appropriate individuals to speak to about particular matters. Given Bond Dickinson's detailed historic and then-current knowledge of 'Sparrow' matters, and their day-to-day responsibility for the conduct of the Group Litigation, I relied on their advice on matters relating to the Group Litigation. I also relied on the advice of Counsel throughout the course of the Group Litigation, which included eminent KCs.

The Board, Litigation Sub-Committee, Litigation Steering Group and Government – a summary of oversight of the Group Litigation and decision making

239. Either I or the CEO provided regular updates to the Group Executive and to the Board at its meetings (see for example the references in the following documents provided to me by the Inquiry, and which are not a complete set of records of meetings: **POL00027279** (25 March 2015), **POL00021538** (22 September 2015), **POL00027219** (24 March 2016), **POL00030888** (24 May 2016) , **POL00027188** (28 March 2017), **POL00021550** (26 September 2017), **POL00041486** (26 September 2017), **POL00021552** (23 November 2017), **POL00021553** (29 January 2018), **POL00021555** (24 May 2018), **POL00021556** (31 July 2018), **POL00090612** 31 July 2018, **POL00021557** (25 September 2018)**, POL00021559** (27 November 2018), **POL00021561** (29 January 2019), **POL00021563** (20 March 2019)). These updates were high level and initially focussed on the procedural developments and timetable, however as the Group Litigation developed, I ensured that the Board was aware of key developments and the developing tone of the Group Litigation. Where

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necessary, special meetings of the Board were convened to discuss specific developments or issues, and the decision whether to make an application for recusal in March 2019 was an example of an out of cycle Board meeting (see **POL00103473** (20 March 2019), **POL00021563** (20 March 2019), **POL00027594** (2 July 2019)).

240. In May 2016, I proposed that, in addition to regular updates from me to the Group Executive and Board, the Litigation Steering Group should be established to oversee the Group Litigation from an operational perspective. The establishment of this Litigation Steering Group was approved by the Group Executive at its meeting in May 2016 where it was agreed that the Steering Group would be chaired by Tom Moran, General Manager of the Network and Sales Team, who had responsibility for Network Operations.

241. I believe the first meeting was held on 7 June 2016 (**POL00025508**), at which Terms of Reference were approved (**POL00025509**). In summary, the purpose of the Litigation Steering Group was to oversee the Group Litigation and, in particular, to understand and provide feedback on any impacts which the Group Litigation could have on POL's business. As a result, key decisions were escalated to the Litigation Steering Group. Decisions were also escalated to the Board and/or Litigation Sub-Committee as required.

242. The Chair of the Litigation Steering Group, Mr Moran, reported to Mr Gilliland who was the Network & Sales Director for most of my time at POL (and was then succeeded by Debbie Smith). The other Litigation Steering Group

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attendees were all senior executives from various parts of POL's business and had the authority and business experience to make key operational decisions; all reported directly to members of the Group Executive. Whilst there was not a formal report that went from the Litigation Steering Group to the Group Executive, the Group Executive was updated on progress regularly. My recollection is that Mr Moran was frequently (but not always) requested to attend Group Executive discussions on the Group Litigation, or discussions with Ms Vennells as CEO and Mr Cameron as CFO, in relation to the Group Litigation so that there was a broader management perspective rather than solely a legal one.

243. Where decisions were required to be made by the Litigation Steering Group, a paper would be presented (usually by Bond Dickinson who attended all meetings) setting out the decision to be made, its context, relevant information, and a summary of risks and issues. While some decisions were relatively straightforward, some were more complex and required considerable discussion. I was a standing member of the Litigation Steering Group and Mr Williams was the representative from the POL legal team. If for any reason I could not attend, I would provide comments on the relevant proposal in advance.

244. The Litigation Sub-Committee was established in January 2018 to provide a forum mandated by the Board to discuss matters relating to the Group Litigation in greater detail than the Board agenda allowed, and to provide an opportunity for the members of the Litigation Sub-Committee, on behalf of the Board, to

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exercise a greater degree of oversight over the Group Litigation. The members of the Litigation Sub-Committee (Ms Vennells, Mr Cameron, Mr Cooper, Mr McCall and Mr Parker), received more detailed legal advice, briefings and updates from me, supported by the internal and external legal team. I note that the Litigation Sub-Committee Terms of Reference (**POL00117892**) provided that the Litigation Sub-Committee was established to receive legal advice on POL's defence in the Group Litigation as it proceeded to final resolution. Mr Parsons was a regular attendee at the Litigation Sub-Committee for the purposes of giving that advice, and as set out elsewhere, members of the Counsel team also attended certain of the Litigation Sub-Committee meetings.

245. Depending on the nature of the update, I would submit papers to the Litigation Sub-Committee (or Board as the case may be), or I would provide a verbal update. In the case of both Board papers and oral updates, I prepared (and kept a record of) detailed speaking notes, although I have not been provided with copies of many of my speaking notes. Both the internal and external legal team contributed to the production of Board/ Litigation Sub-Committee papers, and to my speaking notes.

246. The Litigation Steering Group and the Litigation Sub-Committee were the only governance committees set up specifically for the purposes of the Group Litigation. I have seen reference in the papers provided to me by the Inquiry to "Postmaster Litigation Advisory Committee" – this is a reference to the Litigation Sub-Committee. I have also seen reference to "Post Office Group Litigation Steering Group" - this is a reference to the Litigation Steering Group.

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247. A governance timetable was developed in relation to the expected Group Litigation timetable and presented to the Group Executive in June 2016 (**POL00117704**). It was also presented to the Board on 17 May 2016 as an Appendix to a Board paper (**POL00030888_0547**). Further iterations of this were developed as the Group Litigation progressed and were used to ensure that briefings to both the Litigation Steering Group and Litigation Sub-Committee/Board were held in advance of key developments. This timetable was also used subsequently to agree the timing of briefings to UKGI, as set out in the draft information sharing protocol (**UKGI00007924**) (the details of which I refer to in paragraph 315). Where we could predict that decisions would be required to be taken by either the Litigation Steering Group, Litigation Sub-Committee, or the Board, then this was also flagged in the timetable.

248. In February 2018, UKGI advised that it also wanted separate briefings (**UKGI00008014**). POL's initial view was that, as Mr Cooper was both a member of the Litigation Sub-Committee and the Board, it would be duplicative for there to be further briefings on the same subject to UKGI where he would be one of the principal attendees. Given that these briefings were usually just ahead of key stages in the Group Litigation, these additional briefings and the associated preparation of briefing papers represented an increase in workload at a time when the legal team was already under pressure. Nevertheless, POL agreed to UKGI's requirement for separate briefings, and these were held broadly in accordance with the agreed schedule. A protocol was developed to allow for privileged materials to be shared with UKGI through the UKGI General Counsel,

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and UKGI briefings were added to the governance timetable. Attendees at these briefings varied, however my recollection is that I attended the vast majority, if not all, such meetings. Again, these meetings were scheduled to take place before key decision points or material developments.

249. Keeping senior management, the Board and UKGI up to date and informed on key developments in the Group Litigation was one of my responsibilities as GC. Generally, briefings to the Board, the Litigation Sub-Committee and UKGI were necessarily high level. They focussed on where the Group Litigation process was up to and key issues that were emerging. This initially related to timetable and disclosure matters, any decisions that needed to be made, and risks of particular strategies. From time to time, the Board would ask for more information on a particular aspect, and this would be provided. For example, we took the Board through the work that was underway on contingency planning ahead of the Common Issues trial. I also arranged for Leading Counsel to attend Board meetings on several occasions to provide updates on specific issues, including to present their 'merits opinion' which was prepared ahead of each of the Common Issues and Horizon trials. Each of the merits opinions were presented to the Board and/or Litigation Sub-Committee by Leading Counsel to ensure that the Board members had the opportunity to ask questions as to Counsel's views on likely outcomes (e.g. at the Litigation Sub-Committee meeting on 15 May 2018 (**POL00006754**)) The Board was also provided with briefings from Counsel in relation to the recusal application ahead of being requested to make a decision whether to proceed with that application. Further details of these briefings is provided below.

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250. I have been asked whether, in my opinion, the Board had adequate oversight of the Group Litigation. In my opinion, the Board did have adequate oversight, in terms of the regular updates provided to them on the emerging issues, developments, risks and the views of external Counsel on the merits of the cases. Options for mediation and settlement were also discussed with the Board (e.g. at the Board meeting on 27 November 2018 (**POL00021559**)). The Board also always had the opportunity to request further detail on any particular area. I believe I had a good relationship with the Board and its members and from time to time during my period at POL, individual Directors did feel able to call me requesting more detail on various topics or asking for my opinion. I recall having such a discussion with Mr Franklin ahead of the Board discussion on 18 March 2019 on the recusal application. Therefore, had the Board or indeed any Director, wanted more information or more detailed analysis, I believe they would have felt free to make that request. I am not aware whether there were any discussions between Board members outside of the Board room, however I did not receive any feedback from the CEO or the Chairman that indicated that the Board were unhappy with the level of information or briefings that they received.

Roles and responsibilities – POL's general litigation strategy

251. When I started working for POL, it was clear to me that the 'Sparrow' related issues (by which I mean anything related to legacy complaints from the SPMs relating to Horizon, and which POL had sought to address through the Scheme) were seen by senior management as essentially legacy legal issues for the

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legal function to manage. I was very aware that, notwithstanding the fact that it was deemed to be a legal issue, decisions taken by the legal function in relation to the Scheme and subsequently, the Group Litigation, could have material operational, financial and reputational impacts on the rest of the business – particularly with regard to the network of c.11,500 post office branches and the internal management and operational structures that supported them which had been headed by Mr Gilliland since, I think, 2012. For example, there were recommendations which came out of the Second Sight work which needed to be (and were) considered from an operational perspective, as opposed to from a purely legal perspective. We needed to ensure that these changes were appropriately operationalised and embedded in documented processes, such that there was no risk that they would lapse if key team members left the business. Close communication between the legal and operational teams was required to ensure that the impact of developments (both legal and operational) was fully considered. I co-authored a paper (**POL00117704**) for a Board meeting on 16 May 2016 (a short while after POL received the Letter of Claim on 28 April 2016) which explained that we saw two main objectives in responding to the claim: (i) proportionately managing POL's defence and (ii) protecting the Network going forwards so that POL and its agents had confidence in POL's systems.

252. By way of explanation, POL's over-arching hope was that the outcome of the Group Litigation would be the resolution of the issues with the SPMs in a way that would provide a firm and repeatable basis for resolving issues in the future with those SPMs who had not been part of the Scheme or the Group Litigation.

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Settlement prior to the Common Issues or Horizon trials would not resolve the key questions around Horizon for anyone who was not party to that settlement, and so POL decided to defend the Claim in the Courts. Clearly this strategy was premised on the advice received from the external legal team that POL had a reasonable prospect of successfully defending the Claim.

253. As stated at paragraph 62, relative to the overall size of the branch network and the number of SPMs who had operated Horizon since its inception, the number of SPMs involved in the Scheme, and later the Group Litigation, was still small. It was vitally important that the vast majority of SPMs continued to receive the support of POL and had confidence in its products, systems and processes. Therefore, continuity of 'business as usual' during the course of the Group Litigation was critically important. In my opinion, reputational issues did not affect POL's litigation strategy, and, from a personal perspective, POL's reputation did not impact any of my work or decision-making in the Group Litigation. POL had been reported as being the UK's most trusted brand in various surveys and that trust was valuable to POL, however POL would not protect its reputation at all costs. What was more important was the c.11,500 SPMs who were not involved in Sparrow-related matters and who were engaged with POL, using its brand and selling its products on a day-to-day basis. Equally, POL was always looking for new candidates to run post offices, as well as managing relationships with a variety of commercial partners. Maintaining the trust and confidence of all these groups, was important in order for both POL and the branch network of post offices to continue to operate.

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254. As the Group Litigation covered an extremely wide range of issues, POL and the Claimants ultimately agreed that the Group Litigation should be phased in 4 separate stages:

(a) The Common Issues trial, so named as it addressed those issues (mainly the SPM contract) which were common to all Claimants, and the decision on which would then underpin later stages of the Group Litigation. This phase was intended to be mainly one of legal construction;

(b) Horizon trial, which was to address questions as to Horizon's reliability and which would turn largely on factual expert evidence;

(c) A further trial which would address procedural issues such as time-barring etc; and

(d) A final trial in which the issues relating to a small number of test cases would be litigated in light of the outcomes of the Common Issues and Horizon decisions.

255. The 'split trials approach' was reported to the Litigation Sub-Committee at its meeting on 15 May 2018 (see draft minutes at **POL00006754**) and was flagged to the POL Board at its meeting on 24 May 2018 (**POL00021555**).

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Roles and responsibilities – POL's approach to disclosure

256. The separation of issues and the sequencing of the proposed trials were also intended to assist with the process of disclosure – almost all of which had to be sourced from POL and provided to the Claimants. It included materials across a 20-year period and ultimately covered a very wide range of policies, procedures and documentation. The above staged sequence allowed for disclosure to be made in tranches and we initially expected that this would be a more pragmatic approach for both sides given disclosure was likely to run into hundreds of thousands, if not millions of documents. This was why POL objected to the Claimants' early request for disclosure of a very wide range of documents as part of the Common Issues trial, as we believed that many of the documents requested were in fact relevant to later stages, rather than to the Common Issues.

257. POL's responsibilities in respect of disclosure began when it was advised, I believe by Bond Dickinson several years prior to my employment with POL, to put 'litigation hold' protocols into place in order to preserve potentially relevant documentation. Further advice from Bond Dickinson included a note on "Disclosure of documents in litigation" dated December 2014 (**POL00025512**), which was circulated to the Litigation Steering Group by Mr Williams on 6 June 2016 ahead of one of the Litigation Steering Group meetings (**POL00025507**). Bond Dickinson, supported by Mr Williams, agreed a broad scope of disclosure with Freeths - this was a high-level scope in accordance with Court procedures and rules. Once the broad scope of disclosure for the Group Litigation had been agreed between the parties, I understand that Bond Dickinson and Mr Williams

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discussed and agreed how the disclosure would work in practice. POL, supported by Bond Dickinson, identified the location of different types of documents, and then the relevance of these documents was established by reference to agreed search terms.

258. The day-to-day work on disclosure was done by Bond Dickinson and, as set out in their advice note of December 2014 (**POL00025512**), Bond Dickinson would be responsible for reviewing documents that were identified as potentially attracting privilege and assessing whether in fact privilege applied. In this regard, the labelling of documentation as 'privileged' when it perhaps was not so (as mentioned in paragraph 65) had a practical advantage in that Bond Dickinson would do specific searches for potentially privileged documentation and those marked 'privileged' would be caught by those searches and flagged for specific review by Bond Dickinson. My understanding was that documents were not automatically withheld from disclosure/inspection solely because they were labelled as 'privileged' - Bond Dickinson reviewed these documents in order to ascertain whether they were in fact privileged or not and POL relied on Bond Dickinson in that regard.

259. My understanding was that all the documentation provided to Bond Dickinson by POL, whether it had been provided in earlier matters throughout the history of POL's instruction of Bond Dickinson, or as a result of the Group Litigation, would be subject to these disclosure and privilege reviews. As part of the disclosure review process, I would have expected Bond Dickinson to review

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documents such as Sir Jonathan's report for privilege as Bond Dickinson were aware of its existence.

260. I do not recall having the final decision on any specific decisions about disclosure, but I was involved in discussions about disclosure with the Litigation Steering Group. From time to time, the question as to disclosure of specific documents or types of documents arose, and was raised with POL by Bond Dickinson and discussed at Litigation Steering Group meetings, for example in relation to the PEAK database, which I discuss in more detail below. Usually, Bond Dickinson would present an issue to the Litigation Steering Group, set out the available options to address the issue, as well as any risks, and then state their recommendation. My recollection is that following discussion, the Litigation Steering Group would usually accept Bond Dickinson's recommendations (as they had the litigation expertise). My recollection is that, generally, the Litigation Steering Group would agree to disclosure, although in some cases there were questions about the timing or method of disclosure of specific documents. It was my view that decisions about disclosure were operational decisions to be taken by executives, and that it was not the Board's role to take operational decisions.

Roles and responsibilities – POL's preparation of lay and expert evidence

Lay witness evidence

261. The identification of potential witnesses and the preparation of witness statements for the Common Issues trial and the Horizon trial was undertaken

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by the Bond Dickinson team and Mr Williams, in conjunction with the witnesses. The draft witness statements were also reviewed by the Counsel team.

262. It was a matter for both the witness and the legal team (both internal and external) working on the statement to be satisfied that the matters within the witness statement were true (where presented as fact), and in the case of opinions, reasonably held. I was not involved in the drafting of any witness statements. The Inquiry has specifically asked me about the witness statement of Ms Van Den Bogerd, and I address this in paragraph 325 325 below.

263. My recollection is that witness statements were circulated to the wider POL team (including me) a short time before they were filed for awareness purposes only. I had no material involvement in the preparation of any witness statement. I do not recall submitting witness statements to the Litigation Steering Group, and we did not submit them to the Board or Litigation Sub-Committee.

Expert evidence

264. Bond Dickinson, together with the Counsel team, identified potential candidates to be POL's expert witness for the Horizon trial. Factors the legal team considered included IT experience and track record as an expert witness, and this included considering the outcomes of cases where the various candidates had previously acted as an expert witness. I was provided with details of Dr Worden's experience. My recollection is that Bond Dickinson, Mr Williams (and likely some others) prepared a shortlist of candidates, and met with and interviewed those candidates, including Dr Worden. Thereafter, once Dr

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Worden became the interviewers' preferred candidate, I, together with others, interviewed Dr Worden. My recollection is that Mr Houghton, the then CIO, was also asked to interview Dr Worden as part of the selection process, although I cannot now remember if Mr Houghton and I met Dr Worden separately or together. Approval from Mr Houghton and myself were effectively final approvals of Dr Worden's instruction, and Dr Worden was thereafter instructed. Again, I considered this to be an executive decision, rather than one for the Board.

265. I was not materially involved in briefing Dr Worden, but the wider POL team were responsible for helping to identify and locate materials that were considered relevant or that he requested.

POL's position in Court documents and letters in the Group Litigation

266. Bond Dickinson was responsible for drafting most legal documentation required to be produced for POL during the course of the Group Litigation. Bond Dickinson also held a vast repository of hard and soft copies of POL documents which had been collated over time. Discussions about the drafting of documentation for the Group Litigation were largely between Bond Dickinson and Mr Williams.

267. In many cases, the proposed wording in legal documentation repeated statements that had been made previously in the Second Sight work (or POL's responses to it), or were extracted from previous investigations, other reports etc. Provided that the proposed wording could be referenced back to the original

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wording, and there had been no changes which meant that the wording was no longer accurate, the original wording was re-used in legal documentation. If there had been changes, then these would be discussed with relevant POL staff who were familiar with the issues, and these conversations would be facilitated by Mr Williams. Mr Underwood was also involved in this work, as was Ms Van Den Bogerd in certain cases. In some cases, draft documents were circulated more widely with requests for specific named individuals within POL to review specified sections and comment on their accuracy.

268. I was not routinely involved in the process of drafting legal documents, although from time to time specific wording was circulated to me and others for review. My contribution was not to comment on the factual accuracy of the statements as generally this was not within my direct knowledge, rather I looked at the overall argument, whether the context was clear and whether it was being positioned appropriately. As I explain in paragraph 287 below, I had discussed with Mr Parsons that I wanted to know that statements of fact in Court documents could be backed up by underlying sources, and that there was evidence to support statements of opinion being held on reasonable grounds. I was acutely conscious that statements made by POL needed to be factually accurate, as well as adequately answer the question being put to POL from a legal perspective. This was my, and I believe POL's, first priority. In the case of statements about Horizon (which I refer to in more detail below), I was, also aware that POL's understanding of Horizon had changed over time and that there would be publicity attached to any public statements that represented a change of position. I therefore wanted to ensure that POL's position in legal

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documentation in respect of remote access was factually accurate and legally appropriate. **POL00117755_0001-2** (an email dated 13 July 2017 from Mr Parsons to POL) is an example of the process that Bond Dickinson went through to ensure that relevant statements were reviewed for accuracy by identified individuals.

POL's position on remote access in the Group Litigation

269. In relation to statements relating to Horizon (hardware and software) and remote access, questions were sent to Fujitsu asking them to either answer a specific question or to comment on draft documents and statements. Those questions included concerns about remote access capabilities raised by Second Sight, and subsequently Deloitte as part of Project Bramble. POL then relied on these responses when drafting the relevant legal documentation. For example, I note from the papers provided to me by the Inquiry that the wording regarding remote access in the Letter of Response was checked with both Deloitte and Fujitsu (as well as being reviewed by Counsel) as I mentioned in my email to Mr Cameron of 27 July 2016 (**POL00022664**). Statements made about remote access in the General Defence and Counterclaim were reviewed by Deloitte and Fujitsu, as referenced in Mr Parsons's email of 13 July 2017 (**POL00117755_0002**).

270. Over time, the questions put to Fujitsu, and their answers, had become more nuanced. Accordingly, care was taken to ensure that Fujitsu's statements were carefully considered by POL and Bond Dickinson before being repeated in Court and other documentation. One example of this in the documentation

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provided to me by the Inquiry is where Fujitsu suggested that, in POL's Letter of Response, POL could say that all bugs would be detected due to the design of the system. Bond Dickinson and POL (I think rightly) decided not to include this in the Letter of Response in circumstances where we had not seen enough evidence to say so confidently (see the email from Andy Parsons on 27 July 2016 (**POL00041259**)). POL also relied on the Deloitte work over the period 2016-18 in relation to POL's position on remote access. At the time of drafting the Letter of Response (July 2016) when POL was looking at further disclosure in relation to remote access, POL and Bond Dickinson collated a chronological summary of all statements relating to remote access that had been made by Fujitsu to POL, and which had been used by POL in communications with others. I do not have a copy of this chronology but the proposal to develop it is referred to in an email from Andy Parsons on 26 July 2016 (**POL00110482**) and I believe that it was in fact produced.

271. I have been asked to describe the "*significant concern around the apparent change in emphasis from previous public statements*" of the Group Executive, referred to in an email from me to Mr Parsons on 26 July 2016 **POL00110482_0003**. POL's previous public messaging had set out its understanding of remote access at the relevant times, which was informed by Fujitsu. My understanding in 2016 was that POL was already aware that, in certain limited circumstances, and subject to certain industry standard controls, Fujitsu could 'inject' transactions ("Balancing Transactions") which would be visible on the trading statements but would not require acknowledgement or approval by a SPM. Fujitsu had advised POL that this had only been done once

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with POL's approval in March 2010 as part of the roll-out of Horizon on-line, and that there was an auditable log.

272. Shortly after I joined POL, I became aware that Deloitte had been commissioned to do some work which had resulted in a written report, which I now know was referred to as Zebra. In fact, as referred to elsewhere in this statement (paragraph 133134), Deloitte produced two documents – a draft report dated 23 May 2014 (**POL00028062**) which I did not see at the time, but which has been provided to me by the Inquiry (and which I refer to in this statement as the 'Zebra Report'), and a Board Briefing which I don't believe I saw, but is referred to in Sir Jonathan's report **(POL00006355_0048**). Having read the Zebra Report for the purpose of this Inquiry, I am now aware that it contains recommendations as to how POL should implement a risk-based approach to its oversight of Fujitsu and Horizon, and flags that there are risks that should be considered as part of this framework including in relation to the controls around superuser / privileged user access, and that POL's assurance framework did not cover all the identified risks. With the benefit of hindsight, POL should have explored the controls around the "super user" / "privileged user" risks as identified by Deloitte at the time. At the time I became aware of the fact of the 2014 Deloitte report (shortly after joining POL), I had asked the team whether there was anything about the work that I needed to be aware of. As I say elsewhere in the statement, the work was presented to me as a legacy matter, so I was not informed of the content.

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273. The concerns of the Group Executive arose when, subsequently in mid-July 2016, Deloitte identified that a small number of "super users" at Fujitsu having administrator access had the ability to delete and edit transactions from the Branch Database, but that (i) this access was subject to strict controls and would leave an auditable footprint, (ii) this type of access is not unusual in large computer systems and (iii) the likelihood of someone making the changes was very low. Deloitte's findings were communicated to me by Mr Parsons on 13 July 2016 (**POL00029990**). Having been alerted to Deloitte's 'Bramble' findings in mid-July 2016, further work with Deloitte and Fujitsu was initiated in order to understand the extent of the permissions, and the extent to which Fujitsu's control framework had been effective to control or prevent such access in practice. The Group Executive was briefed on the developments in late July 2016, and it was during that meeting (which I believe was on 26 July 2016) that the Group Executive expressed its concerns in the terms of the above-mentioned quote.

274. This represented a change from the previous advice provided by Fujitsu (e.g. **POL00110482_0005**). The issue was drawn to my attention by Mr Parsons of Bond Dickinson by email on 13 July 2016 (**POL00029990**) and we immediately discussed it with our external legal team.

275. The Letter of Response (a draft of which is at **POL00041260**) and, subsequently, a further letter which expanded POL's understanding of remote access (a draft of which is at **POL00023434**), were prepared and in parallel; further enquiries were undertaken by the internal and external legal teams and

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Deloitte to understand whether there were cases where the capability had been exercised so as to remotely affect branch records without the awareness of the SPM.

276. The Group Litigation did not affect POL's approach to disclosure to convicted SPMs, or POL's approach to the CCRC. POL was aware that the CCRC review continued during this time and our assumption was that the CCRC would not issue its findings until the Group Litigation process had addressed the issues raised in the Common Issues, and particularly, the Horizon trials. Materials continued to be provided to the CCRC as and when requested. As I do not have access to the lists of materials provided to the CCRC I cannot comment on whether specific documents were disclosed or not, however my recollection is that the CCRC received copies of the documents (e.g. witness statements) that were filed in Court. This would have included those documents that referenced the change in disclosure regarding remote access, and I am aware that the CCRC had been informed of the Deloitte work (see **POL00123890**).

277. I do not believe that the developments relating to remote access (as discussed in paragraph 273) were disclosed to any convicted SPMs at the time. POL was aware of the ongoing duty of disclosure as flagged in the email from Mr Parsons to me and others on 13 July 2016 (**POL00029990_0001**). My expectation following that email was that Deloitte's work would be completed and at that stage their report would be provided to Mr Altman who would advise on disclosure. I do not believe that happened. I am unable to say why. From my point of view, the issue fell off my radar in light of the focus on Horizon in the Group Litigation, and I do not recall raising it. However, the Generic Defence

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and Counterclaim, and Reply, in which the understanding of the extent of access was disclosed, were public documents.

POL's Letter of Response and Generic Defence and Counterclaim

278. I was not directly involved in the initial drafting of the Generic Defence and Counterclaim or the Letter of Response, which was undertaken by the wider external and internal legal team and settled by Counsel, although I reviewed certain sections during the process (including the explanation of remote access and the recent developments about the scope of that access) and I reviewed both documents once finalised.

279. The decision to bring a counterclaim is best explained by reference to a number of papers prepared by Bond Dickinson in relation to tactical decisions to be made, specifically "DECISION 4: Does Post Office lodge counterclaims against Claimants who have outstanding debts?" (**POL00024989**). These papers were sent to the Litigation Steering Group ahead of a meeting on 14 July 2016. I do not recall the details of any discussions about the counterclaim at the meeting of 14 July 2016 and I have not seen any minutes of the meeting. However, I note that the decision to bring a counterclaim was also due to be discussed at a Litigation Steering Group meeting on 24 May 2017 (**POL00154151_0002**). I was supportive of the decision to bring a counterclaim, as I said in my email of 19 May 2017 (**POL00154151**) - it was consistent with POL's 'business as usual' practice.

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280. I note from **POL00024989_0004** that there were 29 claimants who collectively owed more than £700,000 to POL (after write-offs). The potential advantages of bringing a counterclaim were deemed to be:

(a) pursuing the counterclaims would be consistent with POL's legal position that these amounts were debts due to POL;

(b) it would put POL on the front foot and send a message that POL was confident in its position;

(c) the counterclaims could be used as a bargaining chip in settlement discussions; and

(d) POL might recover some of the debts if the counterclaims were successful.

281. I note from **POL00024989_0004** that the potential disadvantages to bringing a counterclaim were deemed to be that there was a court fee of £10,000, and that it might cause an aggressive reaction from Freeths or the Claimants and allegations that POL was acting oppressively.

282. I further note from **POL00024989_0004** that the recommendation of Bond Dickinson was that the counterclaim should be brought where there were fair and legal grounds to do so. This approach was discussed and agreed at the Litigation Steering Group meeting on 14 July 2016.

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283. The Inquiry has referred me to an email from myself to Mr Parsons on 14 July 2017 which I sent to Mr Parsons following a Group Executive Committee meeting on 13 July 2017. The Inquiry has specifically drawn my attention to my comment in that email that "*I was kicking myself for talking about the 'black hat' work, as that took us down an unnecessary rabbit hole*".

284. I am aware that, by email dated 21 May 2016 (**POL00103201**), the CEO had asked Mr Davies and myself to *"put on your blackest hats and think through the worst outcomes: I would like a downside horizon scan e.g. are there any judicial review or (mis)use of public funds angles at all – costs expended to date, failure of our own mediation scheme".*

285. I do not now recall the specific details of the Group Executive meeting on 13 July 2017, but the copy of the minutes of the Group Executive meeting on that day that have been provided to me by the Inquiry (**POL00027182**) summarise the discussion and include the following statement: *"GE noted the briefing and requested that a further update be provided to GE and the Board following the Case Management Conference. This update should include an assessment of the potential impact on Post Office and its business and operations of the range of possible outcomes, based on the issues to be considered through the Lead Cases."*

286. Additionally, I note that in the 'Review' section at the end of the minutes (for Agenda Item 15) it was commented that Sparrow was too long. Therefore, I

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suspect that the 'black hat' comment that I made to Mr Parsons referenced a long discussion at the Group Executive meeting about how to conduct the assessment of the potential impact on POL of differing outcomes of the Group Litigation. In that context, I suspect that my reference in my email to Mr Parsons on 14 July to 'an unnecessary rabbit hole' related to the level of detail in this discussion which, at the time, I probably thought was premature given that the work still needed to be scoped and fully considered before a meaningful detailed discussion could be had about it.

Content of Generic Defence and Counterclaim

287. In order to satisfy myself that the content of the Generic Defence and Counterclaim were true, I relied on the wider legal team including Counsel, Bond Dickinson and the internal team to accurately summarise statements of fact, and to ensure that there were reasonable grounds for any expression of opinion. I recall that around the time the Generic Defence and Counterclaim was being finalised, I had a conversation with Mr Parsons regarding the validation of factual statements. I recall commenting that, in previous roles, I had been through verification processes with boards in relation to public documents such as prospectuses which required the collation of appropriate evidence to support or verify each statement of fact or expression of opinion. I advised Mr Parsons that I expected that there would be appropriate evidence to support each statement of fact or opinion appearing in POL's Court documents, and my recollection is that Mr Parsons acknowledged these requirements. Whilst I did not see or review any such evidence, I relied on Mr

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Parsons' assurance that there was appropriate evidence in relation to each statement made in the Generic Defence and Counterclaim.

288. I understood that statements regarding technical matters – whether relating to POL processes or Horizon (including remote access) – were informed by conversations with, and documents from, those responsible for those matters, including Fujitsu. As set out elsewhere in this statement (paragraph 152), the internal IT team at POL at that time was small and heavily reliant on Fujitsu's expertise.

289. In an email from Mr Parsons to POL senior managers on 13 July 2017 (**POL00117755**), Mr Parsons explained who had reviewed each section of the draft Generic Defence and Counterclaim. This review was part of the process to ensure that statements made by POL in this document were checked as widely as possible for accuracy, and were checked by those with the most appropriate and relevant experience and knowledge of the facts. I refer to this email in more detail below.

290. I have been asked by the Inquiry to consider a number of specific paragraphs in the Generic Defence and Counterclaim and explain the basis on which POL pleaded certain points relating to the Horizon system. The paragraphs of the Generic Defence and Counterclaim that the Inquiry has asked me to consider are highly technical. I had some high-level knowledge of these issues but, because they were highly technical, I considered that they were matters for

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POL's IT team (as well as Fujitsu and Deloitte) and Operational teams to review and comment upon.

291. The email I refer to above from Mr Parsons on 13 July 2017 (**POL00117755**) describes the section of the Defence relating to "Fujitsu, Horizon and remote access" as being within the "fact heavy section of the defence" and notes that the section had been reviewed by Fujitsu and Deloitte, being those with the most technical and historical knowledge of Horizon. Moreover, Mr Parsons' email notes that the section of the Defence relating to "Branch accounting contracts" (which is where POL's pleading about blocked values was made) was also within the "fact heavy section of the defence" and had been reviewed by members of POL's Operational team, including Ms Van Den Bogerd. This gave me comfort and, when signing the statement of truth, I relied upon the fact that both sections had been appropriately reviewed by those with relevant expertise .

292. Notwithstanding the fact that I relied upon those with technical expertise and factual knowledge (as well as Bond Dickinson and the Counsel team with regards to the nuanced legal arguments), I will explain my understanding of the specific paragraphs of the Generic Defence and Counterclaim that the Inquiry has referred me to. I do not now recall my understanding of POL's pleadings at the time they were made, and so I am explaining my current understanding of them.

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293. I have been asked by the Inquiry to consider paragraphs 43(1) to (3) of the Generic Defence and Counterclaim and explain the basis on which POL pleaded that "*The blocked value is not (and is not treated as) a debt due to Post Office*". I think it was POL's understanding that SPMs could dispute liability for a shortfall and, until that dispute was resolved, the shortfall was not treated as a debt. However, I understand that this point was conceded during the trial process and POL admitted that the sum was treated as being legally owing to POL. I do not recall the basis on which POL concluded at the time of the Generic Defence and Counterclaim, that the shortfall was not treated as a debt.

294. I have been asked by the Inquiry to consider paragraphs 48(3)(b) and 48(3)(c) of the Generic Defence and Counterclaim (**POL00003340**) and to explain POL's pleadings in those paragraphs.

295. Paragraph 21.3 of the Particulars of Claim[1] states the Claimants' understanding of Fujitsu's role as included *"managing coding errors, bugs and fixes so as to prevent, manage or seek to correct apparent discrepancies in the data (including between the said systems) in a manner which would potentially affect the reliability of accounting balances, statements or other reports produced by Horizon"*.

296. In paragraph 48(3) of the Generic Defence and Counterclaim, POL stated that: "*Paragraph 21.3 bundles together several different concepts and uses*

[1] A copy of which I obtained from Scribed (https://www.scribd.com/document/397674363/Bates-v-Post-Office-Generic-Particulars-of-Claim)

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language that is open to different meanings and/or misleading. However... (b) To the extent that the phrase "correct apparent discrepancies in the data" is intended to mean that Fujitsu implemented fixes that edited or deleted specific items of transaction data, that is denied... (c) It is denied that Fujitsu has implemented fixes that have affected the reliability of accounting balances, statements or reports."

297. My recollection is that these statements at paragraph 48(3) of the Generic Defence and Counterclaim had been discussed with Deloitte and Fujitsu who confirmed their accuracy. Indeed, Mr Parsons' email of 13 July 2017 confirms that the section had been reviewed by Deloitte and Fujitsu (**POL00117755_0002**).

298. Even at the time the Generic Defence and Counterclaim was being drafted in 2017, my understanding was that there were a range of different actions which Fujitsu staff could take in different circumstances, and it was very easy to conflate these. Balancing Transactions, Transaction Corrections, and Transaction Acknowledgements were all activities of which POL was aware and which were undertaken by Fujitsu or POL in specific situations for pre-defined purposes, that were visible to SPMs, and left an audit trail. The allegation that Claimants had raised was that POL and/or Fujitsu could either delete or alter existing records, to the detriment, and without the knowledge, of the SPM, and without leaving an audit trail. Following advice and review by Deloitte and Fujitsu, POL was informed that there were sophisticated control measures in

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place to prevent such activity (as referred to in paragraph 57(4) of the Generic Defence and Counterclaim).

299. In sub-paragraph 48(3)(b) POL denied that Fujitsu implemented fixes that had affected the reliability of accounting balances, statements or reports. Similarly, in sub-paragraph 48(3)(c), POL denied that Fujitsu's fixes had affected the reliability of accounting balances etc. Whilst POL was aware that "super users" could in theory edit/delete data, as far as I was aware, POL, having relied on information from Fujitsu, understood that this theoretical capability had not been exercised and had not caused loss, and that there were sophisticated control measures in place to prevent such activity. I note that the issue as to the ability of Fujitsu staff (being super users / privileged users / those with administrator access) to make changes was subsequently discussed in the Horizon trial, however I am not aware that any evidence has ever been provided that suggest that such super users/administrators did use these theoretical rights to make such changes, in ways that were not visible to SPMs or that resulted in branch losses for which a SPM was held accountable.

300. I have been asked by the Inquiry to consider paragraph 57(4) of the Generic Defence and Counterclaim and explain the basis on which POL pleaded that "*To have abused those rights so as to alter branch transaction data and conceal that this has happened would be an extraordinarily difficult thing to do, involving complex steps...which would require months of planning and an exceptional level of technical expertise. Post Office has never consented to the use of*

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privileged user rights to alter branch data and, to the best of its information and belief, these rights have never been used for this purpose".

301. Paragraph 57(4) of the Generic Defence and Counterclaim is pleaded in response to paragraph 25 of the Particulars of Claim, which provides that *"the Defendant was, by itself and/or via its agent Fujitsu, able to alter branch transaction data directly and carry out changes to Horizon and/or transaction data which could affect branch accounts.".*

302. I believed that POL's pleading reflected Deloitte's developing advice at the relevant time, which was reflected in Deloitte's draft report dated 1 September 2017 (**POL00041491**), paragraph 1.4.2.17 in particular. My understanding is that this section of the pleading was read and approved by Deloitte and Fujitsu.

303. So far as I was aware during the time that I was at POL, POL was not provided with any evidence that remote access was responsible for any particular loss in branch. Rather, 'remote access' became a catch all claim for unexplained losses. I note that Sir Jonathan Swift stated in his report that *"Second Sight recognise, largely implicitly, that the themes they see are regular forms of errors at the counter on the part of SPMRs and their staff. It is notable that nowhere in their Part Two Report do Second Sight revise or disavow their conclusion in the Interim Report that they have found no evidence of systemic problems with the Horizon software*." (**POL00006355_0042**)

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Disclosure of the Known Error Log ("KEL") and PEAK database

304. In relation to disclosure generally, POL's general concern (as stated by Bond Dickinson in correspondence) was that wide and/or non-specific requests for disclosure would result in a disproportionate number of irrelevant documents being within the search scope; that it would take a significant time to identify and extract all documents within such wide requests (where this was in fact possible); and that the costs were also disproportionate. This was driven by the period under review (over 20 years in some cases), the number of claimants (c.550) and the fact that many of the records were not held by POL e.g. pre-2012 documents which were held by Royal Mail, documents held by Fujitsu or other outsourced IT suppliers, some of which were very difficult to access or extract, which I will explain in more detail in relation to KELs and PEAKs.

305. In general, POL sought to ensure that disclosure was relevant to the questions to be decided at the relevant trial (Common Issues and Horizon) rather than being a generic request for 'all documents', and that disclosure should be a manageable, reasonable and proportionate process, delivering a satisfactory outcome for both POL and the Claimants. Bond Dickinson had primary carriage of these issues, but they reported back to the Litigation Steering Group on the progress of disclosure and requested instructions in relation to key tactical issues such as the approach to disclosure of the PEAK database in a Decision Paper for consideration (**POL00023014**).

306. Other than for the purposes of the Group Litigation, I had no personal knowledge or experience of the KELs or PEAK database. Therefore, any

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knowledge that I did acquire was as a result of information that became apparent during the course of the Group Litigation, which was refreshed in some cases from reading the materials provided to me by the Inquiry. All information relating to the KELs and PEAK database was derived from Fujitsu and was provided to Bond Dickinson. I have seen Mr Parsons' description in paragraphs 33 to 41 of his fourth witness statement dated 9 October 2017 (**POL00000444**) relating to the KELs, and the description of the PEAK database in a decision paper for a Litigation Steering Group on 28 September 2018 (**POL00023014**). I believe that my knowledge at the time was limited to what is set out in those two documents.

307. As referred to in Mr Parsons' fourth witness statement (**POL00000444**), there were very real logistical issues associated with extracting KELs (they were not a physical document which could be copied; and they could not be easily downloaded being data stored on a database which was difficult to read without the necessary database software). POL did not seek to prevent disclosure of the KELs, rather disclosure required cooperation between all parties to agree how access would be provided, to whom and where. There was significant correspondence between Freeths and Bond Dickinson in relation to disclosure. **POL00023014** describes a similar logistical difficulty with disclosure of data in the PEAK database: there had been no way to extract the entries and it was not feasible or practical to manually take a screenshot of each entry.

308. Bond Dickinson and Mr Williams facilitated the Claimants' expert, Jason Coyne, attending a Fujitsu site in order to physically review both the KELs and PEAKs.

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Although I was not involved in this process, I do not believe that POL or its advisers were seeking to delay or withhold disclosure. Rather, a physical review of the database was seen as the only way to provide disclosure at the time (prior to the development by Fujitsu of a programme which enabled extraction of the relevant information). Mr Coyne had been offered the opportunity for further inspections of the database, but these had not been taken up and, as explained above, there were significant logistical issues with extracting data from the database in a way that could be provided to Mr Coyne and reviewed in a documentary format.

309. My view was that documents that fell within the agreed scope of disclosure must be disclosed, however where there were logistical issues associated with disclosure, then we should be pro-active in offering alternative ways of providing disclosure options. I believe that is what POL and Bond Dickinson sought to do at the time. In the event, in relation to PEAKs, Fujitsu managed to develop a programme which allowed them to extract all PEAK entries. I do not recall when this happened, but the documents provided to me by the Inquiry show Fujitsu had developed the programme by about 26 September 2018 (**POL00023014**). **POL00023014** suggests that, thereafter, the PEAK documents went through the usual disclosure review process before being disclosed to the Claimants.

Preparation for the Common Issues trial

310. As previously mentioned, the day-to-day work on the preparation of the trial materials, and preparation for the trial itself, was undertaken by Bond Dickinson in conjunction with the Counsel team and Mr Williams, as supported by others

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within POL. I received regular high-level updates from Bond Dickinson and Mr Williams as to progress and issues arising. Key decisions were referred to the Litigation Steering Group, and regular briefings were provided to the Group Executive and Board. Whilst that was the general position, and I relied heavily upon those with carriage of the Group Litigation, the Inquiry has asked me to explain the nature and extent of my involvement in (i) the assertion of privilege in redacting documents, (ii) the preparation of witness evidence, (iii) POL's case on the effect of the "settle centrally" button, and (iv) the approach of cross-examination of the Claimants, including making allegations of dishonesty.

311. Redaction of documents in which privilege was asserted was undertaken by Bond Dickinson. I would have expected that the redaction process would have been undertaken in accordance with a protocol, once documents had been properly identified as containing privileged information. However, I have no recollection of discussing such a protocol. I do recall there were situations where the approach to identifying privileged documents was discussed. For example, the options presented to the Litigation Steering Group in reviewing the KELs as set out in **POL00023014_0003.** I had no involvement in the actual process of identifying or redacting privileged material.

312. As explained in more detail in paragraph 261,261 the preparation of witness evidence was done by the Bond Dickinson team and Mr Williams, in conjunction with the witnesses, with statements being reviewed by the Counsel team.

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313. I do not recall being involved in the discussions around the "settle centrally" button, and would not have expected to, given this was in relation to a technical process point of which I had no personal knowledge. I would have relied on those with the factual knowledge and technical expertise in relation to POL's case on the effect of the "settle centrally" button.

314. I was not involved in determining the approach to cross-examination of the Claimants, other than a generic discussion where I flagged to the Counsel team that the Board and CEO were concerned at the level of criticism being directed at POL by Mr Justice Fraser, and therefore our preference was that, wherever possible, the Counsel team should avoid creating circumstances that would provide the Judge with the opportunity for further criticism. POL recognised however that this would not always be possible.

Information sharing with UKGI

315. Although there was at all times a UKGI-appointed director on the POL Board, in February 2018, UKGI proposed to POL a process by which information in relation to the Group Litigation could flow between POL and the Secretary of State and UKGI in order to ensure that the Secretary of State and UKGI were kept properly informed about the Group Litigation. Following discussions about the content and wording of the document, an information sharing protocol was established between POL and UKGI ("**Protocol**").

316. I have been provided with a marked-up copy of the Protocol (**UKGI00007924**) and note that this version of the Protocol confirmed the basis upon which Mr

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Cooper, UKGI's Board representative, who was also a member of the Litigation Sub-Committee, would receive information in relation to the Group Litigation. The Protocol also confirmed the basis upon which information should be shared with a nominated legal advisor to the Secretary of State / UKGI.

317. One of the purposes of the Protocol was to protect POL's privilege, and the Protocol set out procedures that were designed to do that. This was implemented against the background that both POL and UKGI could be (and were) subject to requests under FOIA for the disclosure of documents, and privileged documents were a (limited) exception to the disclosure obligation.

318. The Protocol was supposed to protect POL against the possibility that a unilateral decision by UKGI to disclose documents without reference to POL could adversely affect POL's ability to (properly) assert privilege over its own documents. There had been examples where UKGI/BIS had disclosed POL documents under FOIA, or in response to the CCRC's requests, without prior reference to POL.

319. On 10 May 2018, UKGI sent POL a written briefing on the Group Litigation, having been requested by BEIS Permanent Secretary Alex Chisholm to prepare the same (**POL00006523** and **POL00006524**). I was concerned that the production by a non-lawyer of the briefing summary did not comply with the Protocol and was therefore 'highly dangerous' in relation to the protection of POL's privilege. Within POL we had discussed the risk that we had no control over the disclosure by UKGI of documents that it produced, prepared or

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otherwise held (other than in accordance with the Protocol), and that this could impact not only legally privileged documents in relation to the Group Litigation, but also commercially sensitive documents relating to POL's wider business. The written briefing prepared by UKGI contained information which at the time was not public (e.g. relating to the Chairman's Review, and POL's approach to litigation v settlement) and this reinforced POL's concern about UKGI having a different approach to confidentiality.

Mr Justice Fraser's decisions and comments on POL's approach to the Group Litigation and conduct

320. I note from the minutes of the Board meeting on 23 November 2017 (**POL00021552**) that I updated the Board about the outcome of the Case Management Conference held on 19 October 2017 and the fact the Court dates would not be set by reference to Counsel availability, which posed potential issues to POL as Leading Counsel may not have been available for the hearing in November 2018. I have not seen a copy of my speaking notes for the Board meeting, and I do not recall whether the criticisms of POL's conduct by Mr Justice Fraser in *Bates & Others v. Post Office Limited [2017] EWHC 2844 (QB)* were discussed. My usual practice would be to give a high-level summary of the judgment. I believe this would have included my personal observations as to his approach to POL, including any criticisms he may have made of the parties.

321. In September 2018, POL made an application for certain parts of the Claimants' witness statements to be struck out on the basis that they contained matters

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that were not relevant to the Common Issues trial. A hearing took place on 10 October 2018 and, by judgment dated 17 October 2018, Mr Justice Fraser rejected POL's application and, while he made a number of critical comments about both parties, he was particularly critical of POL. My recollection is that both in this judgment and in the Common Issues judgment itself, Mr Justice Fraser opined that POL's historic approach to the Claimants' and POL's approach to the Group Litigation was aggressive.

322. I note from an email to me on 18 October 2018 (**POL00103355**), that Mr Cooper had confirmed that he had read the judgment in the most recent procedural hearing (relating to POL's application to strike out evidence contained in the Claimants' witness statements), and he had recommended that the Chairman should read this judgment also. I separately discussed these criticisms with the CEO, Ms Vennells, and by email with the Chairman (**POL00103355**), and advised that I would discuss with the external legal team (Bond Dickinson and Counsel) how to moderate the language used in documentation and in Court given that this appeared to be one of the causes of the Mr Justice Fraser's criticisms – and I recall doing so. Later that day, I emailed the Board (**UKGI00008549_0002**) to update them on the outcome and the criticism that had been levelled at POL by the Judge: *"the Managing Judge was very critical of our conduct of the case, intimating that we were not acting cooperatively and constructively in trying to resolve this litigation (which criticism was levelled equally between the parties); and that we had impugned the court and its processes by making the application for improper purposes."*

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323. The Inquiry has provided me with a document whereby the CEO subsequently had a separate email exchange with the Board (**UKGI00008549_0001**) advising that she and I had agreed on various actions to follow up to address 'tone' going forward. This was also discussed at the Board meeting on 30 October 2018 (**POL00021558**). I did raise the issue with the Counsel team and asked them to be mindful of the tenor and tone of their language and comments, as POL did not wish to further aggravate Mr Justice Fraser.

324. The POL legal team (myself, Mr Williams, Bond Dickinson and the Counsel team) were concerned that in procedural judgments, Mr Justice Fraser was increasingly critical of POL and its conduct of the Group Litigation, and appeared to be extrapolating from allegations made by the Claimants about historic behaviours towards SPMs, and implying that this was consistent with POL's current behaviour and management of the Group Litigation. POL felt that Mr Justic Fraser was seeking to support the Claimants wherever possible. At the time, POL felt this was consistent with a 'David v Goliath' view of the Group Litigation, and did not at that time consider this was evidence of actual bias, however we were concerned at the trend, and had discussions with the external legal team as to what steps could be taken to address Mr Justice Fraser's criticisms.

Witness statement of Ms Van Den Bogerd

325. Ms Van Den Bogerd was the key witness for POL in the Common Issues trial on all procedural matters within POL given her length and breadth of service. I had no direct involvement in the drafting or settling of Ms Van Den Bogerd's

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witness statement. I note from emails provided to me by the Inquiry (for example, the email chain between 8 and 20 August 2018 (**POL00041955**)) that iterations of the witness statement were passed between Bond Dickinson and Ms Van Den Bogerd, such emails being copied to Mr Williams. I also note that Mr Williams provided comments on the draft witness statement (see, for example in an email on 23 August 2018 **POL00041986**)). I believe I was provided with a copy of the witness statement at the time it was filed, and I read it before Ms Van Den Bogerd gave evidence in Court, however I do not believe that I provided any comments on it before it was filed. As with other matters in the Group Litigation, I expected that Mr Williams (or other members of the team) would advise me of any matters or developments in any of the witness statements of which they thought I ought to be aware.

326. As I was not involved in the preparation of Mrs Van den Bogerd's witness statement, I am unable to comment on Mr Justice Fraser's findings about it in the Common Issues judgment.

Preparation for Horizon trial

327. As with the preparation for the Common Issues trial, the day-to-day work on the preparation of the Horizon trial materials was undertaken by Bond Dickinson in conjunction with the Counsel team and Mr Williams. I received regular high-level updates from them as to progress and issues arising. As discussed elsewhere, my recollection is that key decisions were referred to the Litigation Steering Group (such as the approach to disclosure of documents and systems to the Claimants' Expert and POL's approach to evidence (see, for example,

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POL00023013)) and regular briefings were provided to the Group Executive and Board. I was not involved in the preparation of witness evidence and did not meet Steve Parker or Torstein Godeseth prior to the Horizon trial.

328. As the Horizon trial was largely driven by expert evidence, Dr Worden, as POL's independent expert, wrote his own report based on the information he had received from POL and Fujitsu, as did the Claimants' expert, Mr Coyne. I was kept informed at a high level by Mr Williams and Bond Dickinson of the development of the experts' reports and the approach that each was taking, and the areas of agreement and disagreement between them as these became clear. POL's approach was that we could challenge factual statements in Dr Worden's opinion if we believed they were incorrect, however the conclusions he drew from the facts were his own. I was not involved in discussions with Dr Worden about technical matters, although I know they took place and I believe Mr Houghton was involved in some of these discussions.

329. My recollection is that, given the nature of the evidence required for the Horizon trial (i.e. largely technical evidence from the experts), issues relating to privilege and the redaction of documents arose infrequently. The Inquiry has provided me with a copy of the minutes of a Litigation Steering Group meeting on 26 September 2018 (**POL00023014_0002**), whereby the Litigation Steering Group was requested to opine on the approach to disclosure of the PEAK system. The recommendation was to undertake keyword searches across the 220,000 individual entries in the PEAK system which would reduce the manual review for potentially privileged documents to 3,886 documents. I believe I would have supported this recommendation as it appeared proportionate from a time and

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cost perspective. I am not aware whether any documents were identified as privileged through this process.

330. I believed that the scope of factual evidence had been discussed with Fujitsu given that the software had originally been developed, and continued to be maintained by Fujitsu. Essentially, Fujitsu had the factual and technical knowledge of Horizon and the vast majority of POL's historic understanding of Horizon originated from things it had been told by Fujitsu (and, to a certain extent, Deloitte).

331. The Inquiry has provided me with a copy of an email from Mr Williams to Simon Clarke and Martin Smith of Cartwright King on 7 September 2018, which forwards an email from Mr Parsons (**POL00042015**). I am not copied to that email, but I note that a discussion was required in relation to the possibility of calling Mr Jenkins as a witness in the Group Litigation. I suspect that I was not copied into that email as the legal team would have wanted to explore the possibilities before briefing me on the matter and (where relevant) making recommendations. In the end, it was decided that Mr Jenkins would not be called as a witness in the Group Litigation. My expectation was that this would have been decided by the legal team.

332. However, it became apparent to POL during preparation for the Horizon Issues trial that a number of Fujitsu staff were relying on Mr Jenkins when preparing their statements given his legacy knowledge of many of the matters, and the limited number of Fujitsu staff who had detailed knowledge of Horizon prior to the introduction of Horizon on-line. I don't believe that POL or its lawyers relied

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on Mr Jenkins directly. Nevertheless, a number of the witness statements prepared by Fujitsu staff subsequently required amendment, which was of concern to POL and its legal team.

Expert reports – reliability of Horizon

333. I have been asked to describe my recollection of the Litigation Sub-Committee Meeting on 21 February 2019 (**POL00006753**), including the advice given and questions asked by the committee members on certain issues relating to Dr Worden's advice.

334. I do not have a specific separate recollection of the meeting, however I have been provided with a document (**POL00006753**) which appears to be a draft of the minutes of the Litigation Sub-Committee meeting held on 21 February 2019. I believe that Veronica Branton, the Head of Secretariat, would have taken notes and written these up as minutes, however the document I have seen is not signed, contains a number of incomplete points such as ownership of actions, and reads as a contemporaneous and, somewhat literal, record of the discussion. I therefore believe that this is a draft version of the minutes. Nevertheless, it records the details of the briefing provided, that questions were asked and that there was a Board discussion.

335. The final expert witness reports were not produced until late 2018 when the differing approach between them became apparent. The experts had been asked to address 15 questions which had been agreed between POL and the

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Claimants. As set out in the draft minutes (**POL00006753**), Mr de Garr Robinson advised the Litigation Sub-Committee that the 15 questions covered three core sets of issues:

(a) whether the Horizon system was robust;

(b) the causes of shortfalls in branches, including whether Fujitsu was "manipulating" the data behind the scenes; and

(c) miscellaneous issues.

336. I have been asked to comment on whether there was any challenge to Dr Worden's view that Horizon was "critically robust". While the draft minutes do record that a variety of questions were asked by the Board, they do not record whether the Board asked questions about the basis of Dr Worden's view and I do not now recall any further details. Dr Worden was not present at the meeting, and therefore the summary of his views was presented by Mr de Garr Robinson who would not have been the most appropriate person to respond to challenges as to whether Dr Worden's conclusions were appropriate and well founded. However, Mr Houghton, the then CIO, was present and although the draft minutes do not specifically record it, I believe that the Board would have sought his views in relation to the reliability of Horizon and on the relative position of Dr Worden's and the Claimants' expert's views, but I cannot now recall if they did. I am aware from separate discussions with Mr Houghton that he believed that, while improvements were desirable, the error rate was low when assessed against the number of users across Horizon's lifetime and the significant volume

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of transactions every day, and that this was evidence that the Horizon system was robust.

337. The Litigation Sub-Committee was advised by Mr de Garr Robinson that POL would argue that:

(a) Whilst the system could be improved or did have bugs, it recorded data accurately in most cases.

(b) No one had found a fundamental flaw in the system.

(c) It had been well designed and managed by Fujitsu throughout. When there had been system issues, the systems and processes to address these had worked well in practice.

(d) Several of the bugs identified by the Claimants' experts were not in fact system bugs and several would not have affected branch accounts. Several bugs had been triggered by an unusual combination of events.

(e) Therefore, for the vast majority of the time, Horizon was a very reliable system.

338. Mr de Garr Robinson reported that Dr Worden's view was that Horizon was critically robust. By contrast, he summarised the essence of the Claimants' expert's view, as being that he had identified system errors, therefore there

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could be thousands of undetected bugs in the Horizon system and therefore he believed that the system was not 'robust'.

339. I have been asked to comment whether I (or any other representative of POL) was concerned as to POL's prospects of success in showing that Horizon was robust and unlikely to cause any unexplained losses. The draft minutes record that Mr de Garr Robinson explained that one of the main risks of the POL case was that: *" ...the bar we have set ourselves was very high as we had said that the Horizon System was robust and very unlikely to cause significant losses. We had to be able to support this starting position. Not meeting that bar would have a serious impact on PO Limited's operating procedures and would open up 18 years of previous decisions. The claimants alleged an of asymmetry of information."* (**POL00006753_0002**)

340. I am not an IT expert, and therefore my personal views were informed by Dr Worden and also the views of the various POL CIOs and in particular Mr Houghton. I did not find the logic of Mr Coyne's view that there could be thousands of undetected bugs, to be convincing, given that the vast majority of transactions with SPMs, customers and commercial partners over a long period of time had occurred without issue.

341. I note from the draft minutes of the meeting that the Litigation Sub-Committee was concerned as to the prospects of success, and this was reflected in the first question that was posed whether POL should be less optimistic because of the supplementary evidence and the approach of the Mr Justice Fraser. Mr de Garr Robinson did say that he *"remained reasonably optimistic, but somewhat less*

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so than before Christmas" as a result of the line that Mr Coyne was taking and the challenges with the production of robust evidence given that the questions as to the robustness and operations of Horizon were being measured over a 20-year period. It was also noted that Mr Coyne had filed a supplementary statement (larger than his original) very close to the commencement of the hearings and it was very challenging for the legal team to read and absorb the material and form a view as to the significance of any new evidence, in the time available. In addition, and although this discussion was prior to receipt of the Common Issues judgment, the POL legal team were concerned about how Mr Justice Fraser would deal with the different approaches in the expert witness reports, given his approach to evidence in the Common issues trial.

342. I have also been asked to comment on what information was passed to the Litigation Sub-Committee about remote access. The draft minutes do not record what (if any) papers were submitted to the Litigation Sub-Committee and I do not now recall what information was passed to the Sub-Committee regarding remote access, however I do not believe that the Deloitte reports were provided as part of the 21 February 2019 briefing. The only reference to remote access in the minutes is where Mr de Garr Robinson summarises the key risks to POL as including: *"Remote access risk. The claimants had posited the theory that Fujitsu had interfered with branch data in secret. PO Limited and Fujitsu's case on remote access had changed over time. Initially Fujitsu had said that remote access was not possible. The Deloitte audit had found that it was. The claimants' expert was arguing that the scope for remote access was even greater than now stated. The Court was likely to want to test this fully. We*

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should be in a position to provide more evidence on each and every remote access tool by the time the trial began."

343. The minutes record a question whether an accusation was being made that POL had been involved in instructing Fujitsu to change transactions. It was noted that *" … only Fujitsu could change data and there was no suggestion that PO had operated a policy to get Fujitsu to manipulate the branch data. The claim was that we had lied about Fujitsu's ability to change branch data. It was noted that it was hard to capture the number of instances in which data had been changed, especially in the legacy Horizon System because of the way that data was captured. We could not distinguish easily between maintenance access and making changes to branch data. However, Fujitsu had been clear that branch data had only been changed on very rare occasions."*

344. The draft minutes summarise the other risks reported by Mr de Garr Robinson as including (i) POL being able to verify statements that had been made over time including as to remote access, (ii) the quality of the witness evidence, (iii) the age of the system and (iv) the risk that Fujitsu had interfered with data in secret.

345. I note from the minutes of the meeting that the safety of past convictions using Horizon data was not discussed at the meeting. The purpose of the Litigation Sub-Committee as set out in its Terms of Reference was "*to receive legal advice on the Post Office's Defence in the Group Litigation as it proceeds to final resolution*." (**POL00117892_0001**), and therefore a discussion relating to

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past convictions would not have been within its authority. However, one of the reasons for progressing with the Horizon trial before considering mediation discussions, was that the outcome was expected to give clarity not just for the Claimants, but also for other SPMs (including convicted SPMs) who may be observing the Group Litigation.

The recusal application

346. On Friday 8 March 2019, immediately following receipt of the embargoed judgment for the Common Issues hearing, the wider legal team (myself, Mr Williams, Bond Dickinson and the Counsel team) read the judgment and had a call in the afternoon where we discussed our initial reactions. My recollection is that we were concerned about the emotive language used by Mr Justice Fraser in the judgment, as well as by certain of his decisions. In particular, we felt that he had taken the concept of a 'relational contract' well beyond the established cases; that he had taken into account evidence from the period post formation of the contract which was inconsistent with established precedents on contractual interpretation, but was also directly contrary to his own statements at the disclosure hearings. The Counsel team raised the prospect of bias in that call and advised that an application for recusal would be a necessary step should POL wish to appeal the judgment.

347. I advised the POL Interim CEO and Board that afternoon of the outcome (**UKGI00009149**) with a commitment to provide a more detailed briefing following a closer review over the weekend. A Board call was set up on Tuesday

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12 March 2019 and the Board was briefed on the judgment and the initial advice we had received as to possible courses of action – including the possibility that POL could make an application for Mr Justice Fraser to recuse himself, together with a high-level summary of the possible consequences. The Board was advised that (i) an application for recusal and (ii) appeal, were both options to be considered as a matter of urgency. My recollection is that the terms of the embargo meant, initially, we could not brief Government more widely, but Mr Cooper as UKGI shareholder representative, was part of the Board briefings.

348. The outcome of the Common Issues trial was unexpected given the views that Counsel had previously expressed to the Board as to the merits of the Claim and POL's Defence. The decisions and comments made by Mr Justice Fraser in many instances went well beyond what we thought were possible adverse outcomes. Given that the Counsel team could be considered to have a vested interest in recommending appeals (and therefore the recusal option), I wanted the Board to have a 'second opinion' on the available options, and this was the rationale for instructing Lord Neuberger to advise POL. I do not recall who suggested Lord Neuberger as a candidate for the second opinion, but I expect it was the Counsel team, given that they are all from the same set of chambers. I also believed that Lord Neuberger would bring a helpful perspective informed by his experience of the Court of Appeal judges' approach to these types of issues, and he might therefore be able to provide us with more nuanced guidance.

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349. The instructions to Lord Neuberger were prepared by the external legal team (Bond Dickinson and Counsel) and were submitted to Mr Williams and me for review. I now have no recollection of the discussion about which materials should be sent to Lord Neuberger with his Brief, but I am aware that the Counsel team put together a summary of the areas of the judgment with which we were particularly concerned.

350. The initial advice from the Counsel team was that, should POL wish to appeal either the Common Issues trial, or potentially the Horizon trial, it would be difficult to do so successfully unless the issues of procedural unfairness and apparent bias had been previously raised. This was summarised by Bond Dickinson in a Recusal Note (**POL00022970**) as follows: *"If Post Office is to forcefully assert procedural unfairness, it would be inconsistent to not apply for recusal too as the prejudicial findings of fact and adverse comments of the Judge are evidence (Post Office says) of both bias and procedural unfairness. To make one application without the other would be inconsistent and weakens each position."* Lord Neuberger's advice note (**POL00023228**) gave POL comfort as he supported the logic of the appeal, albeit the note was prepared over a short period of time and contained a number of qualifications. On the basis that POL had three concerns about the judgment: (a) interpretation, (b) procedural unfairness, and (c) bias, Lord Neuberger expressed support for POL's case on all three and concluded that "*there are reasonable grounds for PO to bring an application to recuse the Judge in these proceedings. Furthermore, if it is PO's intention to bring an appeal on the basis of the 'unfairness issues' (as I understand to be the case) - and on that appeal will*

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asked the Court of Appeal to return the case to a different judge, then the PO has little option but to seek to get the Judge to recuse himself at this stage."

351. Following receipt of Lord Neuberger's advice, I shared it with the Chairman, Mr Cooper and Mr Cameron (acting CEO), under cover of an email dated 15 March 2019, summarising the conclusions, timing of next steps and risks, and requested their guidance on shareholder consultation and Board process (**POL00023898**).

352. We were aware that Lord Neuberger, as an ex-Judge, would not be able to appear in any application for recusal, so POL instructed Lord Grabiner with a view to him appearing in the recusal application. I had instructed Lord Grabiner in a matter some years before (prior to joining POL) and believed he would provide a robust view of the options.

353. On 18 March 2019 a conference took place between Lord Grabiner, Mr Cavender, Mr Cohen, Tom Beezer of Bond Dickinson and myself (a note of the conference is at **POL00006792**). My recollection is that, due to diary clashes, Lord Grabiner could not attend the Board meeting on 18 March 2019 which Lord Neuberger dialed in to. Accordingly, a separate conference was arranged with Lord Grabiner.

354. The Inquiry has provided me with a copy of the note of the conference drafted by Mr Beezer (a litigation partner at Bond Dickinson) (**POL00006792**) which states that Lord Grabiner advised on (i) procedural structure, (ii) urgency, (iii)

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duty to act and (iv) prospects. Lord Grabiner's advice as set out in the note was robust and was supportive of Lord Neuberger's initial advice. Lord Grabiner went further in so far as the note records: *"Recusal is therefore essential and...in the face of legal advice from Lord Neuberger that recusal should be applied for and the quantum of damages that Post Office will pay out on a loss, then it was Lord Grabiner's view that there was a duty on Post Office to seek recusal. Lord Grabiner stated that in his view the Board of Post Office had no option but to seek recusal."*

355. I relied upon Lord Grabiner's advice and his particularly strong view gave me further comfort that, while recusal applications were not common, they were not unknown, and therefore in the circumstances, making an application for Mr Justice Fraser to recuse himself was an appropriate course of action to recommend to POL's Board.

356. Mr Breezer and I each took a note of the conference with Lord Grabiner and subsequently combined our notes into a summary of the advice given, which Mr Breezer then sent back to Lord Grabiner to have settled. The Inquiry has asked me about Mr Breezer's comment in his email on 20 March 2019 that "*I have sought to make the note a more "normal" note of a con but some very strident comments were made by Lord Grabiner (in your favour)"* (**POL00022883**). I do not now recall the specific language that Mr Breezer referred to as 'strident', however I recall that Lord Grabiner made a number of statements that were highly critical of Mr Justice Fraser's decision and these statements were expressed in even stronger language than is contained in the note of the conference. As mentioned above, I had previously instructed Lord

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Grabiner in a previous role (not at POL) and was aware that he could give very robust assessments of a case's prospects.

357. A Board meeting was held later in the afternoon on 18 March 2019, and was attended by Lord Neuberger by telephone, dialing in from South America (**POL00027594**). I recall that I gave the Board a short summary of (i) the Common Issues judgment and the criticisms levied by Mr Justice Fraser and (ii) the immediate consequences of those. I outlined the possible actions which POL could take (appeal, recusal etc.) and I then handed over to Lord Neuberger, and he outlined his views which were consistent with the views he had expressed in his written note. The Board were able to, and did, ask questions. In due course, Lord Neuberger left the call and the Board discussed the position and the advice they had received. The Board requested that Mr Cameron and I set out our views of the best possible scenarios and circulate those ahead of the Board meeting on 20 March 2019, where the Board would ideally make a decision about the recusal application.

358. A further Board meeting was held on 20 March 2019, the signed minutes for which are at **POL00021563**. Those minutes record that Norton Rose (Glen Hall and Ruth Cowley) were present at the meeting. POL had recently completed a procurement process in relation to the legal panel, and Norton Rose had been selected as a panel member through that process. Given that they had no prior involvement with the Sparrow or Horizon issues, I requested Norton Rose to attend the Board meeting so as to be able to provide advice to the Board independent of the existing legal team, noting that at this point we had views

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from four KCs (Messrs de Garr Robinson and Callendar, and Lords Neuberger and Grabiner) recommending that we apply to Mr Justice Fraser to recuse himself on the basis of apparent bias.

359. The minutes record the briefing that was presented to the Board (based on the paper prepared by Mr Cameron and myself and which is set out at **POL00103473**), and a separate paper prepared by Bond Dickinson and the Counsel team (a draft version of which is set out at **POL00022970**) which had been circulated previously. The minutes also demonstrate the lengthy discussion among the directors.

360. Mr Franklin and Ms Vennells did not attend the Board meeting. Prior to the meeting, Mr Franklin had provided his views in writing to me and to Mr McCall – he believed that the application for recusal should be made and leave to appeal should be sought. Mr Parker (as Chair) attended and took part in the discussion, although he recused himself from the actual decision on the basis that he was also the Chair of the Courts & Tribunals Board. Mr Cooper also attended and took part in the discussion, however he also recused himself from the actual decision as he was the Government-appointed director.

361. As recorded in the minutes of the meeting, the factors the Board considered as part of their lengthy consideration, prior to making the decision included:

(a) POL could not be sure of succeeding with the recusal application, but it could still manage the narrative on what POL wanted to do with the business even if it lost the recusal application;

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(b) the strength of the legal advice and possible upsides of success tipped the balance in favour of recusal;

(c) the Judge's views and the reputational damage caused by his views pushed POL towards seeking recusal and leave to appeal;

(d) the Horizon trial could be damaging and pose a risk to the business if it continued to be heard by the current Judge;

(e) the only argument of force against recusal was the near-term reputational impact if POL lost and the risk of alienating the Judge, but the Judge's views were already pronounced and losing the recusal application could either embolden him further or make him more alter to charges of bias;

(f) the case had not gathered significant attention so far; and

(g) POL needed to take action in the long-term best interests of the business.

362. In my opinion the Directors present took the matter seriously and were very aware that an application to a judge to recuse himself for apparent bias was uncommon and must be considered very carefully. Following the discussion, each Director present and participating in the decision confirmed that they supported the resolution (i) that an application should be sought for the Judge to recuse himself and, should he elect not to do so, an application should be

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submitted to the Court of Appeal, and (ii) to seek leave to appeal the Common Issues judgment.

363. I believe that there was a further call with Lord Grabiner on 20 March 2019 which certain Board members attended. However, other than a passing reference in the minutes of the Board meeting held later that day (**POL00021563**), I have not been provided with any records of this meeting.

364. I have been asked to comment on the extent of UKGI's involvement in the decision to issue the recusal application. There was a briefing call with the then Minister, Kelly Tolhurst, on Saturday 16 March 2019. As per the note of the discussion produced by UKGI officials following the call (**UKGI00017593**), while there was a discussion about the recusal application itself, the Minister's positioning was that she and UKGI wanted to be kept informed, but would not be providing direction to POL and that it was a matter for the POL Board. Richard Watson, the General Counsel of UKGI, asked that I keep him informed on developments. As set out above, Mr Cooper recused himself from the actual Board decision, although he attended the Board meeting on 20 March 2019 and participated in the discussion.

My resignation

365. On Monday 15 April 2019 I was advised by Mr Cameron, the acting CEO, that the Board wished to take a different strategy with regards to the Group Litigation and that Herbert Smith Freehills ("**HSF**") would be appointed to oversee and have accountability for the Group Litigation process to replace both me and

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Bond Dickinson. On that basis, we agreed that I would leave POL and the terms of my exit were agreed. I continued to work in the office until the end of April, and thereafter was available from home until termination of my employment at the end of May 2019 should my assistance be required for handovers. I assisted in the handover to HSF in the week following this conversation. The Inquiry has asked me why I did not attend the Litigation Sub-Committee meeting on 24 April 2019. While I helped prepare the papers that were submitted to the Litigation Sub-Committee at its meeting on 24 April 2019, I did not feel it was appropriate for me to attend, given HSF had been appointed and were responsible for the strategy from that point on.

Reflections and observations

366. At the time I started at POL, the focus was on (a) the Scheme and (b) the finalisation of the Second Sight work which was nearing completion. While Second Sight had referenced Horizon in a number of their findings, their conclusion that they had not found evidence of system wide (systemic) problems with Horizon software (**POL00099063_0008**) had not addressed the concerns of the affected SPMs, and there was clearly concern among the SPM community (as represented by the JFSA) and stakeholders such as MPs and Lord Arbuthnot, as to the robustness of Horizon. With the benefit of hindsight, I think that setting up a jointly instructed independent forensic review of Horizon in 2015 and ensuring that the recommendations from the Zebra Report, and Cartwright King's questions of 27 March 2015, (**POL00315631**) were addressed, under the aegis of a steering committee representing the range of

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stakeholders, may have addressed those concerns in relation to the robustness of Horizon. If that had been done, the focus could then have been on POL's operational practices and whether those remained fit for purpose in context of a modern retail operation. To that end, I should have considered this and advocated for it at the time, and regret not having done so. Had POL done that under the aegis of a representative oversight committee, it would have:

(a) provided a better basis for consideration as to the safety of previous convictions based on Horizon evidence;

(b) provided greater comfort to stakeholders such as MPs, journalists and SPMs; and

(c) probably avoided a significant part of the ensuing litigation, and resulted in earlier resolution of the issues currently being considered by the Inquiry.

367. Sir Jonathan's advice of 8 February 2016 (**POL00006355**) contained a number of recommendations and action points. While certain of these were appropriately addressed at the time, I should have ensured that the Project Bramble work was completed and reviewed by Mr Altman in a timely manner, so as to determine whether there were any findings from those reviews that required disclosure to convicted SPMs, and if so, ensuring that such disclosure was made promptly. I regret not having ensured this happened given the ongoing distress of convicted SPMs and their families, and for whom early resolution of these issues would have been of considerable benefit.

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368. In relation to the conduct of the Group Litigation, as stated above at paragraph 321, POL has been criticised for its 'aggressive' defence of the Group Litigation. The Group Litigation was brought in a judicial framework that is, by definition, adversarial and as Defendant, POL's role was to respond to allegations made by the Claimants. While the Claimants clearly wanted financial recompense for the losses they believe they had suffered, litigation is not necessarily the best way to get to the truth of what happened in the case of each individual Claimant. POL saw the Common Issues and Horizon trials as the starting point to (a) understand the concerns about the contractual construct between POL and each SPM, and (b) answer the question as to whether Horizon was robust and if it was the likely cause of losses in branch. However, the Group Litigation plainly did not answer all the questions that the Claimant community, and others, were asking, and did not result in the outcomes that the Claimant community hoped for. Had an enquiry of the type I refer to in paragraph 366 above been commissioned, this may have accelerated the outcomes for those Claimants, and I regret that POL and my decisions in relation to the Group Litigation prolonged resolution of these issues and thereby extended the distress of convicted SPMs.

369. I understand that, following the Group Litigation and partly through the work of the Inquiry, additional information has been disclosed by POL both to the Inquiry and in other Court processes, which was not known or provided during the Group Litigation. I do not know why information that was in existence when I was at POL was not discovered at the time, and I regret that POL's disclosure

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in the Group Litigation was incomplete, although I was not aware of this at the time. At no time did I participate in any discussions to withhold information that should properly have been disclosed, nor did I see any evidence that anyone within POL was actively seeking to withhold evidence, or that there was any conspiracy to do so.

370. POL's strategy at the time I joined was very focussed on revenue growth and cost reduction, which was mandated by Government. POL was funded by Government and I believe made its first operating profit in 2017, although I have not reviewed POL's accounts to confirm if this is accurate. POL's 3-year strategic plans were approved by BEIS and these operated in parallel with the 3-year funding agreements. These strategic plans reflected the Government's objective for POL to become profitable, and less dependent on Government funding. Cost reduction was therefore an important component of the strategic plan. Government funding at the time was largely (but not wholly) directed to changing the branch network operating model through the 'Branch Transformation' project, led by Mr Gilliland, while continuing to meet the Government's requirements as to the minimum number of branches (11,500) and the associated requirements of geographic spread. Cost reductions, some of which resulted in the loss of staff members, contributed to a loss of legacy knowledge within POL, greatly impacting the 'corporate memory', which may have contributed to the issues associated with locating relevant materials.

371. There was a wider issue however about the maturity of POL as a corporate entity. While the legal entity had been in existence since 1987, there were

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several functions that had been centrally provided by Royal Mail. In fact, POL was described to me very early on in my tenure as a '300 year old start up' as, following separation in 2012, a number of functions and associated frameworks had to be re-created for POL including (but not limited to) governance structures and risk management frameworks. While a Board governance framework had been established that referenced accepted good practice, there were many other areas that still required significant work when I arrived. For example, POL had not developed any POL-specific risk policies and continued to use those from Royal Mail.

372. Additionally, there was significant work to be done to define, develop and embed a Post Office culture. One area where we tried to progress matters as part of the Transformation project was to look at the accountability frameworks across POL's business as described in paragraph 95. This work was used to frame a discussion with the Group Executive around accountability – a concept well embedded in Financial Services institutions, but unfamiliar to several POL executives. This concept was challenging for many executives in part because POL's control framework was also immature. Given that cost reduction and financial stability was the Government mandated priority, the development of a risk aware culture, and the embedding of risk and control frameworks – together with the appropriate assurance functions – was not a high priority at this time. While this was not the cause of prosecutions of SPMs and the associated behaviours that have been considered by the Inquiry, the lack of clear accountability and the absence of a 'top down' risk culture meant that in many cases there was no clear cultural guidance as to what was expected of POL's

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employees at an operational level in terms of expected behaviours or upwards reporting. This immature risk framework was identified by Deloitte in the Zebra Report which I have now read for the purposes of the Inquiry. POL's oversight framework in relation to Fujitsu and Horizon was not sufficient, and ownership of IT systems and the contractual relationship with Fujitsu as supplier and operator, was seen as an IT function, rather than as a key enabler for the effective operation of the retail network. While various executives (including me) were brought in to support the development of a risk framework, the '3 lines of defence' model was not consistently understood and supported at a 'line 1' management level among the executive team. Cost pressures meant that there was insufficient funding to develop and embed the necessary risk aware culture and embed appropriate and proportionate risk and control, and assurance frameworks. Had POL done so, the risks inherent in Horizon may have been better understood and managed, which again would have addressed a number of the concerns of the various stakeholders.

373. I am acutely aware of the difficulties and challenges that many former SPMs have faced over the last 20 years and I hope that the Inquiry's findings will provide them with the explanations they deserve. Had there been a wider enquiry into Horizon from 2015, and greater focus on implementation of the various recommendations from the Zebra Report, the Cartwright King advice of March 2015, completion of the Bramble reviews, and the review by Mr Altman of all the associated findings, the resolution of many of the issues now being faced by the Inquiry may have been addressed much earlier, which would have materially benefitted both the Claimants in the Group Litigation and many of the

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other SPMs whose issues are being considered by the Inquiry. I am sorry that the recommendations were not implemented in a timely way and for the extended uncertainty that this created for SPMs.

STATEMENT OF TRUTH

I believe the content of this statement to be true.

GRO .....

Jane Elizabeth MacLeod

Dated: 30 April 2024

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4.	POL00030888	Post Office Board Agenda, Briefings and Policy Reports for the PO Board to consider 24/05/2016	POL-0027370
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6.	WITN10010103	Post Office Limited: Shareholder Relationship Framework Document dated March 2020	WITN10010103
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14.	POL00110129	Post Office, Risk and Compliance Committee Meeting 07/09/2015	POL-0108010
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24.	POL00063428	Susan Rudkin case study: File Note of meeting between POL and Second Sight 4/3/2015 at 1pm	POL-0059907
25.	POL00153527	Email from Melanie Corfield to Mark R Davies, Jane MacLeod, Angela Van Den Bogerd and others, Re: CWU and alleged Horizon error 10/11/2015	POL-BSFF-0012639

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26.	POL00022598	Horizon Data Lepton SPSO 191320 by Helen Rose (v.1 draft) 12/06/2013	POL-0019077
27.	POL00099063	Signed Interim Report into alleged problems with the Horizon system 08/07/2013	POL-0098646
28.	POL00004439	Initial Complaint Review and Mediation Scheme - Briefing Report - Part One - Prepared by Second Sight 25/07/2014	VIS00005507
29.	POL00022150	Initial Complaint Review and Mediation Scheme - Mediation Briefing Report: Draft V2 30/07/2014	POL-0018629
30.	POL00028062	Report: Horizon Desktop Review of Assurance Sources and Key Control Features - draft for discussion, Deloitte 23/05/2014	POL-0023065
31.	POL00022597	Email from Rodric Williams to Jane MacLeod, Gavin Matthews, Harry Boweyer and others re CCRC S17 requests for sub-postmaster applications 31/03/2015	POL-0019076
32.	POL00151754	Letter from Rodric Williams (Post Office Limited) to Frazer Stuart (CCRC) RE: Horizon - Requirement to Produce Materials	POL-BSFF-0010866
33.	POL00025781	Email from Gavin Matthews to Jane Macleoad cc: Rodric Williams re: CCRC Letter - Altman Report 16/02/2015	POL-0022260
34.	POL00123890	Email from Rodric Williams to Jane MacLeod, Patrick Bourke and Mark Underwood, RE: "Sparrow Update - CCRC and Brian Altman QC" 05/04/2016	POL-0127590
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36.	POL00315631	Note: Deloitte Report - Question for POL by Cartwright King Solicitors 27/03/2015	POL-BSFF-0153681
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39.	POL00151293	Letter from CCRC to Jane MacLeod on 12 February 2015	POL-BSFF-0010405
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46.	POL00118556	Letter from Vandana Menra-Johal CCRC to Ms Jane MacLeaod RE: Mrs Gail Ward - Requirement to Produce Materials - Post Office/Horizon Computer System Ref - 00358/2015 18/03/2015	POL-0118475
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55.	POL00091220	Letter from Miss Pickering to Ms Jane MacLeod and Mr Williams re : Requirement to Produce Materials 26/03/2015	POL-0090864
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57.	POL00065652	Seema Misra case study: Letter from Criminal Cases review Commission to Jane Macleod/Rodric Williams for Seema Misra, re: Requirement to Produce Materials. Formal notice is addressed to Paula Vennels as 'appropriate person' 10/04/2015	POL-0062131
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74.	POL00230790	Draft letter from POL to Karen Wightman re: Panorama 04/08/2016	POL-BSFF-0068853
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77.	WITN10010104	Letter from Baroness Neville-Rolfe to Tim Parker dated 10 September 2015	
78.	POL00102550	Email from Jane MacLeod to Tim Parker, Mark R Davies and Paula Vennells re: Letter from Baroness Neville-Rolfe 14/09/2015	POL-0102133
79.	POL00065606	Email from Patrick Bourke to Rodric Williams and Jane MacLeod re Draft Speaking Notes for meeting with Tim Parker - Complaint Review 24/09/2015	POL-0062085
80.	POL00027126	Email from Jane Macleod to Paula Vennells RE FW Project sparrow 01/10/2015	POL-0023767
81.	POL00156617	Instructions to Jonathan Swift QC to Advise in Consultation on 8 October 2015 06/10/2015	POL-0145682
82.	POL00102614	Email from Jane MacLeod to Tim Parker; re: Sparrow - Meeting with Jonathan Swift QC 16/10/2025	POL-0102197
83.	POL00130961	Answers to the Questions posed in the Draft ToRs 16/10/2015	POL-0120805
84.	POL00162692	Email from Jane MacLeod to Jonathan Swift, cc'ing Rodric Williams, Patrick Bourke and another re: Post Office - response to questions 6 & 7 of ToR 15/10/2015	POL-0151082
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86.	POL00102616	Email from Jane MacLeod to Patrick Bourke, Rodric Williams and Mark Underwood re: Sparrow - download from my meeting with Tim Parker and Jonathan Swift 21/10/2015	POL-0102199
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88.	POL00102638	Email from Patrick Bourke to Melanie Corfield cc: Mark Underwood re: FW: Post Office Matter 28/10/2015	POL-0102221
89.	POL00102649	Email from Jane MacLeod to Tim Parker re: Post Office - Investigation update 31/10/2015	POL-0102232
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98.	POL00103192	Email from Jane MacLeod to Tim Parker, RE: PO- Chairman's review Confidential and legally Privileged 16/05/2016	POL-0102775

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99.	POL00103134	Email from Jonathan Swift to Mark Underwood, Christopher Knight, Jane MacLeod and others; re: A letter drafted for Tim Parker to send to the Minister, briefing her on the outcome of your enquiry to date 24/02/2016	POL-0102717
100.	POL00024913	Letter sent from Tim Parker to Baroness Neville - Rolfe re :Post Office Handling of complaints made by Sub -Postmasters review 04/03/2016	POL-0021392
101.	POL00103137	Draft Letter To BNR – Project Sparrow V2 29/02/2016	POL-0102720
102.	POL00110246	Speaking Note For Post Office Meeting With Criminal Cases Review Commission 06/11/2015	POL-0108066
103.	POL00153483	Email from Jane MacLeod to Patrick Bourke, Rodric Williams and Mark Underwood1 Re: Computer weekly 04/11/2015	POL-BSFF-0012595
104.	POL00022754	Email from Andrew Parsons, Bond Dickinson, to Rodric Williams, Jane MacLeod, Patrick Bourke and others: RE: Report of Brian Altman QC - subject to litigation privilege 26/07/2016	POL-0019233
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106.	POL00029984	POL Sparrow - Interim Report: Draft for Discussion 08/07/2016	POL-0026466
107.	POL00030009	Deloitte Draft "Bramble" - Interim Report 27/07/2016	POL-0026491
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114.	POL00029990	Email from Andrew Parsons to Jane MacLeod and Rodric Williams and Patrick Bourke Re: Deloitte Preliminary Report 13/07/2016	POL-0026472
115.	POL00041258	Email from Jane MacLeod to Paula Vennells re. Postmaster Litigation - Confidential and Subject to Legal Privilege 25/07/2015	POL-0037740
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136.	POL00006754	Meeting Minutes of the Postmaster Litigation Subcommittee of POL 15/05/2018	POL-0018012
137.	POL00025512	Womble Bond Dickinson Disclosure of Documents in Litigation Report 01/12/2014	POL-0021991
138.	POL00025507	Email from Rodric Williams to POL employees re Postmaster Litigation Steering Group Meeting on 7 June 2016	POL-0021986
139.	POL00117755	Email from Patrick Bourke to Andrew Parsons, Amy Prime and Rodric Williams RE: PLSG meeting on Wednesday 24 May 2017 @ 12 in Tonbridge (1.11)	POL-0114692
140.	POL00022664	Email from Jane MacLeod to Alisdair Cameron, Rob Houghton and others RE: Sparrow update CONFIDENTIAL AND SUBJECT TO LITIGATION PRIVILEGE	POL-0019143
141.	POL00041259	Email from Andrew Parsons to Jane MacLeod and others, re Letter of Response (Final Form)	POL-0037741
142.	POL00041260	Draft Letter of Response to Freeths LLP from Bond Dickinson LLP re Bates & Others v Post Office Limited	POL-0037742
143.	POL00023434	Attached document from Jane Macleod's email on 21/11/2016 Remote Access wording	POL-0019913
144.	POL00024989	Bond Dickinson's Report regarding the Postmaster Group Action	POL-0021468
145.	POL00154151	Email from Mark Underwood to Jane MacLeod re: PLSG Meeting on 24 May 2017 in Tonbridge	POL-BSFF-0013256
146.	POL00003340	Letter from Andrew Parsons to James Hartley, re: Bates & Others -v- Post Office LImited - Generic Defence and Counterclaim	VIS00004354

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147.	POL00023014	Steering Group Paper - Peak Disclosure	POL-0019493
148.	POL00000444	4th Witness Statement of Andrew Paul Parsons (Womble Bond Dickinson), Solicitor to POL	VIS00001458
149.	POL00006523	Email from Jane MacLeod: Subject 'In strict confidence: briefing to fact-check'	POL-0017828
150.	POL00006524	Horizon litigation: facts of the case for BEIS Permanent Secretary	POL-0017829
151.	POL00103355	Email from Jane MacLeod to Tim Parker, Paula Vennells and Mark R Davies re: RE: Postmaster Litigation	POL-0102938
152.	UKGI00008549	Email from Ken McCall to Paula Vennells, Carla Stent and others, CC Tim Parker re Postmaster Litigation	UKGI019357-001
153.	POL00021558	Post Office Ltd Board Minutes dated 30/10/2018	POL0000091
154.	POL00041955	Email from Angela van den Bogerd to Andrew Parsons and others re Witness Statement in PO Group Litigation	POL-0038437
155.	POL00041986	Email from Rodric Williams to Andrew Parsons re Witness Statements in PO Group Litigation	POL-0038468
156.	POL00023013	Email from Mark Underwood to Jane Macleod, Angela Van-Den Bogerd, Mark R. Davies and others, ccing Aimee Daughters Re; Postmaster Litigation Steering Group call Tomorrow@ 14:30	POL-0019492

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157.	POL00042015	Email from Rodric Williams to Simon Clarke, Martin Smith and Andrew Parsons RE: Post Office Group Litigation - Horizon Issues Trial - Monday Con with Counsel - Strictly Private & Confidential	POL-0038497
158.	POL00006753	Meeting Minutes of the Group Litigation Subcommittee of POL	POL-0018011
159.	UKGI00009149	Email chain with Ken McCall to Jane MacLeod, Tim Parker, Carla Stent and others - Re: Postmaster Litigation	UKGI019957-001
160.	POL00022970	WBD Bates & others v Post Office Limited - Recusal Note	POL-0019449
161.	POL00023228	Bates and Others v Post Office Limited Observations on recusal application	POL-0019707
162.	POL00023898	Email chain from Jane MacLeod to Tim Parker, Thomas Cooper, Tom Beezer, Andrew Parsons (cc Rodric Williams) RE: Litigation options	POL-0020377
163.	POL00006792	Bates & Ors v POL: Note of Conference with Grabiner QC of 18 March 2019	POL-0018039
164.	POL00022883	Email from Tom Beezer to Jane Macleod ccing Andrew Parsons, Rodric Williams and others, RE: Post Office Litigation	POL-0019362
165.	UKGI00017593	Email from Mpst Tolhurst (BEIS) to Tom Cooper (UKGI), Gavin Lambert cc William Holloway and others RE: POL discussion with SoS and Kelly Tolhurst	UKGI027600-001