



POST OFFICE LIMITED BOARD MEETING
PUBLIC

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON TUESDAY 31 MARCH 2026 AT 100 WOOD STREET, LONDON, EC2V 7ER AT 12:00 AM

- Present:**
- | | |
|-------------------|---|
| Nigel Railton | Chairman (NRa) |
| Simon Jeffreys | Non-Executive Director (SJ) |
| Amanda Burton | Non-Executive Director (AB) |
| Andrew Darfoor | Senior Independent Director (AD) |
| Brian Smith | Non-Executive Director (BS) |
| Sara Barlow | Non-Executive Director (SB) |
| Emma Branch | Non-Executive Director (EB) |
| Richard Hawkins | Non-Executive Director (RH) |
| Jonathan Slater | Non-Executive Director (JS) |
| Neil Brocklehurst | Chief Executive Officer (NB) |
- In attendance:**
- | | |
|--------------------------------|--|
| REDACTED: Personal data | |
| John Dillon | General Counsel and Company Secretary (Observer) (JD) |
| Tom Lee | Acting Chief Finance Officer (Observer) (TL) |
| REDACTED: Personal data | |
- Other attendees as shown against the minutes for each item.**
- Apologies:**
- | | |
|---------------|--------------------------------------|
| Lorna Gratton | Non-Executive Director (LG) |
|---------------|--------------------------------------|

Action

Pre-Board NED-only session

The Board held a NED-only session.

1.1 Welcome and Conflicts of Interest

A quorum being present, the Chair opened the meeting. The Chair called for the Directors to disclose any conflicts of interest. BS and SB’s roles as serving Postmasters were noted. The Directors declared that they otherwise had no conflicts of interest in the matters to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 and the Company’s Articles of Association.

The Board acknowledged the attendance of JD, TL and MT as observers at the meeting. As observers, the Board was aware that all contributions made by JD, TL and MT to the meeting were observations only, and did not constitute advice (except in the case of JD, where otherwise expressly noted in his capacity as Company Secretary or General Counsel), recommendations, directions or instructions. The Board confirmed that it would take due care not to be unduly influenced solely by a contribution made by JD, TL or MT, and that it would reach its conclusions based on a balanced and diligent assessment of all the facts available to it.

1.2 Inquiry Confidentiality Undertakings

The Board noted that any attendees without confidentiality undertakings accepted by the Inquiry in place would be excused from the meeting should the need to discuss information confidential to the Inquiry arise.

2. Minutes and Matters Arising

Minutes

TABLED and **NOTED** were draft Minutes from the Board Meeting held on 24 February 2026. The Board **RESOLVED** that the Minutes of the Board Meeting held on 24 February 2026 be **APPROVED** as a correct record of the Meeting and be signed by the Chair.

Matters Arising

The Board noted the action log and status of the actions shown and agreed the actions marked for closure.

REDACTED: Protecting commercial interests

- Once received, the briefing materials would be finalised and sent to the Chair for his engagement with the Minister (the Chair noted he expected to receive the briefing materials before the next Board in May).

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- On action #2, branch modernisation, it was noted that an update had been provided at the Consultative Committee the previous day on the planned investment and indicative timetable for the roll out of pilots and initiatives, and so the action could be closed.

3. **CEO Report**

Neil Brocklehurst, Mark Donnelly, Dominic Grounsell, Andy Nice

TABLED and **NOTED** was the CEO report.

Neil Brocklehurst presented the paper which set out:

- The key matters before the Board for discussion and approval.
- Progress updates against POL's five strategic pillars under its Transformation Plan.
- Key business-as-usual functional updates.

Discussion included:

- The Government's response to its Green Paper consultation had been published since the last Board meeting; the key outcomes (expressed as five policy objectives) provided for a favourable policy environment and were aligned to POL's transformation plans. Wider stakeholder engagement, including with No10, would provide the opportunity to promote the vital role Post Offices played on the high street.
- POL had settled the position with HMRC in relation to IR35 tax liabilities.
- Post Offices continued to operate in an increasingly competitive commercial setting. Relevant developments, for example, in the mails and parcels and supply chain markets and in relation to POL's joint venture interests, would come to the Board at appropriate junctures.
- POL continued to monitor the impact of the Iranian conflict on post offices, for example, in relation to fuel and the changing dynamics in foreign exchange markets; at its meeting the previous day, the Consultative Council had highlighted the particular circumstances of outreach services and asked if POL might explore the extent to which any kind of support might be available.
- The Board was supportive of the proposal to run a briefing/training day for the Board facilitated by the Restorative Justice Council.

4. **Strengthen the Commercial Proposition/ Ensure Network is Fit for Purpose**

4.1 **Network Strategy Update**

Dominic Grounsell, **REDACTED: Personal data**

TABLED and **NOTED** was a presentation on 'Network Strategy Update'.

DG, supported by PM and ME, presented the paper which set out:

- Under the Network Strategy discussion in February, the Board confirmed its support for the three governing principles around maintaining a customer focus, prioritising the overall health of the network and building commercial partnerships.
- The Board agreed they were aligned to securing long-term sustainability, but asked for further analysis to come to the March Board on the options for mitigating the impact of the urban expansion plans and of removing the exclusion zones.

Discussion included:

- Executive management remained of the view that targeted investment via the branch modernisation programme was the most sustainable approach for the network collectively.
- The level and type of investment would depend on things like the branch format, size and layout, with some potential self-investment needed on the part of postmasters, for example, to cover certain maintenance costs.
- The Board agreed the analysis was helpful as it highlighted:
 - the impacts were less material than the network may have assumed;
 - the loss-making position and the need for a strategy aimed at improving the position for the overall network; and
 - the risks from external competition.

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- Communicating the plans would need careful handling, for example, to avoid any misconceptions about plans for a 'managed decline' and to distinguish between Post Office branches and other formats, which were more akin to 'touch-points'.

Action:

- Postmaster groups to be engaged to help shape the communications.

DG/CC –
April
2026

The Board **APPROVED** the plans to mitigate the impacts of POL's urban growth and exclusion zone plans by way of the branch modernisation programme, subject to keeping other options under review as against the outcomes from its 'whitespace' trials when better data would be available on the impacts.

5. Finance and Plans

5.1 FY2025/26 Period 11 Management Accounts

Tom Lee, **REDACTED: Personal data**

TABLED and **NOTED** was a presentation on 'FY25/26 P11 Management Report'.

DJ presented the paper which set out:

- POL's financial performance as at P11 and year to date.
- The year-end forecast, compared to budget.

Discussion included:

- The position in relation to Post Office Insurance (POI) revenue and the oversight considerations from POL's position as the Shareholder, including in relation to the current work in hand to agree an updated Managed Services Agreement.
- An updated prior year comparison of business-as-usual operating expenditure would be provided at the year end.
- Future reporting would include a longer-term view of the security headroom position, noting key divers and sensitivities.

5.2 Strategy to 2030 (including Long-Term Financials)

Neil Brocklehurst, Andy Nice

TABLED and **NOTED** was a presentation on 'Strategy to 2030 (including Long-Term Financials)'.

NB, supported by AN, presented the slides which set out:

- Since giving in principle support at its strategy at its away day in September 2025, the Board had approved a number of key underpinning functional strategies, with a few remaining underpinning strategies due to be considered in more detail in the coming months.
- The Group Strategic Plan to 2030 brought together the component strategies across POL, key performance metrics and the associated long-term financials.
- Under the financial outlook, POL expected to achieve a trading profit by FY2028/29 and to deliver the intended £250m target increase of Postmaster Remuneration by FY2029/30. While the outlook also showed a security headroom position with sustained periods below the £50m buffer and projected breaches in multiple periods, Executive Management was confident the outlook would not materialise in this way; mitigations included materially lower future POL-funded investment spend and lower transformation spend more generally.

Discussion included:

- The strategic plans would need to be kept under review to respond to changing dynamics in relevant external markets (domestic and further afield), as well as to facilitate opportunities from new innovations.
- Customer data insights to both inform strategic planning and track performance was being developed further and would be incorporated subsequently (POL's data needs and oversight responsibility more broadly were also in the process of being matured to a more strategic level).

The Board:

- i. **APPROVED** the Strategy to 2030, subject to achieving an improved security headroom position under the long-term financial outlook.
- ii. **NOTED** that a request to approve the Group Strategic Plan for submission to the Shareholder would be taken to the Transformation Committee in early April.

5.3 **FY2026/27 Annual Business Plan & Budget**

Andy Nice, Tom Lee

TABLED and **NOTED** was a presentation on 'FY26-27 Annual Business Plan (ABP) and Budget'.

Andy Nice, supported by Tom Lee, presented the slides which set out:

- Year one of POL's five-year plan to 2030, FY2025/26, had been a foundational year; FY2026/27 would be transformational, with investment spend directed at a new supplier for the Horizon IT system, the branch modernisation programme (discussed earlier in the meeting), more automation and a number of new commercial initiatives, including the Post Office App.
- Under the FY2026/27 budget, trading profit (excluding project operating expenditure) was projected to break even, reflecting lower costs and increased revenue.
- Cost reduction and revenue growth were both key to increasing Postmaster remuneration; the projected uplift of £126m in FY2026/27 would take remuneration over half-way towards the £250m target by 2030.

Discussion included:

- POL was confident about its ability to identify capability needs and determine how any gaps would be best filled. As noted under the earlier discussion on the Strategy to 2030, the priorities for FY2026/27 would also need to be kept under review and adapted where needed, subject to Government funding dependencies.
- An updated 'ready reckoner', due to be released in the coming days, would be the best mechanism for helping postmasters determine how the positive outlook on postmaster remuneration would flow through to them individually; rates and volumes were the key determinants, with the latter in the hands of each individual branch.
- Performance reporting against the KPIs for the ABP and Budget would be set at the appropriate level for the Board, ensuring consistency of reporting and providing trend analysis where relevant.

Action:

- Technology/IT governance and controls to be included as explicit business-as-usual activity under the 'data and technology' pillar.

PA/AN – done.

The Board **APPROVED** the FY2026/27 Annual Business Plan and Budget.

6. **Deliver a New Operating Model**

POL: Gaenor Prest

Q5 Partners: **REDACTED: Personal data**

6.1 **Culture Change**

TABLED and **NOTED** was a presentation on 'Behaviours Evolution'.

GP, supported by JC, presented the slides which set out:

- POL's 'Behaviours Framework' had been reviewed to test its ongoing effectiveness (including to take account of alignment to POL's future strategy) under the broader 'Culture Change' programme.
- Staff from across POL had informed understanding and applicability of the current framework; the insights showed a lack of consistency in both understanding and interpretation and some of the behaviours as currently expressed did not align to the required outlook for the successful delivery of POL's transformation plans, particularly in relation to having a 'commercial' mindset.

- It was proposed, therefore, to evolve the framework to ensure it resonated today and drove the right change-oriented outcomes, with each behaviour expressed as a single word, supported by a short and simple sentence descriptor.

Discussion included:

- Views had been split among Executive Management initially on whether the existing framework should be retained, but with better descriptors to clarify the meaning; a consensus view had been reached after further discussion on the re-set approach.
- While this would be a re-set, there would be a sense of continuity as the new framework built on (and linked back) to the current behaviours.
- The Board agreed that under the re-set approach, the expectations were clear around the required future-looking ways of working and mindset.

The Board **APPROVED** the development of the behaviours on the basis of the proposed approach, noting that the single-word and associated descriptors would be refined further.

7. Transform Technology and Data

7.1 REDACTED: Subject to future publication

REDACTED: Subject to future publication

8. Governance Items

8.1 Board Committee reports (Verbal Updates)

The Committee Chairs provided updates on the business for their respective Committees since the last Board meeting.

8.2 Corporate Responsibility/ Environment, Social & Governance (ESG) Strategy

Charlotte Cool, REDACTED: Personal data

TABLED and **NOTED** was a paper on 'Corporate Responsibility/ ESG Strategy – 2026'.

REDACTED: Personal data presented the paper which set out:

- POL needed to mature in the ESG space not least to meet the increasing expectations from clients, customers, regulators and government.
- A mature ESG strategy should enable POL to capitalise on economic opportunities and ESG considerations should underpin all of POL's strategic pillars.

Discussion included:

- At this stage, POL had a high-level view of an intended approach, rather than an executable strategic proposition, supported by a fully costed business case.
- The next steps would test the sequencing and timelines, noting the Board's suggestion that POL focus on a manageable number of 'big-ticket' items.

The Board **APPROVED** POL's proposed strategic approach for its new Environment, Social & Governance (ESG) framework, as the basis for taking forward the ESG Transformation Prove Plan in April 2026.

8.3 Governance Reviews: Action Plan Update

REDACTED: Personal data

TABLED and **NOTED** was a paper and appendices on 'Governance Reviews and Action Plans: Update'.

The paper set out:

- The progress in addressing the recommendations from the Grant Thornton Governance and Board Effectiveness Reviews and from the tailored Board review undertaken by REDACTED: Personal data
- Under the Grant Thornton review:
 - the final remaining open action on internal controls and risks had been addressed; and

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- the Board had previously agreed that outstanding matters that were outside of POL's control should be closed and that relevant external dependencies, for example, the Government's response to its Green Paper consultation on the Future of POL and the findings from the POHIT Inquiry, should be noted.
- Under the **REDACTED: Personal data** review:
 - a number of recommendations were aligned to the key themes from the Grant Thornton Governance Review on strategy, vision, purpose and roles and responsibilities;
 - good progress had been made on the action plan, with the majority of the recommendations addressed;
 - there were two remaining open actions on (i) the Board training schedule for 2026/27 and (ii) opportunities for informal Board engagement, both of which would be taken forward in line with the 2026/27 Board plan.

The Board **AGREED** the actions that were proposed to be closed, noting that the Grant Thornton review would be marked as completed and that actions that were proposed for closure under both reviews included those that were enduring and subject to ongoing governance oversight, for example, under annual reviews.

8.4 Sealings Report

REDACTED: Personal data

The Board **APPROVED** the affixing of the Common Seal of the Company to the documents set out against items numbered 2422 – 2435 inclusive in the Register of Sealings.

9. Matters to be taken as read, no presentation

The following papers were **TABLED** and **TAKEN as READ**:

- (i) 'Health & Safety Report';
- (ii) 'RU Performance';
- (iii) 'A&CI Report';
- (iv) 'Future Meeting Dates'; and
- (v) 'Forward Agenda'.

10. Feedback on papers/discussions

The Board agreed discussions had been high-calibre across the items before the Board, with good quality papers and an appropriate balance of time allocated between presentation and Board discussion.

AOB

REDACTED: Subject to legal professional privilege

REDACTED: Subject to legal professional privilege

REDACTED: Confidential Inquiry Information

HMRC IR35 settlement

The Board **RATIFIED** the approval it had given by email to the updated membership of the IR35 sub-committee; Tom Lee, acting CFO, had been added as a member in place of the permanent CFO who had since left POL.

There being no other business, the Chair declared the meeting closed at 16.30.