



POST OFFICE LIMITED
MEETING OF THE NON-EXECUTIVE DIRECTORS
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NOTES OF A MEETING OF THE NON-EXECUTIVE DIRECTORS OF POST OFFICE LIMITED HELD ON THURSDAY 29 FEBRUARY 2024 VIA MICROSOFT TEAMS AT 14:00

Present:

Ben Tidswell	Senior Independent Director (BT)
Lorna Gratton	Non-Executive Director (LG)
Saf Ismail	Non-Executive Director (SI)
Elliot Jacobs	Non-Executive Director (EJ)
Brian Gaunt	Non-Executive Director (BG)
Simon Jeffreys	Non-Executive Director (SJ)
Amanda Burton	Non-Executive Director (AB)
Andrew Darfoor	Non-Executive Director (AD)

In attendance: Rachel Scarrabelotti Company Secretary **(RS)**

Apologies: None

Action

BT thanked everyone for joining at short notice and advised that SI wished to raise some issues. BT asked SI to outline the items of concern to him and suggested that the Non-Executive Directors then discuss these points.

SI advised that viewing the DBT Select Committee session on Tuesday 27 February 2024 ('Committee') had been very uncomfortable for SI and that SI was of the view that there were some inaccuracies in the responses Nick Read ('NR') has provided to the Committee. SI outlined these:

- In respect of Project Pineapple, SI had understood that the Committee had asked for full disclosure on Project Pineapple. In terms of what had been disclosed, there appeared to have been 4 emails that were not provided to the Committee and SI thought that these were very important. AD asked for specifics of these 4 emails. SI replied that these were:
 - the first was an email dated 18 January 2024 timed at 23:58 from EJ to NR and Henry Staunton ('HS') headed Project Pineapple;
 - the second was SI's email to NR dated 18 January 2024 timed at 22:08 to NR, EJ and HS headed Project Pineapple – STRICTLY CONFIDENTIAL. SI noted that he had not received a response from NR to this email;
 - the third was an email dated 18 January 2024 timed at 18:17 from HS to the Board headed Project Pineapple – STRICTLY CONFIDENTIAL;
 - the fourth was an email dated January 23 2024 timed at 16:53 headed Upcoming board meeting, in respect of the issues pertaining to Project Pineapple and resolution of this and other issues at Board;
- AB raised that the Board had not been provided with a copy of the documents that had been provided to the Committee. **ACTION** BT advised that he would follow this up with J Foden as BT had requested on 27 February 2024 that these materials be provided to the Board. *[J Foden circulated these materials to the Board later in the day at 18:08 along with associated correspondence to the Committee];*
- SI outlined what he felt was an inaccurate response by NR at 13:19 to the Committee's questioning in relation to Project Pineapple. SI noted what the Committee had asked NR and NR's response had been that they [SI and EJ] refuted the way it was written. SI shared his perspective however that the content was accurate and that NR had not mentioned this;
- SI advised that what he felt was the next inaccuracy in NR's responses to the Committee was in respect of the reference to 'untouchables' when at 13:20 NR

BT



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advised that this term was not used in the business. SI stated that he had heard NR mention this phrase 2 or 3 times however including at the Board meeting in January 2024 and in the December 2023 Board meeting;

- The next response that was of concern to SI was at 13:25 in respect of NR's response to the Committee's query in relation to employees in investigative roles. SI shared his view that NR had responded to this question very badly and noted that S Bradshaw remained in the business and queried how this was acceptable and fair;
- SI referenced the Committee's question at 13:27 in relation to RTP and his perception that NR had not answered the question which SI felt was bitterly disappointing given the question was in relation to a comment made in respect of Project Pineapple regarding M Roberts leading RTP;
- A further response of concern to SI was NR's response to the Committee's question on the number of investigative cases at 13:29. SI noted that there had been some mixed messages on this;
- SI noted the disclosure of N Vamos' letter which was raised by the Committee at 13:31. SI shared his view that he thought that the decision to share this correspondence with the Justice Secretary without this being considered by the Board was poor judgement on the part of NR;
- SI referenced the queries of the Committee on the culture of the Company at 13:42 and NR's response that considerations in respect of Postmasters remained at the centre. SI queried the accuracy of this statement and whether the culture had really changed. SI shared his view that the current budget FY24/25 proposal was not beneficial for Postmasters and noted that Postmasters had been crying out for a fair pay rise which they were not going to receive;
- SI noted the response of NR to the Committee's question at 13:46 in respect of the engagement of a PR company. SI shared his recollection that at the January 2024 Board meeting NR had advised that TB Cardew had been brought in house to deal with the fall out of the ITV drama and that TB Cardew had been provided with 45 minutes at the January Board meeting to explain how they would deal with the fall-out from the ITV drama. SI felt that NR's response to the Committee on this point was different;
- SI referenced the results from the Postmaster survey which NR had spoken to at the Committee. SI shared his view that the results were not improved as against the data SI had received;
- SI queried NR's response to the Committee's comments and queries in relation to NDA's being issued to Postmasters and ex-employees whilst NR had been CEO;
- SI noted the Committee's comments on NR's pay and attempts to obtain an increase. SI advised his recollection that NR had denied seeking a pay increase at the previous DBT Select Committee meeting on 17 January 2024 however SI had understood that NR had sought a pay increase when T Parker was Chair as well as under HS;
- SI queried whether NR was the right person to take the Company forward and also queried the suitability of other executives. SI also queried who on the Board had said that they were going to resign if HS did not? SI also advised that he wanted clarity as to whether there was some sort of two tier Board as information wasn't being shared;
- AD queried whether SI's diminished support for NR was driven purely by the events of the Committee and noted SI's comments and concerns around NR's integrity and being economical with the truth. SI advised that his support for NR had been affected over a period of time and SI was left querying whether he wished to be in a business where the CEO was economical with the truth;



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- BT spoke to the investigation into NR noting that it was right that the Board did not know about the investigation particulars generally and that that would not be unusual for a whistleblowing investigation. BT, AB and LG knew about the investigation and AB and LG were overseeing this. This was usual in order to protect the whistleblower. The Board had been advised of the issues at the Board meeting in May/ June last year. There was therefore no “two tier” board;
- SI reiterated his query regarding which of the Board members had advised that they would resign if HS remained in post. BT replied that this issue seemed to have arisen based on what C Creswell had said in an earlier session of the Committee. When BT had looked at his notes, he was not sure that he had said to C Creswell that members of the Board would actually resign, however BT recollected that he had advised C Creswell that some members of the Board were very unhappy with HS’s behaviour as well as some senior executives (one of whom said they were close to resigning), and it was therefore a reasonable inference that they might not be prepared to stay if HS’s behaviour was not dealt with. BT clarified that he did not want the Non-Executive Directors to think that Board members were banging drums and threatening to leave;
- EJ shared his view on NR’s appearance at the Committee and the evidence NR had provided. EJ queried how the Board could be confident that culture could be addressed by NR after the Committee performance. EJ noted NR’s response to the Committee’s queries on culture and that in his view the Postmaster survey data was the other way around to the way NR had depicted it in his response. EJ spoke through the data from the Postmaster survey and quoted statistics from the Company’s corporate website.
- BT summarised the discussion so far by proposing that the concerns in respect of NR’s appearance at the Committee be split into three categories:
 - Firstly, that under oath NR had provided some incorrect responses;
 - Secondly, that there were some items where NR had exercised poor judgement for example in relation to the handling and disclosure of the N Vamos letter; and
 - Thirdly, that there was a broader point around culture and the way that things had been done or not done.

BT agreed that these issues needed to be discussed at Board as well as the substance of the concerns that SI and EJ were expressing to HS in January 2024 . BT provided assurance that there was no lack of appetite to deal with these issues. In terms of addressing the concerns raised in respect of NR’s appearance at the Committee BT shared his view that the approach needed to be of looking at exactly what was said at the Committee against the evidence available and finding a way to do this;

- BT noted that the question of whether NR was the right person to lead the business was perhaps the question that needed to be focused on. If NR was not the person, however, who was? SI emphasised the importance of cultural change; NR had been in the business for 4 – 5 years now and SI had seen only slight improvements for Postmasters. If an executive in the business had not been truthful under oath this culture would permeate through the business. BT reiterated his query, if the Non-Executive Directors thought there were shortcomings on the part of NR, who would then lead the business? BT advised that the Non-Executive Directors needed to have a viable option to lead the business to replace NR. SI shared his view that if he was an employee in the business and saw the Chair and the CEO depart then he would interpret this as determination to make change. LG noted the ongoing process of appointing an interim Chair and advised that the shareholder had not been inundated with applications; there was recognition that the role was not a



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hugely attractive at the moment. Similarly, a wide pool of candidates may not present for the CEO role if it was available and the Non-Executive Directors needed to go into this with eyes wide open. On SI's points in relation to culture, LG noted that culturally the Company was not as poor as it had been; LG appreciated that the Company was not culturally where it needed to be however there had been progress;

- AD referenced the disclosure made to the Committee on Project Pineapple and that it needed to be ascertained if documents had been left out and why. On the question of NR, AD advised that he had been on both sides experiencing this as a CEO however viewing this from a board perspective also. AD noted that an approach the Non-Executive Directors could take was to think forward to 6 months' time and to question whether the Non-Executive Directors made the right decision. AD shared his view that if there were questions around the integrity of the CEO then that position was untenable particularly as the Company went through a cultural change process. As to the alternative candidate for CEO, AD suggested that an appointment could be made to this position for 6 – 9 months;
- SJ agreed with AD's observations and that the Non-Executive Directors needed to be very specific on the alleged misrepresentations. SJ noted that there were some responses that NR provided at the Committee that struck a discordant note, however, SJ noted the intensity of the panel questioning which was a tough environment and the difficulty in answering questions on the hoof. On the use of the word untouchables, SJ advised that he had heard it used however spoke to the way the response from NR could be construed. SJ agreed that if there were some responses provided by NR to the Committee where the Non-Executive Directors thought that these were inaccurate then the Non-Executive Directors should have these checked. SJ shared his view that the question of culture was beyond the remit of the meeting. SJ reflected on what had been achieved in the last 12 months since SJ had joined and advised that it was a tough environment for the executive however in the last 12 months a lot had been achieved. SJ thought that the departure of NR could lead to an executive that was even less effective so thought that the Non-Executive Directors had to tread very judiciously;
- AB spoke to her experience of appearing at the DBT Select Committee and cautioned the Non-Executive Directors not to under estimate the intensity. AB suggested that the Non-Executive Directors should wait for the outcome of the speak up investigations in relation to NR, rather than approaching the issue piecemeal. AB shared her view that there were some things NR had said at the Committee that were very unfortunate;
- BT asked BG for his thoughts. BG had microphone issues so was unable to contribute;
- EJ shared his view that to mis-speak on one occasion was one matter, however EJ felt that NR's appearance at the Committee had resulted in multiple inaccuracies across almost every question asked on Postmaster experience and future Postmaster experience. EJ reiterated his comments on NR's representation at the Committee on the Postmaster survey data. EJ advised that his feelings in respect of NR were not based solely on NR's appearance at the Committee;
- BT noted the view that was emerging from the discussion was that the Non-Executive Directors seemed to be supportive of working through the alleged inaccurate statements of NR at the Committee against an evidential basis. EJ advised that he was supportive of this;
- EJ shared his view that it was a poor reason to keep NR because no other candidates could be found. BT cautioned that this was not what was said. LG reiterated her



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view that the Non-Executive Directors needed to approach this issue with eyes wide open;

- BG advised that he did not think that there was a viable alternative to NR and did not think that an alternative appointment would move the Company forward in the short term. BG agreed that the Non-Executive Directors did need to check the accuracy of some of NR's responses to the Committee as against the evidentiary record however queried if the Non-Executive Directors went back to the DBT Select Committee and advised of the issues whether the matter could be taken out of the Non-Executive Director's hands;
- SI queried the timing for completing the review exercise and was of the view that this needed to be done before next Tuesday. Regarding AB's point on consideration of the findings of the speak-up investigations once they were concluded, SI advised that he did not think these were relevant and that he simply did not see NR leading the business where it needed to go;
- BT advised that he thought that AB's point in respect of considering the outcome of the speak-up investigation may be relevant depending on where the review of NR's potential inaccurate responses at the Committee landed. BT noted that some of NR's responses to the Committee were matters of opinion as opposed to factual inaccuracies and that it was important to acknowledge this difference. BT outlined the list of potential inaccuracies:
 1. There was a disclosure point as to whether full disclosure had been made in respect of Project Pineapple;
 2. In NR's evidence NR's response in relation to untouchables;
 3. In NR's evidence NR's responses on the results of the Postmaster survey;
 4. In NR's evidence, NR's responses in relation to his pay increase;
 5. In NR's evidence, NR's responses in relation to the engagement of a PR company. SI shared his view that NR's response to the Committee about the PR company was misleading. BT advised that he was not sure about this; a question had been asked in the previous DBT Select Committee hearing in January 2024 about TB Cardew as to whether the Company had hired a PR firm since the ITV drama. BT noted the evidential position and that it was not incumbent on NR to disclose everything in his responses to the Committee. SI shared his view however that NR had been economical with the truth. BT replied that he thought the point was about integrity as AD had said. EJ contributed that it appeared in certain respects at the Committee that NR only told part of the truth and left important parts out. BT shared his view that EJ's interpretation of telling the truth did not correlate however with the legal obligation; NR had to answer the questions honestly however he did not have to volunteer other information;
- BT queried whether there was anything else to add to the above list. SI replied NR's response to the Committee on RTP. BT asked whether NR had said something that was untruthful? SI advised that NR had not, however NR had not answered the question. BT replied that he thought there were 2 exercises at hand and this issue in BT's view went to the judgement point where BT did not think we would write to the DBT Select Committee to try to improve on the replies given as opposed to writing on the things that the Non-Executive Directors thought were untrue;
- AD advised that another item for the list was the number of employees who had worked in the business historically and advised that he had been confused by NR's response to the Committee on this point. AD recalled the update NR had provided at the January 2024 Board meeting where NR had advised that there were 32 people still in the business in this category however AD had thought that the number of cases was 40. BT noted the 2 different exercises being carried out, firstly Project



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Phoenix which concerned 43 cases and 6 individuals. The second exercise was looking at employees who had been in the business for a long time and whether they should be in roles within the Inquiry and RU teams. OW had sent an email update to the Board on this and this is what BT had been working on. AD suggested that the contents of this email be checked as against what NR said at the Committee. BT commented that in an earlier Board meeting NR may have misspoke however thought that OW's email was clear;

- LG contributed that if the Non-Executive Directors determined that there were mis-statements made by NR then the DBT Select Committee would need to be advised. That's said, LG was of the view only corrections where there were factual inaccuracies needed to be provided, not simply where we would have provided a different answer. LG noted the primary duty of directors to promote the success of the company and queried whether the Non-Executive Directors thought that having NR in this space achieved that;
- AD came back to the integrity point and felt that if it was concluded that the integrity of the CEO has been compromised then AD did not think that there was any further discussion on the point. The discussion would then be as to transitional arrangements;
- There was discussion as to how the review exercise would be conducted. BT advised that he could not lead this exercise. SI contributed that he thought he and EJ were compromised. SI queried whether for independence an external should be instructed as opposed to a member of the Board undertaking this. LG queried whether B Foat or the Company Secretarial team could assist. SI advised that he was uncomfortable with someone sitting in the business undertaking this review. AD advised that he would undertake this review and requested assistance from RS. RS spoke briefly to the disclosure exercise that had been conducted in response to correspondence received from the DBT Select Committee and advised that there were instances of what the DBT Select Committee had published that were not aligned to all documents that had been disclosed. RS also advised that following on from previous Select Committee hearings that sometimes correction letters were issued where there had been inaccuracies; RS was not clear if a correction letter was being worked on in respect of the Committee meeting from Tuesday. **ACTION** AD advised that he would meet with RS and work out a timeline for conducting the review *[AD and RS met 29 February at 16:30 to discuss the approach and timeline]*
- BT noted the request from the DBT Select Committee for a copy of the speak up document HS had referred to during the Committee and advised that this request had been resisted at present;
- AB noted that an update on Project Phoenix was due to be provided at Board tomorrow.

AD/ RS

There being no further business the meeting closed at 15:05.