

From: Cooper, Tom - UKGI [REDACTED]
Sent: 26 August 2020 10:17
To: Donald, Charles - UKGI [REDACTED]; Munby, Sarah (BEIS) [REDACTED];
Creswell, Carl (Professional Business Services, Retail & Post Directorate) [REDACTED]; Russell, Mark
- UKGI [REDACTED]; Watson, Richard - UKGI [REDACTED]
Subject: Highly confidential. POL Litigation/Governance

An update on our previous discussions about Tim Parker's role in commissioning, and following up on, the QC's recommendations that were made shortly after Tim was appointed Chairman of POL.

Since we last spoke:

- The Board received an update on the Herbert Smith report looking at the key events and decisions regarding Horizon. While there is more detail and it remains in draft, the account of what happened has not changed materially
- The NEDs met to discuss the report on 28 July. Tim was asked about the QC's report and why it wasn't discussed with or disclosed to the Board. Tim said that he was guided by Jane Macleod, the company's counsel at the time, who gave advice that the document needed to be kept confidential because of the upcoming litigation and also raised privilege issue. He said he relied on this advice.
- I have spoken to Ken McCall, POL's SID, and Carla Stent, who is the other NED who was on the Board at the time. Ken has yet to finally conclude on this but his current view is that the legal advice was flawed and Tim made an error of judgement in relying on the advice. But in Ken's view it would be unfair to sanction Tim given he was relying on legal advice.
- In terms of next steps, Ken plans to speak to Carla and possibly some of the other NEDs. He would be willing to report in to BEIS on his findings if we want his views formally.

Please let me have your thoughts on this. I should mention that if BEIS wants to take a different view and take some action, the window for doing so is closing. The review into Horizon lessons learned (which will include an account of the past actions of the management, Board and shareholder) will probably be announced in September. Once that is underway, I expect it will be difficult to make any unscheduled changes to the Board as we found with NDA.

Tom

Tom Cooper

Director

UK Government Investments

1 Victoria Street | London | SW1H 0ET

T: [REDACTED]
M: [REDACTED]
E: [REDACTED]
PA: [REDACTED]