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Chairman
Post Office Limited
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7 December 2023

Kevin Hollinrake MP
Parliamentary Under Secretary of State
Department of Business and Trade
Old Admiralty Building
Admiralty Place
London
SW1A 2DY

Dear Minister

Postmaster Non-Executive Director Recruitment - Post Office Limited

Our current Postmaster NEDs, Saf Ismail and Elliot Jacobs, are due to step down from the Board on 2 June 2024, when their terms expire. I am writing, therefore, to seek Shareholder consent to commence an appointment process for two new Postmaster NED's to join the Post Office Board to fill the vacancies that will arise on Saf and Elliot's departure.

To ensure some continuity to the Board and to provide for a reasonable handover period between existing and new Postmaster NEDs, Post Office Limited Nominations Committee agreed that a staggered step down and appointment approach would be preferable.

It was therefore agreed that one of the newly recruited Postmaster NEDs would take up their post in June 2024 whilst at the same time, one of our incumbent Postmaster NEDs steps down. Twelve months later, the second Postmaster NED would take their place on the Board and the other incumbent Postmaster NED would step down.

To facilitate this approach, we will also apply for a 1-year extension to the term of the Postmaster NED who will continue in role, once the Nominations Committee has determined which of the incumbent Postmaster NEDs will remain in role.

Shareholder consent is sought for:

- the proposed Postmaster NED role description(see **appendix 1**);
- the proposed recruitment process and timetable (see **appendix 2**);
- the constitution of an interview panel the members of which will be approved by the Post Office Limited Nominations Committee when identified; and
- the appointment of an external agency to support the search.

Role description and fees

The role description is attached at **appendix 1**. In terms of which incoming Postmaster NED starts their tenure first, our proposal would be that the Postmaster who receives the most votes during the election stage of the recruitment process would assume position in June 2024 with the second successful candidate starting in June 2025.

For the Postmaster starting in June 2025 there will be a requirement for additional due diligence checks to be undertaken nearer the time, to ensure they still meet requirements. For both proposed Postmaster NEDs these would be carried out by a specialist external recruitment provider. Given the 12-month time period between the incoming Postmaster NEDs, 2 separate applications for approval to appoint will be made to the Shareholder.

Under the eligibility criteria for the Postmaster NED roles, a candidate will need to be a permanent contracted current Postmaster with at least 3 years of service and have high compliance with Post Office's standards of operational excellence. I want to bring direct retail knowledge, entrepreneurial vision and practical experience of running a Post Office to assist the Board's decision-making and the setting of Post Office's strategic priorities. This experience should be supported by personal competencies, qualities and beliefs.

It is proposed that the appointments should be for a term of three years with remuneration of £35,000 per annum for the Postmaster NED roles; this fee is in line with the current agreed levels. As previously outlined, one Postmaster NED would join the Board in June 2024 and the other in June 2025.

Appointment process

The proposed indicative appointment process for the new Postmaster NED's is attached at **appendix 2** and reflects the requirements of the Governance Code on Public Appointments, which while not formally applicable to Post Office, we use as our reference guide.

In line with the 2018 UK Corporate Governance Code, and the expressed desire and commitment of the Directors, the appointment process will be rigorous, transparent and based on objective criteria. The appointment will be from a search that will promote diversity of gender, social and ethnic backgrounds as well as cognitive and personal strengths.

Postmasters will be formally invited to become a NED via a short application form and personal statement. Applicants will have to meet eligibility criteria of at least 3 continuous years as a serving postmaster and high compliance with Post Office's standards of operational excellence. An external recruitment agency will create a shortlist of up to 12 candidates against the competencies and skills required,

reviewing operational metrics provided to them by POL and a written statement of suitability provided by the regional manager. The external recruitment agency will conduct due diligence checks on each applicant.

An interview panel (excluding POL/DBT) will conduct a competency-based interview with the candidates and review the outcomes of basic numeracy and language psychometric testing and will produce a shortlist of up to 6 candidates.

The 6 candidates chosen by the interview panel will then be put forward for election by the Postmaster community. The election window would be open for 3 weeks and would be managed by an external provider.

The timetable anticipates that we will seek Shareholder consent to the appointment of the Postmaster with the highest number of votes in April 2024, with a start date circa June 2024, after completion of all necessary due diligence and vetting checks. The candidate with the second highest vote will be subject to additional due diligence in early 2025, followed by a submission to the Secretary of State for approval to appoint.

Executive Search agency

It is proposed that the search is supported by specialist external recruitment provider, Green Park; as a provider on the Crown Commercial Services Framework, POL is able to make a direct award of contract, the terms of which will be standard. Green Park has a proven track record in Non-Executive Director recruitment, both in the public and private sector and know POL well, having supported the previous Postmaster Non-Executive Director recruitment successfully.

Composition of the Board

I have written separately in relation the recruitment of our next SID. We will maintain oversight across both processes to ensure we manage the dependencies, as necessary. This includes the timing of the ultimate appointments and the implications, among other things, for onboarding and for assigning membership across our different Board Sub-Committees.

I look forward to hearing from you.

Yours sincerely

The logo for GRO (Green Park Recruitment Organisation) consists of the letters 'GRO' in a bold, black, sans-serif font, enclosed within a dashed rectangular border.

Henry Staunton
Chairman
Post Office Limited

APPENDIX 1 – Role Profile

Postmaster Non- Executive Director



Position Specification

Post Office Ltd

BACKGROUND

With over 11,500 branches, Post Office has the biggest retail network in the UK. 99.7% of the population live within three miles of a Post Office and 4,000 branches are open seven days a week. It is looking to modernise and transform its operations to keep pace with changing consumer preferences.

Post Office's public ownership is founded on its social purpose and the requirement to maintain its network of branches. Post Office Limited is wholly owned by the Secretary of State for the Department of Business and Trade who holds a special share in the Company.

The majority of its branches are run in partnership with retail partners on a franchise basis. It plays a key role in communities, often as a central hub for towns and villages, supporting local economies and small businesses and providing access to essential services and a meaningful source of social interaction, to more vulnerable members of society.

Post Office offers a vast range of products and services, but it is simplifying its customer proposition with a focus on its cash and banking; mails and parcels; foreign exchange; and bill payment services.

Post Office plays a key role on the high street, with research indicating that visits to the Post Office help drive another 400 million visitors to other shops, restaurants and local businesses. This adds up to an estimated £1.1 billion in additional revenue for High Street businesses.

Post Office is working to resolve past failures and fundamentally reform its culture, practices and operating procedures, and forge an open and transparent relationship with the thousands of Postmasters providing customers with vital services in the UK's communities.

Transformation is critical to the Post Office's future. You will join us at the outset of a hugely ambitious challenge to reshape our services in the face of rapid and fundamental shifts in consumer and business behaviour. We are under no illusions on the scale of this challenge but see huge opportunity to evolve built on the foundation of our rich history. It is the only retailer with a presence in each nation and every community across the UK and it needs to adapt its branch network to reflect the way people live their lives today. Prioritising strong and trusting relationships with all Postmasters will be critical to this.

Post Office is growing its network, making sure it has the right branches in the right locations nationwide. It is innovating in Mails, working with more carriers and delivering more of what customers want and small businesses need.

The Post Office's Everyday Banking services in partnership with over 30 banks, building societies and credit unions mean that 99% of customers can access their High Street bank account securely and conveniently over the counter at their local Post Office for cash withdrawals, deposits and balance enquiries. Post Office is also committed to safeguarding 1,400 free-to-use ATMs across the UK, helping anyone who wants cash to get it which ever way is most convenient.

Post Office will secure free, convenient and reliable access to cash in every community. It will build commercial partnerships to launch new products and services in branches and online. It will invest in new branch technology for Postmasters and online for their customers. And it will bring value for the Government Shareholder with a successful, profitable and efficient business.

THE BOARD

The Post Office Board currently consists of the Chair, five independent Non-Executive Directors, two Postmaster

representative Non-Executive Directors, a Shareholder appointed Non-Executive Director, a Chief Executive Officer and a Chief Finance Officer.

In June 2021 Post Office Limited appointed two Non-Executive Directors from its Postmaster community for the first time. These appointments are part of our drive to involve Postmasters directly in the decision-making process. The Board now wishes to appoint successors for these two roles, as the current incumbents near the end of their terms.

THE ROLE

The primary role of the Non-Executive Directors is to:

- Demonstrate commitment to Post Office's role as a commercial business that delivers a social purpose and is seeking to build a modern franchise in partnership with its Postmasters and multiple partners
- Participate in the development of Post Office's strategy and oversee its implementation
- Contribute positively to the Board's discussions and decision-making, applying intellectual rigour, considering the impact of decisions on different stakeholders and providing constructive challenge and support to management
- Bring knowledge, experience and expertise to shape how the business develops, demonstrating commercial acumen and a good understanding of the regulatory nature of the business.
- Provide oversight of and receive assurance on the operation of the business, its compliance with law and regulation, risk management and internal controls
- Provide leadership on the values and culture the company seeks to promote, including its engagement with Postmasters, clients, customers, employees, suppliers and shareholder
- Monitor the performance of management in meeting agreed targets and objectives
- Demonstrate the high standards of integrity and behaviour expected of a director of a government owned company (<https://www.gov.uk/government/collections/public-bodies-non-executive-directors-principles-and-standards>)

Non-Executive Directors have legal duties and an overview of these can be found at *Appendix 2* with a link to The Code of Conduct for Board Members of Public Bodies which sets out the standard of conduct required and issues that need to be considered when considering applying for the role.

CANDIDATE PROFILE

The eligibility criteria for this role is for the candidate to be a permanent contracted current postmaster with at least 3 years of continuous service and high compliance with Post Office's standards of operational excellence. We want to bring direct retail knowledge, entrepreneurial vision and practical experience of running a Post Office to assist the Board's decision-making and setting Post Office's strategic priorities. This experience should be supported by personal competencies, qualities and beliefs, and we would highlight the following:

- Commitment to the role played by the Post Office and insight into the development of its future role
- Customer advocacy to help drive excellent customer experiences
- Understanding of the retail market and trends with a commercially focused outlook and commitment to our social purpose
- Strong analytical skills, excellent communication skills
- Resilience, humour and enthusiasm, supporting the Post Office values of trust, reliability and customer focus.
- Ability to listen to and influence key stakeholders, sometimes within challenging environments.

Non-executive experience is not a pre-requisite, and a comprehensive induction programme will be provided. We want prospective candidates to play a full role on the Board and this will require being an effective team

member, understanding the role of a Non-Executive Director, including taking decisions in the best interests of the company, supporting collective decision-making and high standards of conduct.

By law directors must promote the success of the company as a whole and cannot represent just a sub- set of the Company. We are therefore not asking Postmaster Non-Executive Directors to be representatives for all Postmasters but we are asking them to bring their experience, wisdom and practical knowledge to help us in transforming Post Office into a modern franchise business that works in the interests of all its stakeholders.

The Post Office is committed to having a well-rounded board that reflects society. We encourage candidates who can share varied perspectives that will bring insights and experiences to the board, so we are best able to meet the changing needs of our customers, Post Masters and shareholder.

At Post Office our commitment to embracing diversity extends beyond just words, we actively foster an inclusive workplace culture that values the unique perspectives and contributions from all colleagues. We believe that Equity, Diversity and Inclusion is not only important but essential to our success and growth; our priority is building a business that represents the communities we serve across the nation. We are an equal opportunity employer and we embrace our employees differences; Post Office wants people from all walks of life working here and we welcome your application.

TIME COMMITMENT AND FEES

There are eight or nine scheduled Board meetings a year with an estimated time commitment of around two days per month, these are conducted in person at our registered address. However, additional Board meetings may be convened, and directors must devote such time as is necessary for the proper performance of their directors' duties. The fee rate is £35,000 per annum.

Board dates for 2024 are listed in Appendix 3.

APPENDIX 1A - BOARD BIOGRAPHIES

Post Office Limited – Board

Rachel Scarrabelotti acts as Secretary to the Board

	<u>Henry Staunton, Chairman</u> Joined the Board in December 2022 Chair of the Nominations Committee and Member of the Remuneration Committee Henry joined the Post Office board as Chairman on 1 December 2022. He has previously been Chairman of WH Smith, The Phoenix Group and Ashted Group, vice Chairman of Legal and General, and has also served on the boards of ITN, BSkyB, Ladbroke's and Standard Bank.
	<u>Lorna Gratton, Non-Executive Director</u> Joined the Board in May 2023 Member of the Audit, Risk and Compliance Committee, Nominations Committee, Remuneration Committee and Historical Remediation Committee Lorna joined UKGI in October 2021. She has had a varied career both in and out of government. She is an experienced senior civil servant having been a director at DCMS and served as Private Secretary to two Prime Ministers. Prior to this, she was a management consultant at Boston Consulting Group working primarily in utilities and financial services. She began her civil service career in the Treasury. Lorna sits on the Board of Sheffield Forgemasters, a steel forge and precision manufacturer recently acquired by MoD. She started her career as a secondary school maths teacher in Peckham.

	<u>Nick Read – Group Chief Executive Officer</u> Joined the Board in September 2019 Nick joined Post Office as Chief Executive Officer in September 2019. Nick was most recently Group CEO at Extra Energy and prior to that CEO at Nisa Retail Limited where he led the stabilisation and transformation of the business ahead of its sale to the Co-Op in 2018. Nick has over 25 years of consumer and commercial experience and has previously held senior roles at Tesco, Vodafone, HBOS, Lloyds Banking Group and Thomas Cook. In his earlier career, Nick was a Consumer and Retail Strategy Manager at Deloitte Consulting, a Purchasing Director for Aldi UK and spent 4 years as a Captain in the 4th/7th Royal Dragoon Guards, H.M. Forces.
	<u>Al Cameron – Group Chief Finance Officer</u> Joined the Board in January 2015 Al became the Chief Financial Officer of Post Office in January 2015. He served as Interim CEO from April to September 2019. He is also a Non-Executive Director of the Dover Harbour Board. From 2002 to 2014, Al worked in a variety of roles for Centrica plc, a FTSE 100 company, including Director of Audit & Risk, Group Financial Controller, Finance Director of British Gas and Managing Director of British Gas Enterprise. Previously he was a partner with Deloitte and Arthur Andersen. He has served an 8-year term as a Non-Executive Director of Oxford University Hospitals NHS Foundation Trust and was also a trustee of the e-Learning Foundation.
	<u>Simon Jeffreys, Non-Executive Director</u> Joined the Board in March 2023 Chair of the Audit, Risk and Compliance Committee Simon brings experience of the auditing world and financial services. Until 2023 he chaired AON UK Limited and Henderson International Income Trust plc. He is a Non-Executive Director of St James's Place plc where he chairs the Audit Committee, and is a member of the Risk, Remuneration and Nominations Committees. He was a senior audit partner with PricewaterhouseCoopers LLP from 1986 to 2006 where he also led their Global Investment Management practice. Between 2006 and 2014, Simon was CFO and Chief Operating Officer at Fidelity International and at The Wellcome Trust. Simon chairs the Board of St James Place International plc, and is Chair of the Audit and Risk Committees of Templeton Emerging Markets Investment Trust plc, SimCorp A/S, a listed Danish financial services software company, and the Crown Prosecution Service.

	<u>Elliot Jacobs, Non-Executive Director</u> Joined the Board in June 2021 Member of the Audit, Risk and Compliance Committee Elliot has over 25 years of multi-channel business experience and has been a Postmaster since 2014. He currently runs seven 'Mains' branches in London and Hertfordshire. Prior to his current roles he worked in the computer games (Electronic Arts) and financial software industry (Intuit Inc). He also successfully divested his business-to-business stationery division in 2019 to focus on his retail portfolio. Elliot is currently a Non-Executive Director (and former chairman) of Office Friendly Dealer Association and was previously a Non-Executive Director of BOSS Federation. He is a certified Master Strategy Summit Facilitator and International Accelerator Trainer for Entrepreneurs Organization as well as Mentor & Business Coach at London Business School's Global Entrepreneur Programme.
	<u>Saf Ismail, Non-Executive Director</u> Joined the Board in June 2021 Member of the Nominations Committee Saf is an experienced Postmaster with a Business Economics degree and over a decade of involvement in running, developing, growing and developing award winning branches. He operates several Post Offices, from small community branches to larger high street and town centre branches.
	<u>Ben Tidswell, Senior Independent Director</u> Joined the Board in July 2021 Chair of the Historical Remediation Committee and Member of the Remuneration Committee and Nominations Committee Ben Tidswell is a lawyer, with over 30 years' experience in resolving complex disputes. Most of his career has been at international law firm Ashurst, where he was a disputes partner for 21 years and Global Chairman for eight years until his retirement from the firm on 31 July 2021. He is also a part time, fee paid Panel Chairman of the Competition Appeal Tribunal, the UK's specialist competition court. Ben was born and educated in New Zealand.
	<u>Brian Gaunt, Non-Executive Director</u> Joined the Board in January 2022 Member of the Remuneration Committee and Historical Remediation Committee Brian has spent his career in General Management within the Supply Chains of Retail, Manufacturing, E-Commerce, and Outsourced Companies. Most recently he has been CEO of Home Delivery Network (now branded Yodel) and iForce, both privately owned companies providing supply chain support to the e-commerce sector. Prior to these appointments he sat on the Management Boards of Christian Salvesen PLC whilst employed as UK Managing Director, and on the Board of The Big Food Group PLC whilst employed as Group Logistics Director. In the role of European Supply Chain Director, he also sat on the Operating Boards of ASDA Stores, ASDA Walmart, and Walmart Germany. During his career Brian has also been employed by Scottish and Newcastle Breweries PLC, Grand Metropolitan PLC, United Biscuits PLC, Touche Ross Management Consultants and B & Q. Having achieved the sale of iForce to an AIM listed business in 2017 Brian has subsequently moved his career onto a non-Executive basis. Until 2021 he was

	Non-Executive Chairman of Buy it Direct, the on-line electrical retailer, and is currently Non-Executive Chairman of Mosaic Fulfilment Solutions Ltd, an LDC owned company, and has recently taken up an appointment as NED of the privately owned ITD Global.
	<u>Amanda Burton, Non-Executive Director</u> Joined the Board in April 2023 Chair of the Remuneration Committee Amanda began her career as a lawyer, working in both private practice and as General Counsel in a number of industries. She was appointed executive director of Meyer International PLC in 1997 and became Chair of its Timber Division a year later. Following the acquisition of Meyer by Saint Gobain, she joined the global law firm Clifford Chance LLP in and carried out a number of operational roles, leading to her appointment as Global Chief Operating Officer in 2010. For the past 25 years Amanda has been a Non-Executive Director of a number of public, private and charitable organisations and has chaired several Remuneration Committees, most recently Countryside Partnerships plc and HSS Hire Group plc.
	<u>Andrew Darfoor, Non-Executive Director</u> Joined the Board in June 2023 Member of the Audit, Risk and Compliance Committee Andrew brings over 25 years of general management and leadership experience within consumer and retail financial services sectors across several continents. He is the previous Group CEO of Alexander Forbes (listed South African financial services company), CEO of Sun Life Financial International (listed Canadian financial services company) and CEO of Old Mutual Bermuda (subsidiary of Old Mutual plc). He also held senior management roles at UBS AG, Credit Suisse AG and Ernst & Young LLP. Andrew chairs the Board of Capita Pensions Solutions Limited, is Chairman of Damhurst & Co, Chairman of the Audit, Nominations and Remuneration Committees and Non-Executive director at Hartford International (subsidiary of Hartford Financial Services Group), Chairman of the Finance & Risk Committee and Trustee at World Vision UK and is a Board member at Cranfield School of Management.

APPENDIX 1B - DIRECTORS' DUTIES

LCG Academy



**NON-EXECUTIVE
DIRECTORS'
GUIDANCE:
DIRECTOR'S DUTIES**

1. THE FORM OF THE BOARD

1.1 Under English law incorporated companies operate a unitary board system where all directors form one board and act collectively rather than distinguishing between a management and a supervisory board.

1.2 Each director has the same obligations and accountability to the company regardless of whether he or she is an executive (typically an employee) or a non-executive (understood to be a director who is not part of the management team and is not an employee). A non-executive director is expected to provide constructive challenge, strategic guidance, offer specialist advice (where relevant) and hold executive management to account. Employees do not have a right to board representation unless a company's constitution or other arrangement specifically provides for this.

1.3 There is no legal limit on the number of directors a company may have (although its articles may set a maximum). A director must be at least 16 years of age, but there is no prescribed maximum age limit and there are no nationality requirements or mandatory quotas on, for example, gender. Company law does not impose restrictions on the term of appointment of directors (again, a company's articles may).

2. RESPONSIBILITIES OF THE BOARD

The board is responsible for the management of the company's business. The board may decide to delegate certain powers to a committee of directors or to individual directors, or general day-to-day management to a CEO or managing director.

3. DIRECTORS' DUTIES

3.1 Directors of all UK companies owe statutory duties to the company to (i) act within the powers conferred by the company's constitution; **(ii) promote the success of the company for the benefit of its members as a whole**; (iii) exercise independent judgement; (iv) exercise reasonable care, skill, and diligence; **(iv) avoid conflicts of interest**; (v) not accept benefits from third parties; and **(vi) declare interests in (proposed) transactions or arrangements**. Directors also owe a duty of confidentiality. While most are self-explanatory, those duties in bold can be more difficult to grasp and are explored in further detail below.

3.2 Breaches may give rise to personal liability, as will continuing to trade where a director knows (or should have known) there is no reasonable prospect that the company would avoid going into insolvent liquidation – known as wrongful trading.¹

¹ Directors owe their duty to the company (no one else), as a consequence only the company can bring a claim for breach of duty. In reality, the company is only likely to claim if the company has suffered a material loss as a result of the breach. If the Board does not bring a claim, shareholders can apply to Court for permission to bring a claim in the company's name to recover the company's loss. This would be unusual and there would be a number of barriers to be overcome.

3.3 Duty to promote the success of the company

3.3.1 The duty of a director is to promote the success of the company on whose board they sit. The directors must come to decisions which can be justified as promoting the success of that company, rather than the interests of any other company (including within its group).

3.3.2 A director must promote the success of the company for the benefit of its shareholders "as a whole". This is not a reference to any current shareholder; it includes the body of shareholders now and in the future. However, as is explained in "Non-Executive Directors' Guidance: Financial Difficulties", that duty is modified so that directors must have regard to the interests of creditors as well as shareholders when the company: (a) is bordering on insolvency; (b) insolvent administration or liquidation is probable; or (c) the company is actually insolvent. When insolvency is inevitable, directors must have sole regard for creditors' interests.

3.3.3 Large companies must include a statement in their annual report, describing how the directors have fulfilled their duty to promote the success of the company for the benefit of its members as a whole, and in so doing have had regard (among other matters) to a number of stakeholder considerations (such as long-term impact of any decision, the interests of employees and the impact on the community and environment). Large companies must also include a statement summarising how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions the company has taken in the financial year being reported on.

3.3.4 Note also that companies with more than 250 UK employees must similarly include a statement in their annual report summarising how the directors have engaged with employees and how they have had regard to, and the effect of that regard on, employee interests.

3.4 Conflicts of interest

3.4.1 A frequent concern for directors is their statutory duty to avoid conflicts of interest.

3.4.2 A director must avoid a situation in which they have, or can have, an interest that conflicts, or may conflict, with the interests of the company.

(a) Note that this duty requires that a director must **avoid** the situation arising. This is a wide-ranging obligation, including actual conflicts but also situations which may give rise to a conflict.

(b) A conflict of interest includes a conflict of duties. Thus, a director must avoid a situation in which a duty owed to one company may conflict with a duty owed to another.

(c) The duty extends to direct and indirect interests of the director, so the interests of the director's "connected persons" (which includes parents, spouse, civil partner and children) are relevant in determining whether a director has or may have a conflict.

(d) A company's articles may allow other directors to authorise or consent to the situation – imposing such terms as they wish – and so allow the director with the conflicting interests to remain in post.

3.4.3 Separately, if a director is interested in any way in a proposed transaction or arrangement with the company, they must declare the nature and

extent of the interest to the other directors before the company enters into the transaction or arrangement.²

(a) The obligation here is simply to declare the interest to the other directors and the company's articles should then provide whether the director can vote or be part of the quorum at a board meeting deciding whether to enter into the contract (or other arrangement) or not.

(b) There is no obligation to declare an interest if it cannot reasonably be regarded as likely to give rise to a conflict. However, something may appear immaterial at one point but later assume significance. If in doubt, declare.

(c) If a declaration is or becomes inaccurate or incomplete, there is an obligation on the director to update it.

4. PROTECTION

4.1 Making sure decisions are made in good faith and with regard to statutory duties is the most effective measure – provided directors do so, a court will not use hindsight to second guess their commercial decisions. Written records of decisions taken and the reasons for them (minutes) should be made and retained.

4.2 A company may indemnify a director in respect of certain costs and expenses relating to proceedings brought by third parties, although generally not in relation to fines or penalties imposed in criminal or regulatory proceedings or liabilities from proceedings where the director is unsuccessful. A company may maintain directors' and officers' liability insurance cover, but there will be similar exclusions.

Disclaimer

The content in this Guide is for informational purposes only and not for the purpose of providing legal advice. You should contact Sarah Gray, the Group Legal Director

() or the LCG Academy mailbox () to obtain advice with respect to any of the matters raised in this Guide.

DOCUMENT CONTROL RECORD

REVISION HISTORY			
Date	Version	Updated by	Change Details
25/01/2022	1.0		
31/03/2023	2.0	Corporate Legal Team	Update to reflect recent Case Law

² The interest should be declared to the other directors at a board meeting, or by a written notice which specifies the interest (and its nature and extent), or by a general written notice which says that the director has an interest in a named company and is to be regarded as having an interest in any transaction or arrangement with that company in the future.

APPENDIX 1C – STANDARDS OF CONDUCT IN PUBLIC LIFE



Cabinet Office

June 2019

Code of Conduct for Board Members of Public Bodies



FOREWORD

The Government expects all holders of public office to work to the highest personal and professional standards. In support of this, all non-executive board members of UK public bodies must abide by the principles set out in this Code of Conduct. The Code sets out, clearly and openly, the standards expected from those who serve on the boards of UK public bodies and should form part of individual members' terms and conditions of appointment. It also makes clear that harassing, bullying or other inappropriate or discriminatory behaviour is not consistent with what is expected of a board member of UK public bodies and will not be tolerated. Any breach of the Code should be viewed as a breach of the terms of appointment.

The principles set out in this code apply to all non-executive members on the boards of government departments, non-ministerial departments, executive agencies, non-departmental public bodies (NDPBs) and national public corporations.

The Code complements a public body's governing documents (legislation, memorandum and articles of association, royal charter) and any administrative documents (framework agreements, memoranda of understanding) which may set out the responsibilities and obligations of its board members. The Code's provisions must be observed alongside the provisions set out in these documents.

This Code replaces the Code of Conduct for Board Members of Public Bodies issued by the Cabinet Office in 2011. This Code can be found online at <https://www.gov.uk/public-bodies-reform>

In the first instance any propriety and ethics issues should be raised with the senior responsible official within your sponsoring department, or the Permanent Secretary as necessary. If additional advice is required, any questions should be directed to the Cabinet Office on:

GRO

INTRODUCTION

As a public office holder, your behaviour and actions must be governed by the principles set out in this Code of Conduct. It is your responsibility to ensure that you are familiar with, and comply with, all the relevant provisions of the Code.

2. KEY PRINCIPLES OF PUBLIC LIFE

2.1 The key principles upon which this Code of Conduct is based are the Seven Principles of Public Life.¹ These are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2.2 These principles should inform your actions and decisions as a board member.

¹ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

GENERAL CONDUCT

Use of Public Funds³

³ For more guidance on how to handle public funds, please refer to Managing Public Money <https://www.gov.uk/government/publications/managing-public-money>

3.1 You have a duty to ensure the safeguarding of public funds⁴ and the proper custody of assets which have been publicly funded.

3.2 You must carry out these obligations responsibly – that is, take appropriate measures to ensure that the body uses resources efficiently, economically and effectively, avoiding waste and extravagance. It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby Parliament, Government or political parties.

Allowances

3.3 You must comply with the rules set by the board and the public body regarding remuneration, allowances and expenses. It is your responsibility to ensure compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

Gifts and Hospitality

3.4 You must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement or integrity or place you under an improper obligation.

3.5 You must never canvass or seek gifts or hospitality.

3.6 You must comply with the rules set by the body on the acceptance of gifts and hospitality. You should inform the Chief Executive (or equivalent) of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in a public register in line with the rules set by the body.

3.7 You are responsible for your decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring your public office and the public body into disrepute.

Use of Official Resources

3.8 You must not misuse official resources⁵ for personal gain or for political purposes. Deployment of such resources must be in line with the body's rules on their usage.

Use of Official Information

3.9 You must not misuse information gained in the course of your public service for personal gain or for political purpose.⁶

3.10 You must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after you have left the board.

⁴This should be taken to include all forms of receipts from fees, charges and other sources.

⁵This includes facilities, equipment, stationery, telephony and other services.

⁶ Board members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation

Political Activity

3.11 In your public role, you should be, and be seen to be, politically impartial. You should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. You should abstain from all controversial political activity and comply with the principles set out in Cabinet Office rules on attendance at party conferences⁷ and on conduct during the period prior to elections and referendums, whether local or national.⁸

3.12 On matters directly related to the work of the body, you should not make political statements or engage in any other political activity.

3.13 You should inform the Chair, Chief Executive and/or the parent/sponsor department before undertaking any significant political activity. Subject to the above, you may engage in political activity but should, at all times, remain conscious of your responsibilities as a board member and exercise proper discretion.

3.14 If you are an MP, [MEP⁹], member of the House of Lords, member of a devolved legislature, directly elected mayor, local councillor or police and crime commissioner, you are exempt from these requirements. There is no bar on such representatives taking a political party whip relating to their political role. You must exercise proper discretion on matters directly related to the work of the body and recognise that certain political activities may be incompatible with your role as a board member. You should not allow yourself to become embroiled in matters of political controversy.

3.15 In your official capacity, you should be even-handed in all dealings with political parties.

Employment and Appointments

3.16 If you wish to take up additional employment or appointments during your term of office, you must inform the Chair and/or the relevant parent department in advance, and allow them the opportunity to comment. Care should be taken if you accept additional public appointments to ensure that you are not being paid twice from the public purse for the same time.

3.17 On leaving office, you must comply with the rules of the body on the acceptance of future employment or appointments. Each body should have its own rules on this.

4. CONFLICTS OF INTERESTS

4.1 When accepting an appointment to the public body you should consider if any conflicts of interest arise from your private interests or by virtue of any other roles you hold. You should consider, with advice from the appointing department how these should best be managed, and agree these with the organisation.

4.2 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your public duties and your private interests, financial or otherwise.

4.3 You must comply with the rules of the body on handling conflicts of interests. As a minimum, these will require you to declare publicly, usually in the body's register of interests, any private financial or non-financial interests of your own, or of close family members, which may, or may be perceived to, conflict with your public duties.⁹ The rules will also require you to remove yourself from the discussion or

⁷ www.gov.uk/government/publications/civil-servants-and-party-conferences-guidance

⁸ www.gov.uk/government/publications/election-guidance-for-civil-servants 8

For the period which the UK remains a member of the European

Union.

⁹ In general, all financial interests should be declared. When considering what non-financial interests should be declared, you should ask yourself whether a member of the public, acting reasonably, would consider that the interest in question might influence your words, actions or decisions.

determination of matters in which you have a financial interest. In matters in which you have a non-financial interest, you should not participate in the discussion or determination of a matter where the interest might suggest a danger of bias.¹⁰

4.4 It is your responsibility to ensure that you are familiar with the body's rules on handling conflicts of interests, that you comply with these rules and that your entry in the body's public register of members' interests is accurate and up-to-date.

5. RESPONSIBILITIES AS A BOARD MEMBER, INCLUDING NON-EXECUTIVE CHAIRS

5.1 You should play a full and active role in the work of the body. You should fulfil your duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of the body.

5.2 You should promote an inclusive and diverse culture in the body and your actions should help create an environment where different perspectives and backgrounds are encouraged and valued.

5.3 You should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability. You must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.

5.4 You must not harass, bully or act inappropriately towards or discriminate towards others. Such behaviour is not consistent with what is expected of you as a board member and will not be tolerated.

5.5 You must comply with any statutory or administrative requirements relating to your post.¹¹

5.6 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the board has made a decision, you should support that decision.¹²

5.7 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.

5.8 You must inform the sponsor department of the body of any bankruptcy, current police investigation, unspent criminal conviction or disqualification as a company director in advance of appointment, or should any such instances occur during your appointment.

5.9 You must also inform the sponsor department of the body of any change in your circumstances which results in you becoming bankrupt, subject to a police investigation, convicted of a criminal offence or disqualified from being a company director.

5.10 You have additional responsibilities as the chair of the body in leading the board/body and in ensuring that the principles covered in the Codes of Conduct for Board Members and Staff (where applicable) are upheld.

¹⁰ These are common law provisions.

¹¹ In the case of a body incorporated under the Companies Act <https://www.legislation.gov.uk/ukpga/2006/46/contents> or the Companies (Northern Ireland) Order <http://www.legislation.gov.uk/nisi/1986/1032>, you will also be subject to the duties of directors under company law. In the case of a body that has charitable status, you will also be subject to the duties of trustees under charities law.

¹² This does not apply to departmental non-executive board members, whose role is to advise and challenge the board and department.

6. RESPONSIBILITIES TOWARDS EMPLOYEES

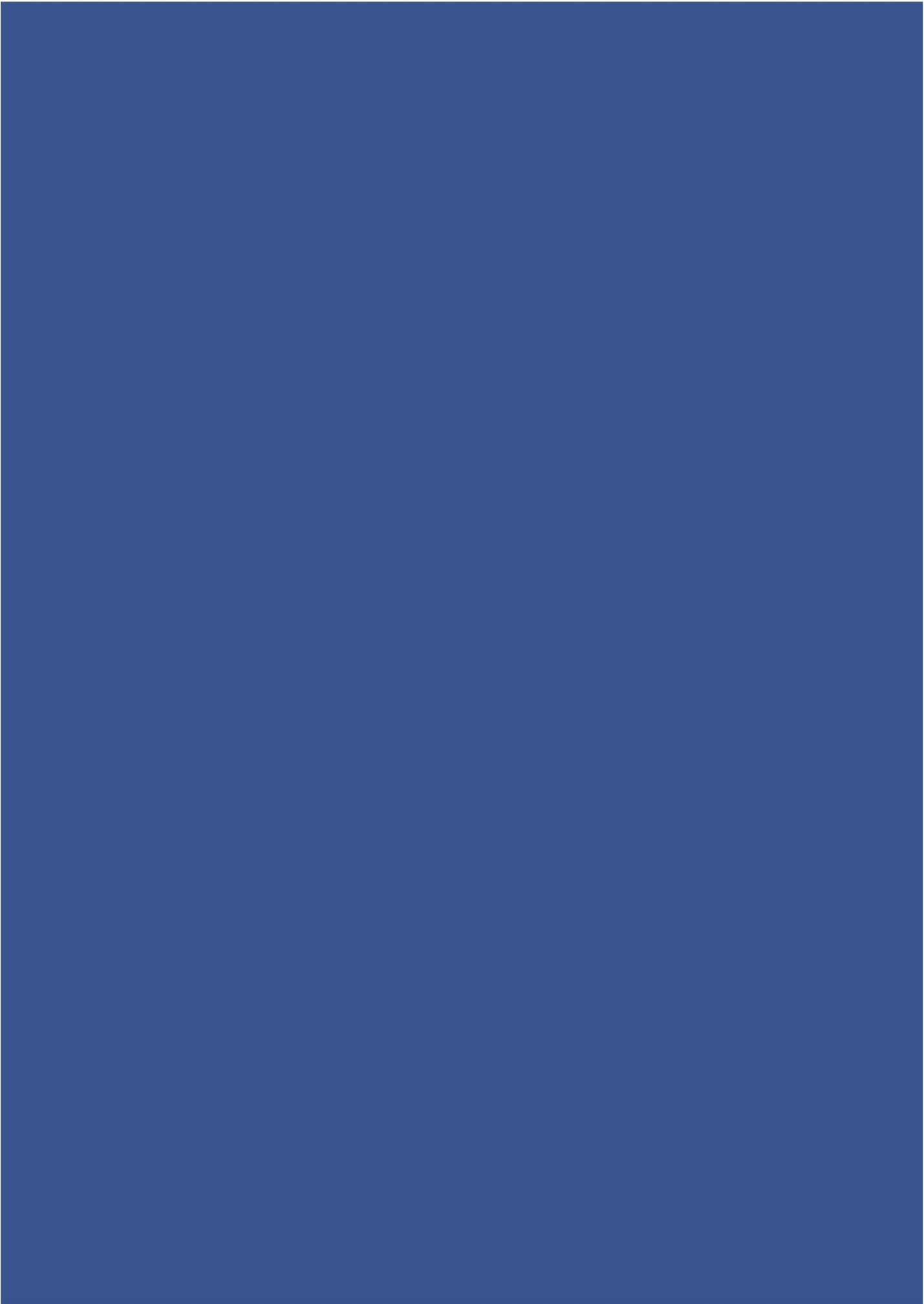
- 6.1 You will treat any staff employed by the body with courtesy and respect. It is expected that employees will show you the same consideration in return.
- 6.2 You will not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

7. SOCIAL MEDIA

- 7.1 Social media is a public forum and the same considerations, including the provisions of this Code, apply as would to speaking in public or writing something for publication, either officially or in a personal capacity. When engaging with social media you should at all times respect confidentiality, financial, legal and personal information.
- 7.2 Where any personal social media accounts used by you make reference or link to your public role, you should take care to ensure that it is clear in what capacity you are acting.

8. RAISING CONCERNS

- 8.1 You should ensure that the body has an open, transparent and safe working environment where employees feel able to speak up and raise concerns, and complaints procedures are clearly communicated to them.
- 8.2 If you have a concern about a possible breach of this Code, a concern that you or any staff of the body are being asked to act in contravention of their own code of conduct, or a concern about misconduct or wrongdoing in any other areas, then you have a responsibility to raise that internally with the chair of the body or the Permanent Secretary of the sponsor department as appropriate.



APPENDIX 1D – POL BOARD MEETING DATES 2024/25

2024	NED Only Sessions	POL Board	POL Strategy Away Day 1	POL Strategy Away Day 2	POL Board Dinner
January	29 th 17.30 – 18.00	30 th 09.00 – 17.30			29 th 18.00 – 20.30
February		27 th 09.00 – 12.30			
March		25 th 12.15 – 17.30			
April					
May					
June	4 th 17.00 – 17.30	4 th 11.15 – 17.00			
July		9 th 09.00 – 14.00	9 th 14.30 – 18.00	10 th 08.30 – 17.30	9 th 18.30 – 21.00
August					
September	23 rd 17.00 – 17.30	24 th 11.15 – 17.30			
October		29 th 09.00 – 17.00			
November		26 th 11.15 – 17.30			
December					

2025	NED Only Sessions	POL Board	POL Strategy Away Day 1	POL Strategy Away Day 2	POL Board Dinner
January	28 th 17.00 – 17.30	28 th 09.00 – 17.00			27 th 18.00 – 20.30
February		25 th 09.00 – 12.00			
March		25 th 12.15 – 17.30			

APPENDIX 2 – Recruitment Process and Timeline

