

POST OFFICE LIMITED BOARD MEETING

Strictly Confidential

In general declarations:

- SJ noted his Director role at CPS.
- EJ and SI noted their Postmaster roles.
- The Directors noted the position in relation to conflicts as set out in the paper on Witness Funding, due to be discussed later in the meeting.

The Board acknowledged the attendance of OW and KS as observers at the meeting. As observers, the Board was aware that all contributions made by OW and KS to the meeting were observations only, and did not constitute advice, recommendations, directions or instructions. The Board confirmed that it would take due care not to be unduly influenced solely by a contribution made by OW or KS and that it would reach its conclusions based on a balanced and diligent assessment of all the facts available to it.

Inquiry Confidentiality Undertakings

The Board noted that LJ, ■■■ MJ, ■■■ ■■■ MP, ■■■ and ■■■ did not have confidentiality undertakings accepted by the Inquiry in place, and that these individuals would need to be excused from the meeting should the need to discuss information confidential to the Inquiry arise.

Minutes

TABLED and **NOTED** were draft Minutes from the Board Meeting of 28 November 2023. The Board **RESOLVED** that the Minutes of the Meeting held on 28 November be **APPROVED** as a correct record of the Meeting, subject to a review of comments provided by EJ and any necessary small amendments, and be signed by BT in his capacity as nominated Chair of the meeting.

ACTION:

- BG noted the discussion under the update on the work of the Nominations Committee and the question that had arisen in relation to whether a NED should be selected for employee engagement. BG was of the view that this might be a useful appointment, not least in the current climate. NR and KMCE were both comfortable that the current arrangements were appropriate but undertook to keep the position under review and to revert on the matter, if the prevailing context changed.

NR/KMCE

Matters Arising

The Board **NOTED** the action log and status of the actions shown.

ACTIONS:

- LG queried the status of Action 28 ■■■ which had been marked for closure; LG noted the imperative in relation to cost savings and against that imperative the need to be more ambitious on timelines. KS noted the funding implications that arose, and that further consideration would be given as part of the business planning; a new action would be noted.
- LG queried the status of Action 32 on capturing branch information on things like layout and any lessons learned from previous initiatives, for reference in support of efficient and effective future works/initiatives, not least NBIT. OW noted the update may not have captured the work in hand to maintain a central repository, but he would follow

KS/
Secretariat

OW

up with relevant colleagues so a more meaningful update could be provided on what was being done and/or what needed to be done.

- AD noted the Board’s interest in better understanding POL’s digital strategy in the medium to longer term (including how that supported the commercial and retail plans and strategies going forward); AD did not think that Action 38 necessarily captured that interest; OW agreed that insufficient time had been allocated to Board discussion on the topic and he would arrange a ‘teach-in’ session for Board members.

**OW/
Secretariat**

2. Committee Reports (verbal)

2.1 Remediation Committee

BT provided an update on the most recent meeting and current focus of the Committee, including in relation to:

- The Government’s plans to introduce new legislation to overturn convictions and the associated dependencies and implications that arose, most notably concerning:
 - POL’s role in relation to the compensation schemes; and
 - people and resources.

KS noted that business planning was currently being taken forward on the basis of the current arrangements and assumptions, but that as the position evolved, so too would the business plans. It was uncertain whether the timelines would align, and so this would need to be taken into account and flexibility provided for in the budget and business planning processes.

BT noted a request from the Ministry of Justice in relation to a Data Sharing Agreement which had just been received and that a paper was being prepared for discussion later in the meeting under the update on remediation matters.

2.2 Audit, Risk and Compliance Committee

SJ provided an update on the most recent meeting and current focus of the Committee, including in relation to:

- Areas of increased risk, particularly lack of public trust (in the current climate), statutory and regulatory compliance (in relation to increasing DSARS) and tax (specifically in relation to IR35 compliance).
- External audit support and the upcoming re-tender.
- Prior audit opinions and FRC’s review of the financial statements.
- Assurance and the different levels of maturity/compliance within POL.
- Policies; LG noted the need to ensure that assurance was provided in relation to the implementation of policies and consistent application, where the “how” was as important as the “what”. This had been picked up in the Grant Thornton Interim Report on Remuneration Committee Governance, which was due to be noted under the Remuneration Committee update.
- Fujitsu audit and oversight.

In relation to DSARS and FOI requests, NR noted the significant volumes being received compared to the previous year, and in recent months particularly; he commended the team for the work in challenging circumstances.



POST OFFICE LIMITED BOARD MEETING

Strictly Confidential

ACTIONS:

- In noting the position in relation to Fujitsu and issues that had arisen in the context of Internal Audit, the Board noted that a review of Internal Audit access rights was being undertaken and senior colleague engagement as between POL and Fujitsu would remain an option if the matter could not be resolved. Internal Audit/CB
- The next staff engagement survey was due to launch on 19 February and close in early March; the Board agreed that the timing would allow for the Board to review a collated view of the headline results, ahead of Phase 7 of the Horizon IT Inquiry. KMCE

2.3 Remuneration Committee

TABLED and NOTED was the Grant Thornton Interim Report on Remuneration Committee Governance.

AB noted the Grant Thornton report and that it was consistent with both the Simmons and Simmons report and AB’s own report.

BT noted the narrow focus of the report and BG was surprised by the limited number of people with whom Grant Thornton had engaged. AB noted that while Grant Thornton had attended a meeting of the Remuneration Committee, this had not been reflected in the report. The Remuneration Committee was due to consider the report at its next meeting in early February.

[REDACTED]

[REDACTED] RS/LG

AB provided an update on the most recent meeting and current focus of the Committee, including in relation to:

- The various STIP and LTIP Schemes.
- Executive Directors participation in the LTIP 2023-26; AB noted that an application had now been submitted to the Shareholder.

[REDACTED]

[REDACTED] KMCE

2.4 Nominations Committee

BT noted that a short Nominations Committee meeting was being held over lunch.

2.5 Investment Committee

AD provided an update on the most recent meeting and current focus of the Committee, including in relation to:

- Tracking progress against key change projects and initiatives assessed as ‘Platinum’ or ‘Gold’ (projects were categorised into metal ratings based on cost, strategic value and complexity ranging from Silver - the lowest rating - to Platinum - the highest rating).
- SPMP and the progress being made in relation to:
 - the Accenture review recommendation.
 - NBIT pilot release roll out.

- The development of the funding business case to March 2026.
- Deep dive reviews, which AD noted were working well; the first deep dives that had been undertaken by the Committee were on 'Copper Stop Sell' and 'Payment Card Industry - Data Security Standard' projects (a funding approval in relation to the latter was due to be considered by the Board later in the meeting).
- Spend against budget (where in aggregate, spend was below budget, most materially due to the reduced run-rate on the SPMP)

BT asked about Branch Hub and why it was rated RED, given it was transitioning to BAU; AD noted that the status reflected that there was an associated change request that required additional funding.

3. CEO Report

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

The Board and management team had met before the Board to discuss the intense scrutiny to which POL was currently subject in the light of the ITV drama, Mr Bates vs. The Post Office and associated matters. The Board agreed that it would be helpful to invite TB Cardew, who were providing communication support and additional capacity, to attend the Board under the CEO Report to provide an overview of their assessment of the current environment and how POL might best engage both internally and externally.

Ahead of their attendance, the Board discussed other key aspects of the CEO Report including in relation to:

- The Lottery exit process which was due to transition on 31 January; EJ raised issues in relation to the removal of Camelot kits in circumstances where a Postmaster was not transitioning to the new provider; NR confirmed this was an issue for the new provider, Allwyn, and would ask relevant colleagues to follow up on the matter.
- AB [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Board welcomed [REDACTED] and [REDACTED] [REDACTED] TB Cardew to the meeting. NR provided an overview of the current approach to stakeholder engagement, set against the context of the intense scrutiny to which POL was subject. The Board noted the need to remain responsive in a fast-paced and changing environment, which included the standing down of the Chairman. It was right that other engagement, for example in relation to trading performance, was re-prioritised. TB Cardew's analysis was that POL's messaging and tone was appropriate and reflective of the clear focus that today's POL had on its part in remedying the devastation caused to the lives of so many people by the Horizon scandal.

POL was committed to full transparency; the Board noted the balance required in managing both external public interest expectations and those of the Horizon IT Inquiry. AD noted, in particular, the need to ensure consistency across core themes, especially in a changing environment. [REDACTED] and [REDACTED] provided assurance that NR and his team continued to demonstrate their commitment to providing apologies, being empathetic and to delivering demonstrable cultural change. POL's obligations in relation to supporting the Horizon IT



POST OFFICE LIMITED BOARD MEETING

Strictly Confidential

Inquiry (a key part of which included its disclosure obligations) and to supporting the Government’s plans to introduce new legislation to overturn convictions and to speed up the payment of compensation, were in the forefront of everyone’s minds.

NR noted the work that was in hand to respond the questions that arisen from the Business and Trade Select Committee on 16 January 2024.

EJ noted that the impact was being felt across both central staff and the Postmaster population and sought assurance that feedback and sentiment was being tracked and analysed and engagement plans were being informed by the feedback.

ACTION:

- The Board noted the duty of care owed by POL and EJ emphasised the importance of ensuring that relevant guidance and support materials were available to Postmasters, noting the need to provide that in hard copy, as well as through electronic means, such as Branch Hub.

KMcE/█

The Board noted the latest position in relation to the investigation into ‘Identification Codes’ documentation which contained racist and offensive language regarding the identification of individuals in past investigations undertaken by POL. █

█ The finalisation of the report was subject to the receipt of the third-party monitoring report from Etica, which had been considerably delayed on Etica’s part. The next steps would take account of a number of dependencies, including the likely timing of the receipt of the Etica report, █ and wider publication expectations. In its pre-meeting, the Board had asked to be kept updated and an action had been noted to follow up with the Board, once a number of the dependencies had been worked through.

The Board discussion touched on wider media engagement planning, as well as wider stakeholder engagement considerations, including the balance required between proactive and reactive engagement. Again, the Board noted the need to remain flexible and responsive in a very dynamic environment.

ACTION:

- The Board welcomed the prospect of Postmasters having a greater role as spokespeople. EJ and SI offered to support the initiative and help identify potential spokespeople from across a regional spread; consideration would also be given to the likely support Postmasters may need, including media training.

MR/█
Comms, with support from EJ/SI

4. Finance

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POST OFFICE LIMITED BOARD MEETING
Strictly Confidential

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KS/ [Redacted]

KS/ [Redacted]

4.2 Wrongful Trading Assessment

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POST OFFICE LIMITED BOARD MEETING

Strictly Confidential

4.3 Verbal update on 2024/25 Budget planning

This was covered under the earlier discussion. A substantive discussion would take place at the February Board.

5. People

5.1 [REDACTED] Duty of Care to Postmasters

MR, [REDACTED] [REDACTED] joined the meeting.

TABLED and **NOTED** was a paper, [REDACTED] and Duty of Care to Postmasters'

MR, [REDACTED] and [REDACTED] spoke to the paper and explained the context which concerned a claim from an ex-Postmaster [REDACTED]
[REDACTED]

As part of the lessons learned, the support available to Postmasters has been reviewed and consideration given to how support could be enhanced and improved.

MR noted that the approach and support frameworks had been informed by Postmaster feedback, which had also indicated an appetite for more peer-to-peer support. This was being explored, as well as how Postmasters could be best equipped to provide that support.

EJ noted the very difficult and distressing circumstances of the case and reflected on other experiences of Postmasters. He reflected too on the improvements he had seen on how such matters were being handled by POL, and commended the work being done to continue to improve and enhance the support. MR noted an upcoming Webinar for Area Managers and the Field Teams on how they should best support Postmasters. EJ asked whether mental health first-aid provision from within the network was in scope; MR, [REDACTED] and [REDACTED] noted this was currently being explored, alongside other initiatives, albeit the employment status of Postmasters would need to remain a consideration in relation to what interventions would be appropriate.

LG noted that the discussion had helped provide assurance that the approach and support was not being provided through a largely policy-based solution, and that it was as much about ensuring that Area Managers and Field Team colleagues would be equipped/skilled to execute the support.

The Board:

- **NOTED** the current policies and processes which were in place to support Branch Managers and Postmasters (and their branch staff) in the event of a criminal or traumatic incidents occurring in branch and **AGREED** the recommendations for enhancing and improving the support provided.

ACTIONS:

- SI suggested that it may be helpful to engage Postmasters on a thematic basis, differentiating for example, support in the event of a robbery, or support for mental well-being; AB added Modern Slavery. MR/[REDACTED]/[REDACTED]
- AD asked about how success and outcomes would be measured and [REDACTED] noted that it would be important to be able to assess if processes had been deployed and utilised as intended; the means to track these measures would need to be in place. [REDACTED] noted that Postmaster feedback would continue to provide an important qualitative understanding. MR/[REDACTED]/[REDACTED]



POST OFFICE LIMITED BOARD MEETING
Strictly Confidential

8.5 Inquiry Funding Request

TABLED and NOTED were the following papers:

- 'Inquiry Funding Request'; and
- 'Inquiry Supporting Financial Pack'.

█ spoke to paper and context for increasing the funding drawdown. The Board discussion centred on ensuring robust control management and control. KS noted the steps being taken to oversee and manage cost controls and how this was being tracked and AD asked about control processes on invoices, for example, to reassure the Board that the controls were robust. █ explained the team held weekly work in progress reviews with all the suppliers and, with the help of good MI, the team was able to challenge where time and resources were being spent and course correct in good time.

ACTION:

- BG noted that it would be helpful to see an at- a-glance tracker as part of the updates on Inquiry Spend. █/KS

The Board:

- **RESOLVED** that the request for increased drawdown funding of █ for February 2024 to end-March 2024 (bringing the total to █ for 2023/24 and the revised lifetime total to █) be, and is hereby, **APPROVED**.

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8.7 Approach to waiver of Legal Privilege

TABLED and NOTED was a paper, 'Approach to waiver of Legal Privilege'.

The Board had agreed in principle via an email exchange to delegate authority to Ben Tidswell, and if he was not available, to Amanda Burton, to make decisions on urgent Inquiry requests related to Legal Professional Privilege where the deadline for response fell outside the planned Board meeting schedule. This was subject to ratification at the Board in due course and that any such decision would be immediately notified to the Board.

[REDACTED]

The Board:

- **RESOLVED** that its previous informal agreement to delegate authority to Ben Tidswell, and if he was not available, to Amanda Burton, to make decisions on urgent Inquiry requests related to Legal Professional Privilege where the deadline for response fell outside of the planned Board meeting schedule be, and is hereby, **RATIFIED**.

8.8 RU Update

■ joined the meeting at

TABLED and **NOTED** were the following papers:

- ‘Remediation Unit Programme Update’; and
- ‘RU Finance Update’.

■ spoke to the update which covered:

- The implications arising from the ITV drama - Mr Bates vs The Post Office, including the impact on the RU team.
- The work being undertaken to respond to key areas raised in relation to Government’s plans to introduce new legislation to overturn convictions and MET Police investigations.
- The recommencement of the Suspension Remuneration Review payments.
- The proposed changes to the PPR scheme to allow for expedited payments.

In relation to the Government’s plans to introduce new legislation to overturn convictions, and the prospect of a revised framework for the payment of compensation, the Board noted a range of dependencies, including in relation to any indemnities which Postmasters may be required to sign.

BT had noted at the start of the meeting, a data sharing request from the Ministry of Justice (MoJ), which would be subject to a Data Sharing Agreement, but which pre-empted any legislation. A paper was submitted for the Board’s review, shortly before the discussion. ■ spoke to the paper and explained POL’s current view that POL should provide the information to MoJ, against the alternative of sharing it on a phased basis to minimise the legal and business risks. EJ noted another alternative, which would be to share the data on an anonymised basis. ■ noted the timescales, whereby the MoJ had requested the data by Monday, which had a bearing on the options POL could pursue.

LG sought clarification on who might be responsible for any data breach, and ■ noted it would depend on what point any breach occurred, but on receipt, it would fall to DBT/MoJ. Further, it was POL’s understanding that while the ICO would likely view the sharing of the data as a technical breach, the circumstances would mitigate any action it might take. ■ confirmed, however, that there was no formal ‘waiver’ in place from the ICO, nor had the position been confirmed, either formally or informally, by the ICO. The Board asked ■ to contact the ICO, to see if it would provide a view for the audit trail.

Having spoken to the ICO, ■ confirmed to the Board that the ICO would not provide an informal view, however, in the meantime, the MoJ had provided a ‘purpose and necessity’

statement. SR sought the Board's permission to proceed to provide the MOJ with the information requested, under a Data Sharing Agreement, and subject to POL's DPO being satisfied that the 'purpose and necessity' statement provided sufficient mitigation and the 'purpose and necessity' statement forming part of the agreement.

The Board:

- **RESOLVED** that the request for POL to enter into a Data Sharing Agreement with the MoJ be, and is hereby, **APPROVED**, subject to POL's DPO being satisfied on the 'purpose and necessity' statement and that statement forming part of the agreement.

9. Procurement

9.1 NBIT

LC and CB joined the meeting.

TABLED and **NOTED** was a paper, 'Updated Sourcing Strategy for NBIT Development Partners and Related Services'.

LC spoke to the request which sought Board approval for a revised sourcing strategy for ongoing SPMP development, engineering resource and support. The estimated value was now [REDACTED], so the request value was [REDACTED] to further mitigate the risk of a re-procurement.

LC reminded the Board that in November 2023, the value of the requirement was set at [REDACTED], with [REDACTED] term. LC noted that the maximum term, was in fact, four years, and so this was now corrected in the updated request. The updated request, with a value of [REDACTED], reflected the need to increase velocity and to ensure that the programme could maintain the right level of resource without the risk of re-procuring.

LC further explained that current spend had exceeded [REDACTED] and that under the Articles of Association, Shareholder approval was required and that this would now need to be sought retrospectively.

BG asked if the increased value reflected an extension of NBIT scope; CB confirmed that was not the case and that the framework reflected the current scope of NBIT.

ACTIONS:

- AB noted the control failures and the Board noted their disappointment and asked for a note on the background and lessons learned and mitigating steps that would be put in place. EJ further noted that the matter had not been flagged at the Investment Committee. **OW**
- LG noted that DBT/Shareholder engagement should be prioritised so that there was an understanding ahead of any retrospective approval request on the context, including the considerations that had been given on whether the spend was a Relevant Transaction for the purposes of the Articles of Association and Shareholder approval. **CB**
- BG noted that ARC should have a role in providing assurance oversight. **SJ/ARC**

The Board:

- **RESOLVED** that a revised sourcing strategy for ongoing SPMP development, to the value of [REDACTED] be, and is hereby, **APPROVED**, subject to Shareholder approval.



POST OFFICE LIMITED BOARD MEETING

Strictly Confidential

- **RESOLVED** that the request to seek Shareholder approval for the current spend and the increased contract value be, and is hereby, **APPROVED**.
- **RESOLVED** that the requests to delegate authority to GE to finalise the terms and award the contract and delegate authority to any two Directors, or any Director and the Company Secretary, to execute the contract be, and is hereby, **APPROVED**.

9.2 Vehicle Leasing

MR, RH, WP joined the meeting.

TABLED and **NOTED** was a paper, 'Supply Chain Cash and Valuables in Transit – Vehicle Leasing'.

RH spoke to the request and explained the context, which included that in October 2023 the Board had approved the sourcing strategy for Commercial Vehicle Maintenance services with a 4-year term with a total contract value of [REDACTED] to commence from September 2024. [REDACTED] of the [REDACTED] was allocated to buy or lease up to 160 vehicles (40 per year) with the balance of the contract value allocated to the core contract purpose of vehicle maintenance of POL's supply chain fleet.

Against the backdrop of the ageing fleet and a number of other imperatives, it was now proposed that the procurement of the first 80 vehicles should be brought forward, utilising [REDACTED] of the [REDACTED] previously approved. No payment would be due until receipt of fully converted vehicles which was estimated would take at least 12 months, with the vehicles released in batches of 20-30 per quarter from January 2025.

The Board noted that the Shareholder had confirmed that an exemption to the Articles of Association requiring Shareholder consent for leases/lease finance applied, while the Shareholder Framework Document was under review. LG confirmed that notwithstanding the exception in the case, the provision sought to ensure value for money and noted more broadly the need for early Shareholder engagement.

The Board:

- **RESOLVED** that the sourcing strategy to undertake the procurement of 80 Cash and Valuables in Transit (CViT) vehicles via lease with the facility for up to 80 further vehicles in future (subject to separate governance and funding) be, and is hereby, **APPROVED**.
- **RESOLVED** that the requests to delegate authority to GE to finalise the terms and award the contract and delegate authority to any two Directors, or any Director and the Company Secretary, to execute the contract be, and is hereby, **APPROVED**.

9.3 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



POST OFFICE LIMITED BOARD MEETING
Strictly Confidential

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

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- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

10. Other Approval/Noting Items

10.1 Group Risk Policy

TABLED and **NOTED** were the following papers:

- ‘Group Risk Policy – Annual Review’;

- ‘Group Risk Management Policy – Clean’;
- ‘Group Risk Management Policy – Tracked Changes’; and
- ‘Group Risk Management Policy – Policy Approval Form’.

The Board **RESOLVED** that the Group Risk Management Policy (version 1.5) be, and is hereby, **APPROVED**.

11. Governance Items

11.1 Sealings Report

The Board:

- **APPROVED** the affixing of the Common Seal of the Company to the document set out against item numbered 2229 – 2241 in the Register of Sealings.

11.2 Future Meeting Dates

The future meeting dates were **NOTED**.

11.3 Forward Agenda

The Forward Agenda was **NOTED**.

12. Any Other Business

Past Roles Review [REDACTED]

ACTION:

- NR set out the current considerations, explaining the distinction between the two processes and the difficult nuances involved. NR explained that [REDACTED] GE was considering the position in relation to the criteria against which potential outcomes might be assessed; it had not yet settled its view. The Board asked to have a summary note, which may need to be subject to Legal Professional Privilege, once the position was settled; LG noted the need to consider the cultural impact versus the key risks. **OW/KMcE**

Articles of Association (AoA): Written Resolutions

ACTION:

- Against the context of the current position, where it was not possible currently for the Board to do business by way of Written Resolutions, as the AoA required the unanimous approval of Directors, LG proposed that the provision should be amended to facilitate effective ways of working. The Secretariat would take this forward with UKGI colleagues. **Secretariat**

There being no other business the Chairman declared the meeting closed at 18.30.

13. Date of next scheduled meeting

27 February 2024.

14. Papers taken as read, no presentation.

TABLED and **NOTED** were the following papers:

- In Branch Marketing activity
- Retail Performance Dashboard
- Christmas Peak 2023 Trading
- ‘POL External Policy Review Update’
- ‘Health & Safety Monthly Report’
- ‘Technology Dashboard’



POST OFFICE LIMITED BOARD MEETING
Strictly Confidential



-----05/03/2024 13:35
Senior Independent Director

Voting Results for POL Board Minutes from 30.01.2024 (approved on 01.03.2024)

The signature vote has been passed. 1 votes are required to pass the vote, of which 0 must be independent.

Vote Response	Count (%)
For	1 (100%)
Against	0 (0%)
Abstained	0 (0%)
Not Cast	0 (0%)

Voter Status

Name	Vote	Voted On
Tidswell, Ben	For	05/03/2024 13:35