



POST OFFICE LIMITED BOARD MEETING

Public

MINUTES OF AN ADDITIONAL MEETING OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON TUESDAY 22 APRIL 2025 AT 100 WOOD STREET, LONDON, EC2V 7ER AT 09:00 AM

Present:	Andrew Darfoor	Senior Independent Director (AD) - Chair
	Lorna Gratton	Non-Executive Director (LG)
	Simon Jeffreys	Non-Executive Director (SJ)
	Amanda Burton	Non-Executive Director (AB)
	Elliot Jacobs	Non-Executive Director (EJ)
	Sara Barlow	Non-Executive Director (SB)
	Brian Smith	Non-Executive Director (BS)
	Emma Branch	Non-Executive Director (EB)
	Richard Hawkins	Non-Executive Director (RH)
	Neil Brocklehurst	Acting Chief Executive Officer (NB)
	Preetha McCann	Interim Chief Financial Officer (PMcC)
	REDACTED: PERSONAL DATA	
In attendance:	John Dillon	General Counsel and Group Company Secretary (Observer) (JD)
	Chrysanthy Pispinis	Chief of Staff (Observer) (CP)
Other attendees as shown against the minutes for each item.		
Apologies:	Nigel Railton (NR)	

Action

1.1 Welcome and Conflicts of Interest

The Board noted the Interim Chair's apologies and that in his absence Andrew Darfoor, the Senior Independent Director, would chair the meeting.

A quorum being present, the Chair opened the meeting. The Chair called for the Directors to disclose any conflicts of interest. EJ, 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 and CP as observers at the meeting. As observers, the Board was aware that all contributions made by JD and CP to the meeting were observations only, and did not constitute advice, recommendations, directions or instructions, unless otherwise specified. The Board confirmed that it would take due care not to be unduly influenced solely by a contribution made by JD and CP 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 from 25 March 2025 and 07 April 2025 and Matters Arising

Minutes

The Board **RESOLVED** that the Minutes of the Board Meetings held on 25 March 2025 and 07 April 2025 be **APPROVED** as a correct record of the Meetings and be signed by the Chair.

Matters Arising

A substantive review of actions would be undertaken at the scheduled Board in June; the Chair noted that, in the meantime, the majority of actions from the March and April meetings had either been completed or were not yet due. In relation to an action on discrepancy balance write-off, LG confirmed that she had followed up with the Interim Chief

Operating Officer to discuss the anticipated timescales for the implementation of the new recovery process.

3. Funding Matters

3.1 Confirmed Government Funding for FY2025/26, Security Headroom forecasts, Postmaster Remuneration, Options to improve liquidity

Preetha McCann, REDACTED: PERSONAL DATA, REDACTED: PERSONAL DATA, Charlotte Cool

TABLED and **NOTED** was a paper on confirmed Government Funding and the Annual Business Plan (ABP) for FY2025/26, Security Headroom, Postmaster Remuneration and Options to Improve Liquidity.

Government Funding for FY2025/26 and the Annual Business Plan

Preetha McCann presented the update which noted:

- Government funding for FY2025/26 had been settled; the final settlement totalled £260m.
- The adjusted Annual Business Plan was not materially different in delivery-terms to the ABP presented to Board in March, with DMB, Organisational Design and Cash Automation activity and plans unchanged.

The Board **RESOLVED** to **APPROVE** the updated ABP and associated budget, subject to any final adjustment to reflect the agreed position on Postmaster Remuneration, due to be discussed later on the agenda.

Security Headroom forecasts

Preetha McCann presented the update which noted:

- POL's forecast Security Headroom profile had changed and was now forecast to go below the Board approved 'buffer' earlier in the year and be tighter later in the year, compared to the ABP view presented in March; this was due to the lower funding settlement and the timing implications that arose from DBT's 'cash' funding approach, rather than an 'accrual' based approach.
- Options on improving the liquidity position were due to be noted later on the agenda.

Postmaster Remuneration

REDACTED: PERSONAL DATA presented the update which set out:

- The options for Postmaster Remuneration in FY2025/26, beyond the uplift already agreed for April and May 2025.
- The impact of the Postmaster Remuneration options on the SH position and Board agreed 'buffer'.

On points of detail, discussion included:

- POL would need to improve the liquidity position for any uplift to be affordable and any further remuneration beyond those set out under the options, would be dependent on additional in-year revenue uplifts.
- POL was not yet in a position to indicate any preferred direction of travel, and while communications to Postmasters in the meantime could re-state POL's commitment to increasing Postmaster remuneration, any such messaging should be clear that this was dependent on affordability.

The Board agreed an 'in principle' position for the purposes of FY2025/26 budget assumptions, which was aligned to the option which would provide a 5% monthly top-up to baseline remuneration from June 2025, subject to POL securing an improved liquidity position to ensure affordability. It remained the ambition to meet the full strategic intention of a total Postmaster Remuneration uplift in FY2025/26 of £120m; again, this would be

subject to POL's liquidity position, and / or the achievement of the necessary trading upsides.

Action:

- Updated position to come to the June Board for final decision.

Preetha
McCann:
3 June 2025

Options to improve liquidity

Preetha McCann presented the update which noted:

- The latest position in relation to the options under consideration to improve liquidity.
- POL expected the outcome on some of the options that were still being pursued to be settled in the coming days (and to know where things stood across all the options by the time the Board was next due to meet in early June).

3.2 Working Capital Facility and Short-Term Facility: Supplemental Security

TABLED and **NOTED** was a paper, 'Working Capital Facility and Short-Term Facility'.

Preetha McCann presented the paper which set out:

- DBT's request for POL to enter into a supplemental security debenture to complete the arrangements for the extended Working Capital Facility and Short-Term Facility approved by the Board in December 2024.
- The proposed entry into a consent and amendment agreement to the intercreditor agreement in place between DBT, Santander UK plc and POL to provide for the granting of the debenture.

The Board **RESOLVED** to:

- APPROVE** POL's entry into (i) a supplemental debenture to be granted by POL in favour of The Secretary of State for Business and Trade and (ii) a consent and amendment letter in relation to the Intercreditor Agreement to be entered into amongst POL, The Secretary of State for Business and Trade and Santander UK plc (together the "Documents");
[Appendix A to the minute sets out in full the relevant background, the relevant documents, the commercial benefit and the specified resolutions approved by the Board]
- DELEGATE AUTHORITY** to the Interim Chief Group Financial Officer to make any minor amendments to the Documents ahead of finalisation and signing; and
- DELEGATE AUTHORITY** to any director or authorised signatory (or in the case of any Document which requires to be signed as a deed, any 2 directors or any director in the presence of a witness) to sign the Documents on behalf of the Company.

4. Strengthen the Commercial Proposition/ Ensure the Network is Fit-for-Purpose**4.1 Mails Strategy Approach & Next Steps**

REDACTED: PERSONAL DATA, REDACTED: PERSONAL DATA, REDACTED: PERSONAL DATA, REDACTED: PERSONAL DATA

TABLED and **NOTED** was a paper on 'Mails Strategy Update'.

REDACTED: PERSONAL DATA and REDACTED: PERSONAL DATA presented the paper which set out:

- A strategic view on high-priority initiatives focused on expanding and automating the mails network and driving digital transformation, set against a backdrop of the challenging 'mails' market.
- The funding position on the initiatives. A number were funded, or partially funded, under the FY2025/26 ABP. Others required further development and an assessment of costs, impact on profitability, Postmaster impact and ease of implementation among other criteria; if proposed to be taken forward, these initiatives would require funding.

On points of detail, discussion included:

- The Postmaster NED perspective that Postmasters had capacity to do higher volume mails business.

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- POL's default position should seek to deliver the initiatives funded under the FY2025/26 ABP, with any case to accelerate planned initiatives and/or expand on the plans, subject to appropriate change governance.

Action:

- Updated strategy to come back to the Board, with recommendations on what should be accelerated and/or for additional initiatives and setting out the sequencing and funding implications for FY2025/26 and/or into future years.

Chief Revenue
Officer: June
or July Board
[TBC]

The Board **NOTED** the update and **CONFIRMED** its support for the strategic options under consideration.

5. Transform Technology and Data

Paul Anastassi, [REDACTED: PERSONAL DATA]

5.1 Horizon Multi-Sourcing Sourcing Strategy

TABLED and **NOTED** was a paper on 'Horizon Multi-Sourcing Sourcing Strategy'.

Paul Anastassi presented the paper which set out:

- The request for Board approval to procure a replacement supplier to run and maintain Horizon and an approach under which the end-state transformation point would be the implementation of a new electronic point of sale (ePOS) solution.
- The approach might allow for an earlier exit from Fujitsu, compared to the current exit plan.

On points of detail, discussion included:

- It was anticipated that POL would be in a position to award the contract for a new replacement supplier by June 2026.
- The Board was not being asked to approve any funding at this stage, but it noted the estimated contract value estimates for both the replacement supplier and ePOS solution.

Actions:

- Final write-off position under the former Strategic Modernisation Programme to be documented for the record.
- Update to come to the Board on progress in relation to Horizon replacement and the new sourcing strategy.

Paul
Anastassi: July
2025

The Board **RESOLVED** to:

- APPROVE** the Horizon multi-sourcing sourcing strategy in line with the terms and total contract values, as presented
- APPROVE** the submission of sourcing strategy to DBT's Commercial Approval and Assurance Group for approval.

5.2 Branch Point of Sale Equipment & Peripherals Contract

Paul Anastassi, [REDACTED: PERSONAL DATA]

TABLED and **NOTED** was a paper on 'Specialist Computer Centres (SCC) - Point of Sale (EPOS) Hardware Reg 72'.

[REDACTED: PERSONAL DATA] presented the paper which set out:

- The request for Board approval to modify the contract with SCC to provide for an increased contract value, to reflect that plans to reduce the number of counter terminals in Post Offices had not been taken forward.
- The FY2025/26 costs had been included as part of the Future Technology Portfolio funding request which had since been approved by DBT.

On points of detail, discussion included:

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- Terminal hardware would not be replaced at every Post Office counter as a matter of course, only where requested and/or necessary.
- The contract modification would not commit POL to any further spend and each additional spend request would be subject to the appropriate governance.

Action:

- Analysis reconciling the Future Technology Portfolio initiatives and DBT approved funding allocation to be provided to the Board (delegated to the Transformation Committee, for both FY2025/26 and future years.

REDACTED

/Paul
Anastassi –
July 2025.

The Board **RESOLVED** to:

i. **APPROVE:**

- a) The modification of the current Branch Point of Sale Equipment & Peripherals Contract with SCC (under Regulation 72(1)(b) of the Public Procurement Regulations 2015) to allow for the additional spend as proposed.
- b) The submission of the modification to DBT's Commercial Approval and Assurance Group for approval.

ii. **DELEGATE AUTHORITY:**

- a) To the Executive to finalise the contract modification.
- b) To any authorised signatory to execute the contract.

5.3 Software Reseller Services

Paul Anastassi, REDACTED: PERSONAL DATA

TABLED and **NOTED** was a paper on 'Software Reseller Sourcing Strategy and Modification of Specialist Computer Center (SCC) Contract for Reseller Services'

Paul Anastassi presented the paper which set out:

- The request for Board approval to procure a new software reseller contract and, in the meantime, to modify the contract with the current provider, SCC to provide for an increased contract value.
- The steps POL was taking in-year (and would take in future years) to reduce spend on software, including retiring and / or terminating software licenses when no longer required.

On points of detail, discussion included:

- The software to be procured under the reseller contract would align to the services required to support the deliverables under the ABP.
- POL was committed to actively managing its software reseller contract.

The Board **RESOLVED** to:

i. **APPROVE:**

- a) The Sourcing Strategy for a new software reseller contract, in line with the term and total contract value as presented.
- b) The modification of the current Software Reseller Contract via Specialist Computer Centre (SCC) (under Regulation Reg 72(1)(e) of the Public Procurement Regulations 2015) to allow for the additional spend as proposed.

ii. **DELEGATE AUTHORITY:**

- a) To the Executive to finalise the contract modification and the new Reseller contract award
- b) Any authorised signatory to execute the contract.

6. Deliver a New Operating Model

6.1 Culture Update

Karen McEwan, REDACTED: PERSONAL DATA

TABLED and **NOTED** was a paper on 'Embedding Post Office cultural transformation'.

Karen McEwan and REDACTED: PERSONAL DATA presented the paper, which set out:

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- Recommendations on initiatives and steps to shift the dial on POL's culture and under which POL would foster a culture of innovation, cost consciousness, trust, transparency and high performance.
- A detailed people plan would be delivered as part of the FY2025/26 ABP to facilitate the delivery of a new Post Office culture.

On points of detail, discussion included:

- The need for POL to put Postmasters at the centre and work with them in partnership, as well as re-set the relationship with wider stakeholders, including by addressing the cultural issues identified at the Inquiry.
- The need for robust KPIs to measure progress and performance on cultural change, including through a set of consistent engagement measures under the annual staff and Postmaster surveys and in mandatory and personal objectives.

Actions:

- Update to be provided to the Board on the cultural change measures and targets once finalised.
- Detailed analysis of the outcomes from the 2025 colleague and Postmaster engagement surveys to be provided to the Board, together with their associated action plans

REDACTED: PERSONAL DATA

REDACTED: PERSONAL DATA : June 2025

REDACTED: PERSONAL DATA

REDACTED: PERSONAL DATA / Charlotte Cool: June or July Board (TBC)

7. Governance Items

7.1 Financial Delegated Authorities and Contract Approvals

John Dillon, Dan O'Mahoney. REDACTED: PERSONAL DATA

TABLED and **NOTED** was a paper on 'Financial Delegated Authorities and Contract Approvals'.

John Dillon and Dan O'Mahoney presented the paper which set out:

- The request for Board approval to increase the financial delegation thresholds as well as to make other associated changes to procurement and contract governance.
- The proposals responded to a recommendation in the Grant Thornton governance review to increase delegated authority spend approvals, to ease congestion of topics at the Board, enabling it to focus on more strategic matters.

On points of detail, discussion included:

- A number of tighter controls had been/were being introduced in support of the proposals, including centralised contract management and a new Executive Investment sub-committee to scrutinise business cases and agree funding drawdown requests.
- Unbudgeted spend would also be subject to a new 'Ops and Risks' process and Board approval, as appropriate.

The Board **RESOLVED** to:

- DELEGATE AUTHORITY** to the Chief Executive Officer to approve budgeted operating and change expenditure up to £15,000,000.
- APPROVE** the proposed revised standard financial thresholds for budgeted expenditure approval by members of the Executive and their direct reports.
- APPROVE** the proposed amendments to the governance for procurement, sourcing matters and non-compliant contract awards requiring Board approval.

7.2 Board Performance Review 2024-25

TABLED and **NOTED** was a paper on 'Board Performance Evaluation 2024/25'.

Andrew Darfoor and REDACTED: PERSONAL DATA presented the paper which set out:

- The findings from the 2024/25 annual Board performance review, which overall reflected a Board that was working well and operating effectively.

- Board members and the Executive had a shared understanding of the strategic priorities and were aligned on the need for an ambitious change agenda.

On points of detail, discussion included:

- A focus looking ahead would be to ensure the Board struck the right balance between strategic leadership and operational oversight responsibilities.
- The Board had grown in size, bridging the gap on required additional skills and experience; however, care would need to be taken to manage a larger Board to maintain effective and timely decision-making.

Actions:

- Interim Chair and SID to agree the key areas of focus for improvement/action
- Deputy Company Secretary to draw up an action plan

**Nigel Railton /
Andrew**

**Darfoor:
June 2025**

REDACTED: P

**: July
2025**

7.3 Board Appointment

TABLED and **NOTED** was a paper on 'Officer Appointment'.

The Board **RESOLVED** to **APPROVE** the appointment of Jonathan Slater as a Non-Executive Director of POL for an initial term of 3 years, subject to Shareholder approval and the conclusion of satisfactory due diligence.

7.4 Permanent General Counsel & Company Secretary Appointment

TABLED and **NOTED** was a paper on 'Appointment of the Permanent General Counsel & Company Secretary'.

The Board **RESOLVED** to **APPROVE** the appointment of John Dillon to the permanent role of Group General Counsel & Company Secretary, with effect from 14 April 2025.

8. Any Other Business

Update on Directors & Officers Insurance

Preetha McCann provide an oral update on the current position in relation to the renewal of POL's Directors and Officers Insurance.

Post-Board, the Board agreed to delegate authority to the CEO or the CFO to finalise the terms and approve the renewal, subject to the cover not being materially reduced, compared to the current cover, save for in relation to Horizon-related events, as discussed at the meeting.

Action:

- Option for a Shareholder indemnity for Horizon-related events to be explored.

AOB

Expenses

Preetha McCann provide an oral update an emerging issue in relation to the treatment/processing of expenses and the prospect that POL might need to make a voluntary disclosure to HMRC; the Board would be kept updated.

Date of next extraordinary/scheduled meeting: 03 June 2025

**Preetha
McCann /
John Dillon:
April / May
2025**