

Post Office Ltd – Strictly Confidential

POLB(12)06

POST OFFICE LTD BOARD

POL Governance

1. Purpose

As Post Office Ltd (POL) separates from Royal Mail, clear Governance processes will need to be established which will enable POL to operate as a standalone company and deliver its strategic plan. This paper is to inform the Board of the work underway to achieve this and plans to ensure that we are operating independently by April 2012.

2. Background

that it is aligned to the Postal Services Bill;
the terms of separation do not restrict the business's ability to operate commercially;
The UK Corporate Governance Code recommends

3. Activities

Activities are underway to develop a standalone company with further activities being carried out before April 2012:

3.1 Activities underway:

- the establish a governance structure for the business (see Appendix A)
- formation of an independent Post Office Board, with appropriate sub-committees, Executive Team Committee with appropriate forums
- management culture with clear accountabilities, decision making structures, escalation processes (see Appendix B – Terms of Reference)
- set up board and sub committee terms of reference
- delegated authorities; reserved powers
- create and embed a well defined and articulated risk appetite into the management process of the business;
- embed a robust compliance culture throughout the business and in particular through the sales line and regulated operations (e.g. Supply Chain);
- establish independent secretariat, legal and procurement capability and structures.
- amendment of memorandum and articles – to be agreed with SHEX
- replacement of parent company guarantee
- term
- sealings
- licences
- authorised signatories
-

3.2 Activities to be developed by 2012 (see Appendix C)

7. Conclusion

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8. Recommendations

The POL Board is asked to comment on plans and note the activities to achieve

- to agree board and board subcommittee terms of reference
- note the plan of activity to April 2012
- to agree governance structure
- to establish and process about reviewing board effectiveness
- to agree a timescale to come back to the Board with memorandum and articles
- separate session to agree and launch governance process

Susan Crichton
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