

**Appellant
L Powers-Freeling
Second
EX3
19 April 2018**

IN THE WESTMINSTER MAGISTRATES' COURT

BETWEEN

UBER LONDON LIMITED

Appellant

– and –

TRANSPORT FOR LONDON

Defendant

**SECOND WITNESS STATEMENT OF
LAUREL CLAIRE POWERS-FREELING**

I, Laurel Claire Powers-Freeling, of Uber London Limited (Company Number: 08014782), 1st Floor, Aldgate Tower, 2 Leman Street, London, E1 8FA, WILL SAY AS FOLLOWS:

INTRODUCTION

1. I am an independent Non-Executive Director of the Appellant, as well as Chair of its Board. This is my second witness statement in this Appeal, and I am authorised to make this statement on behalf of the Appellant and in support of its Appeal. I do so in order to respond to various points made by Helen Kay Chapman in her statement dated 29 March 2018 and also to update the Court on the topics that I covered in my first witness statement. In particular, I have focused on the things that I have done, and am continuing to do, to make sure that ULL has the governance arrangements and culture of a responsible, innovative PHV operator, such that it is a fit and proper person to hold a PHV operator's licence.
2. Except where otherwise stated, the facts and matters set out in this witness statement are within my personal knowledge. Where they are not, I identify the source of my understanding and belief. In particular, I have had opportunity to review in draft the third witness statement of Tom Elvidge and the second witness

statement of Fred Jones in support of the Appeal. References in this document to their witness statements take the form [Elvidge3/x] and [Jones2/x], where "x" is the paragraph number.

3. In the course of making this statement I shall refer to a number of documents, a paginated bundle of which is shown to me marked "[EX3]". Unless stated to the contrary, references to documents in this statement refer to this bundle and take the form "[EX3/x/y]", where "x" is the tab number and, where relevant, "y" is the page number. I shall also refer to my first witness statement in the form [Powers-Freeling1/x], where "x" is the paragraph number, and documents exhibited to my first witness statement are in the form "[EX1/x/y/z]", where "x" is the section number, "y" is the tab number and "z", where relevant, is the page number. I shall refer to Ms Chapman's first witness statement in the form [Chapman1/x], where "x" is the paragraph number.
4. In this statement, I have used the same defined terms as in my first witness statement, which are also explained in the updated glossary of defined terms that accompanies this statement.

INITIAL REMARKS

5. Before I go into the detail of my update on recent events and my response to Ms Chapman's statement, I want to make some initial observations.
 - (a) As Mr Elvidge explains, [Elvidge3/7] we as a Board collectively accept that, when TfL decided not to renew ULL's licence in September 2017, it did not have enough evidence of tangible and embedded change to satisfy itself that ULL was fit and proper to hold an operator's licence, given the mistakes that we admit ULL had made.
 - (b) As I explain below, and as set out further in the statements of Mr Elvidge and Mr Jones:
 - (i) We have continued to make real progress since then in changing our culture, values and processes for the better, including by changing the way that we communicate at an intra-group level and improving the robustness of our corporate governance;
 - (ii) The changes that we have made to date are now really starting to embed and make a tangible difference; and
 - (iii) We still have work to do in rebuilding our relationship with TfL and showing that there has been a lasting cultural shift on which mutual trust can be built.
 - (c) I firmly believe that ULL is now a fit and proper person to hold a licence, and that we can now demonstrate that this is the case but that there is still work to do to rebuild trust and establish our track record. Having discussed it with my fellow Directors, we are all agreed that we are in effect "on probation" and so we have decided to seek a short licence, subject to additional conditions that reflect the work we must still do and provide additional assurance on key regulatory matters.

[CB/18/325]

UPDATE ON GOVERNANCE

6. Since mid-February, and as explained in the following paragraphs, we have made meaningful progress in two areas that I am particularly focused on:
- (a) ULL's governance arrangements and culture; and
 - (b) embedding a real understanding of what it means to take greater responsibility for good outcomes for passengers and drivers.
7. One of my priorities from the beginning of my time at Uber has been to get more Non-Executive Directors onto the Board. As Ms Chapman notes at, [Chapman1/233] on 20 March 2018 I met with Mike Brown, TfL's Commissioner, to provide an update on progress with appointing further Non-Executive Directors. Ms Chapman concluded, at [Chapman1/234] that this change could improve ULL's ability to meet its regulatory obligations and ensure that ULL will be subject to greater oversight and challenge in respect of its operations. [CB/17/288] [CB/17/288]
8. On 3 April 2018 we told TfL [EX3/34/167] that, after an extensive search, we had found two further Non-Executive Directors: Mr Roger Parry and Ms Susan Hooper. As outlined below, they were appointed for their very substantial experience and relevant expertise to our Board, and will unquestionably strengthen the quality of oversight and governance. [HB/6/253/2451]
- (a) Mr Parry is currently Chairman of YouGov, the survey and analytics company; OxfordMetrics, another data and analytics firm, and MSQ Partners, a media firm. He has very substantial experience in working with cities and operators of transport, both via his current company portfolio, but also in his previous executive role as CEO of Clear Channel and Chairman of Johnston Press, the UK's largest regional newspaper group. Mr Parry's CV is at [EX3/9]. [HB/4/169]
 - (i) We anticipate that Mr Parry will be particularly valuable for his experience of working with cities and city governments and regulators (including TfL); indeed, he co-authored and published a book on effective elements of city design and operation (Making Cities Work, 2004) as well as books on the evolution of and working with media (The Ascent of Media, 2011) and the role of good leadership in building sustainable companies (Enterprise, 2003).
 - (ii) His various roles have also incorporated the importance of understanding consumer views; YouGov, which he chairs, is built on the premise of providing a platform for understanding what people think on a broad range of subjects.
 - (b) Ms Hooper is currently on the boards of Wizz Air, Affinity Water, The Rank Group and has previously been a Non-Executive Director of Whitbread, SC Johnson & Son, First Choice Holiday, Transcom, RSA and Courtaulds. She is also a non-executive member of the management board of the Department for Exiting the European Union, the non-partisan support unit

providing advice and external perspective to the UK Government on the UK's exit from the EU. Ms Hooper's CV is at [EX3/22].

[HB/5/210]

- (i) In her executive career, Ms Hooper was CEO of Acromas Travel (which included Saga Travel) and held executive board level positions at Centrica (where she managed British Gas Services), Royal Caribbean International, Avis plc, and Pepsico.
- (ii) Ms Hooper also has a strong consumer focus in her work history; almost all roles she has undertaken have been in industries where delivering good outcomes for consumers within a regulated environment is paramount—including travel, utilities provision, financial services, package goods manufacturing and distribution, and gaming; all businesses where safety, reliability, fairness and transparency matter just as they do for PHV services.

9. As Ms Chapman foreshadowed in her statement, [Chapman1/234] Mr Parry and Ms Hooper will make an important contribution as a further source of oversight and challenge in respect of ULL's operations. Indeed, the collective experience of the ULL Board is notable. Collectively, the non-executive ULL Board members have been on (in the region of) 60-70 different boards as executives, non-executives or chairmen. These include everything from FTSE 100 boards and tech start-ups, to educational institutions, public service organisations, cultural organisations, the NHS and government.

[CB/17/288]

10. All three of us have not only worked to the standards of the UK Combined Code in relation to governance, but have set up boards from scratch that have met this standard. We have all worked with a range of regulators in the media, travel, financial services and other industries, including those in which participants require licensing and must adhere to strict standards. I am confident that our combined experience will be of huge value to ULL as we continue to make sure that it is a responsible PHV operator, with a positive relationship with its regulator.

11. I am delighted to say that Mr Parry and Ms Hooper were formally appointed on 18 April 2018.

12. Also in terms of the Board, and on the subject of progress that has been made since my last statement, we have settled into the cadence of our monthly Board and sub-committee meetings. Since our first Board meeting back in November 2017, we have improved our processes for managing the agenda, getting out papers, engaging in important discussions and ensuring follow-up. Of critical importance is our interaction with the Licensed Operations Management Committee and the Safety Committee. In addition to the formal Board meetings, I also have a regular weekly meeting with Tom Elvidge, although in practice we communicate on a much more frequent basis. In fact, I probably communicate with some member of the senior team at ULL/UBL most days.

13. For my part, I have been impressed by the commitment to change, which manifests itself in many different ways, such as: the increase in the quality of our Board meetings; recognition amongst our management team that the needs and interest of all our stakeholders must be balanced; and training and communications within the organisation, both from the 'top down' from UTI, [Elvidge3/38-39] and within the ULL team. The enthusiasm of ULL's executive

[CB/18/330-331]

Directors to develop our Board with the inclusion of two further very senior and very experienced Non-Executive Directors underscores our commitment to change.

ULL'S RELATIONSHIP WITH THE UBER GROUP

14. As regards ULL's relationship with the Uber group, I have now established a set of regular update meetings with Uber leadership at all levels. I have agreed regular meetings with leaders in San Francisco as well, including the CEO, COO and Chief Legal Officer. I am currently scheduled to meet with all of these and many other area leaderships during the week of 4 June 2018 in San Francisco. I am delighted that both Ms Hooper and Mr Parry will be accompanying me on this visit, to ensure that they see we have a unified, independent front, and that we are all on the same page with regard to our respective responsibilities and their seriousness.

15. The Compliance Protocol continues to be embedded within Uber globally. Despite Ms Chapman's suggestion, at [Chapman1/237], that the document is in draft form, it was in fact finalised and agreed on 25 February 2018, before I gave my previous witness statement. Helen Hayes (our UK and Ireland Legal Director and ULL's nominated Compliance Officer under the Protocol) attended the first meeting of the Compliance Protocol working group on 10 April 2018 and provided a report to the sub-committee of the Board on 17 April 2018 outlining what had been covered at the meeting. [EX3/39] This report confirms that the meeting focused on affirming that there were no outstanding issues of which ULL was unaware but should have been informed, and on discussing the practical arrangements for operating the Compliance Protocol. I am pleased to note that Ms Hayes concluded that "*the Working Group will be an effective forum for raising issues across our group entities, and it was clear that all involved understood the Protocol and its purpose*".

[CB/17/289]

[HB/6/258]

16. Ms Chapman queries in her statement [Chapman1/300(f)] whether the Compliance Protocol is a real answer to the problems that came to the fore as a result of the data breach. I want to be clear that I am sure that it is a real answer, and that it is taken very seriously at the highest levels within Uber. I have discussed this in person with the UTI CEO, Mr Khosrowshahi, and he is in no doubt as to how we must operate the Compliance Protocol, and the consequences of misapplication or inability to resolve matters satisfactorily. I have also recommended to Mr Elvidge and Mr Jones that we test the Compliance Protocol by performing some "dummy run" exercises based on hypothetical scenarios and this is something that is now being organised. I believe this would be an excellent way to show that the Compliance Protocol operates effectively. They agree with me that this would be useful. We would also be willing to report those results back to TfL if that would provide helpful reassurance on this point.

[CB/17/309]

17. Contrary to Ms Chapman's suggestion at [Chapman1/240], and as I made clear at [Powers-Freeling1/23] of my first witness statement, I fully endorse Mr Elvidge's candid acknowledgment that ULL found out about the breach far too late, did not have all the information that it needed, and did not have the means to find out the information that it should have had. That is why I attach such importance to the Compliance Protocol, which has been in place since the end of February. However, I do reiterate that ULL's reaction to this issue reflected the

[CB/17/289-290]

[CB/16/216]

cultural shift that it has made, even if the tools and processes were then not yet in place to manage it appropriately; now they are.

UPDATE ON CULTURE

18. One example of how we are bringing the whole organisation to a better understanding of appropriate culture and governance was our away day on 16 February 2018. Essentially, the purpose of the day was to help the whole ULL team understand that they had a role to play in ensuring good governance and also to prepare them for things like enhanced training and changes in processes that would support this.
19. I personally did a session to set the tone on this, where a key message was that good governance is the key to ensuring that we are trusted by our stakeholders, and so will be around for the long-term. I talked about what each of our key stakeholder groups should expect from us, including our riders, drivers, regulators/policymakers, employees, investors, media and even our competitors - all of whom should expect us to be open, fair and honest. I also talked about the fact that other companies have had to make the same journey we are now on, whereby we need to navigate through very rapid early growth, recognise that we have to deal with stakeholders in a balanced, mature and open-handed manner, and where internal culture has had to evolve accordingly, noting that becoming more reliable and stable does not mean the company stops growing or is a boring place to work.
20. In the latter weeks of February, we initiated new governance training for every member of staff, which highlights our values and how they contribute to a sustainable, trustworthy culture, and helps staff to understand changes to systems and processes intended to support this. This critical training was delivered face-to-face, with joint Deloitte and Uber training teams. [EX1/D/61] [HB/5/208]
21. Another area of advancement since my last statement has been in the area of policies and process. While we had a suite of policies that we provided to the Court, we have made efforts to review these and also to develop a clear implementation plan to ensure their integration in the business. Mr Jones has explained a few changes that we have made to the policies in his statement at [Jones2/10]. [CB/19/347-348]

RELATIONSHIP WITH TfL

22. In my previous statement, I talked about ULL's commitment to becoming a trusted partner of its regulators. Since then, on 20 March 2018, Mr Byrne and I met Mike Brown, the TfL Commissioner, and Vernon Everitt, who is the Managing Director for Customer, Customers and Technology at TfL. This was an open and constructive meeting, which highlighted many opportunities to work in alignment with TfL, both now and in the future. My intention was to make clear to Mr Brown and Mr Everitt how seriously I take the role of the Board, and in particular to explain the process we went through to get in place our Compliance Protocol. At the meeting, Mr Brown expressed his hope that the rebuilt relationship between ULL and TfL would lead to greater cooperation in the future, as well as saying how pleased he and Mr Everitt had been with ULL's progress.

23. Mr Brown and I also agreed a pattern of quarterly meetings in the future to ensure ongoing clear communication between us, and I also indicated that Mr Everitt should not hesitate to contact me at any time if he had questions or concerns about Uber.

CONCLUSION

24. In summary, it has been just eight weeks since our previous submission to the Court, but those eight weeks have further demonstrated our sincere commitment to effective change. As well as successfully implementing changes to our operating model, this has included the appointment of two more highly-experienced Non-Executive Directors, the appointment of a Head of Compliance, the coming into effect of the Compliance Protocol, the embedding of our internal governance into the working life of the business and a firm timetable and plan to implement an Independent Assurance Process.
25. I believe that we have put ULL on the right path and look forward to continuing to build our track record of responsible, transparent, engaged partnership with TfL.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true.

Signed: 

Dated: 19.04.18

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EXHIBIT "[EX3]"

This is to confirm that I have seen all of the documents referred to in the Second Witness Statement of Laurel Claire Powers-Freeling dated 19 April 2018 in the Exhibit marked "[EX3]".


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Laurel Claire Powers-Freeling

Dated 19.04.18

