



POST OFFICE LIMITED BOARD MEETING
Strictly Confidential

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON TUESDAY 26 SEPTEMBER 2023 AT 100 WOOD STREET, LONDON, EC2V 7ER AT 11:00 AM

Present:	Henry Staunton	Chairman (Chairman)
	Lorna Gratton	Non-Executive Director (LG)
	Saf Ismail	Non-Executive Director (SI)
	Elliot Jacobs	Non-Executive Director (EJ)
	Ben Tidswell	Senior Independent Director (BT)
	Brian Gaunt	Non-Executive Director (BG)
	Simon Jeffreys	Non-Executive Director (SJ)
	Amanda Burton	Non-Executive Director (AB)
	Andrew Darfoor	Non-Executive Director (AD)
	Nick Read	Group Chief Executive Officer (NR)
In attendance:	Rachel Scarrabelotti	Company Secretary (RS)
	Owen Woodley	Deputy CEO (Observer) (OW)
	Kathryn Sherratt	Interim CFO (Observer) (KS)
	Asha Patel	Financial Planning and Analysis Director (AP)
	Tim McInnes	Strategy and Transformation Director (TM)
	Tom Lee	Group Financial Controller (TL)
	Christian Spelzini	Head of Legal - Corporate, Banking and Financial Services (CS)
	Chris Brocklesby	Chief Transformation Officer (CB)
	Ben Foat	Group General Counsel (BF)
	Diane Wills	Public Inquiry Director (DW)
	Gemma Ludgate	Inquiry Operations Director (GL)
	Simon Recaldin	Remediation Unit Director (SR)
	Liam Carroll	Procurement Director (LC)
	Zdravko Mladenov	Group Chief Digital and Information Officer (ZM)
Apologies:	Alisdair Cameron	Group Chief Finance Officer (AC)

Action

1. Welcome and Conflicts of Interest, Inquiry Undertakings

Welcome and Conflicts of Interest

A quorum being present, the Chairman opened the meeting. The Chairman called for the Directors to disclose any conflicts of interest. The Directors declared that they had no conflicts of interest in the matters to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 and the Company's Articles of Association.

The Board acknowledged the attendance of 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.



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Inquiry Confidentiality Undertakings

The Board noted that TL and LC 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.

2. Minutes and Matters Arising

TABLED and **NOTED** were draft Minutes from the Board Meetings of 5 July 2023, 11 July 2023, 11 July 2023 (Strategy Away Day 1), 12 July 2023 (Strategy Away Day 2) and 17 August 2023. The Board **RESOLVED** that the Minutes of the Meetings held on 5 July 2023, 11 July 2023, 11 July 2023 (Strategy Away Day 1), 12 July 2023 (Strategy Away Day 2) and 17 August 2023 be **APPROVED** as a correct record of the Meetings and be signed by the Chair.

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

3. Committee Reports (verbal)

3.1 Remediation Committee

BT advised as follows:

- The Secretary of State had announced the provision of additional funding to the Company to make an up-front offer of £600,000 in full and final settlement to Postmasters who had had their Horizon related convictions overturned. BT outlined the percentage of potential claimants who might accept;
- In relation to Criminal cases there were 5 appeals referred by the CCRC in the Crown Court 2 of which the Board had decided to concede and 3 of which awaited a decision on stance. BT shared his view that there may be more of these cases and that the Board would need to consider compensation;
- Disclosure issues in relation to criminal appeals in Scotland were of concern;
- An appeals case had arisen that was not a Horizon case, however counsel were still advising that [REDACTED]

[REDACTED] BT advised that it was unclear whether this was an isolated aberrant case; the case would be brought to the October Board meeting for the Board to determine the approach. In response to SJ's queries BT outlined the PFA Triage exercise that was being undertaken.

Discussion followed in relation to ensuring the Company's policies and processes in relation to Postmasters were fit for purpose, with NR detailing the work undertaken in this respect post the CIJ. KS spoke to the challenge around branch discrepancies and addressing these sensitively, advising of the loss provisioned each month for these. OW advised that M Roberts was currently working through options as to how to commence path clearing activities ahead of SPM rollout including the conduct of branch assurance visits.

There was discussion as to how the Inquiry was progressing. NR noted ongoing disclosure issues, that the Inquiry team remained under intense pressure, and the ongoing attendance at the Inquiry by senior members of the business. **ACTION** SI requested that the Inquiry hearing timetable be circulated to Board members so Board members could similarly attend.

RS



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3.2 Audit, Risk and Compliance Committee

SJ advised as follows:

- The papers submitted to ARC indicated a potential deterioration in the first line management of risk and this had been raised with management. In response a calibration exercise was being undertaken by management to assess the extent to which the Company was operating outside of risk appetite and tolerance, as it appeared that mitigations were reducing;
- Insurance renewal levels for the Company had been approved. It was encouraging to see [IRRELEVANT] providing assurance that the proposed levels of cover were appropriate;
- A response was still awaited from HMRC in respect of the IR35 matter;
- In relation to the external audit process, a very tight timetable was being worked to and an additional ARC meeting was likely to be scheduled for the end of October/ beginning of November with the ARA provisionally to be signed 11 December. SJ noted the observance by the Company of the UK Corporate Governance Code requirements and the need for an appropriate level of transparency;
- A key judgement would be whether to prepare the accounts on a going concern basis. The wording of a signed letter of support will be an important factor to consider;
- A recommendation to the Board had been agreed that PwC be re-appointed as the Company's external auditors FY23/24.

A discussion followed, initiated by the Chairman, in relation to the potential deterioration of the first line in relation to risk management, whether controls were sufficiently robust and whether adequate managerial capabilities were in place. OW advised that he was newly appointed as acting Chair of the RCC and agreed that improved risk reporting was required in respect of detailing significant risks and that there was confusion in the business as to the roles of the first, second and third lines of defence. OW noted the prevailing culture and the impact of this on employees' approach to risk. At the Chairman's request, OW agreed to attend ARC as an observer going forward.

There was discussion in respect of the timing for payments under the FY22/23 STIP scheme with AB and OW noting the impacts and sentiments on employees of the delay. Given the external audit process had not been concluded, however, no payments would be made at this time.

3.3 Remuneration Committee

AB advised as follows:

- The Remuneration Committee meeting from earlier in the day had focused on governance matters including progress against the Simmons & Simmons recommendations and the recommendations contained in the A Burton report. The Remuneration Committee's Terms of Reference had been revised to take into account recommendations in the reports, and these would be returned to the Board for consideration. A remuneration authorities table had been prepared, which would be published to Diligent to assist Remuneration Committee members and management;
- Correspondence had been prepared for issue to the Shareholder seeking approval in relation to outstanding schemes and matters; and



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- The metrics for the LTIP 23/26 had been considered and the shareholder was due to be consulted on shareholder value, so elements could be reflected in the LTIP 23/26.

3.4 Nominations Committee

The Chairman advised that the Committee had met earlier in the day and the principal item of business had been considering the recruitment process and timings for the incoming Postmaster Non-Executive Directors. The Chairman noted the importance of maintaining a level of continuity on the Board given the number of new Directors who had recently joined, however advised that this needed to be balanced against the expectations of Postmasters. The Chairman advised that the Nominations Committee had taken a decision that one Postmaster Non-Executive Director would step down from the Board in June 2024 and that the other Postmaster Non-Executive Director, subject to Shareholder approval, would step down in June 2025. The process in relation to the recruitment of the Postmaster Non-Executive Directors needed to be returned to the Nominations Committee for consideration. EJ queried the criteria for which Postmaster Non-Executive Director would stay on; the Chairman replied that this was being examined. AB noted the knowledge the Postmaster Non-Executive Directors had built up and queried opportunities for the Postmaster Non-Executive Director who stepped down from the Board in June 2024 to continue to contribute. The Chairman advised that K McEwan had raised the provision of mentoring.

4. CEO Report

TABLED and **NOTED** was the CEO report. Key discussion points were as follows:

- NR spoke of the need to establish operational stability given the difficulties over the summer;
- NR advised that trading remained solid and that he was hopeful of strong Christmas trading, especially in light of the level of operational preparedness. Consumer confidence had improved; the relationship that customers had with their local Post Offices as opposed to the Company continued to endure;
- NR noted the increase in employee sickness and absence and advised that stress related absence was an issue;
- NR spoke to the number of employees who could be required to give evidence in some form to the Inquiry and detailed the work being undertaken in relation to Project Phoenix;
- NR advised that commercially it was a very significant time for the business with the fulfilment of the mails strategy being worked through, the establishment of a number of banking hubs and shortly entering into negotiations in respect of Banking Framework Agreement 4. **ACTION** NR noted that [IRRELEVANT] had recently joined the current Banking Framework. EJ saw this as very positive and queried when [IRRELEVANT] would go live in branch. OW undertook to find out;
- NR spoke to changes to the Group Executive and the appointment of the Chief of Staff who was looking at the Company's operating model, governance fora and RACI.

OW

ACTION AB noted the impact of the Inquiry on employees and queried whether other organisations who had been through statutory inquiries could be contacted to share their learnings of the support they had provided to their employees. NR took the point however advised that most statutory inquiries were not in operational businesses, however NR would look to this approach and any learnings that could be extracted.

NR



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ACTION In relation to the operation of banking hubs, SI referenced the current process of approaching Postmasters local to the intended banking hub first to establish if they were interested in running the banking hub. SI queried, if the local Postmasters were not interested, what was the approach after that on offering the opportunity to other Postmasters. NR advised he would ask M Roberts to respond on this point.

M Roberts

SI shared his experience of receiving correspondence that a Drop and Collect was opening 0.5 miles away from one of his branches and advised that he had not received a courtesy call ahead of this. SI shared his view that the process did not feel collaborative. NR took SI's point in relation to Postmaster engagement.

SI queried whether an approach had been settled in relation to the counterfeit Scottish notes. NR advised that he was due to meet with RBS shortly however in the meantime the only kit we had for this was located at the cash centres. **ACTION** EJ queried how a Postmaster would know that they had accepted a counterfeit note. KS advised that she would pass this query to M Roberts.

M Roberts

ACTION SI noted the RMG failed collections from Christmas 2 years ago and queried contingency planning for this ahead of Christmas trading. NR advised his expectation that this would be part of the Christmas operational planning and that he would take this up with M Roberts.

M Roberts

EJ queried whether analysis had been completed in respect of the impact of the Drop and Collect rollout on local branches. EJ referenced the Evri rollout and whilst he was very supportive, was concerned about potential volumes ahead of Christmas. OW advised that approximately 300 – 350 branches had been identified as potentially becoming inundated; if this occurred services could be switched off. EJ replied that he would like to look at this the other way and how the demand could be fulfilled. That's said, EJ shared his concern that Evri were not completing on their SLA currently.

ACTION EJ noted that the ATM rollout was behind budget as it was behind schedule. EJ queried whether the rollout was likely to exceed budget. NR advised that he would check on this.

O Woodley

ACTION In relation to PUDO, SI advised that it remained difficult to differentiate between acceptance and collection and stickers could assist with this.

O Woodley

SJ noted that there was a lot of positive news in relation to the Company however queried what more could be done to get this into the public domain. SJ further queried whether the right support was in place. NR replied that it was difficult as the press wished predominately to speak to us about the Inquiry, compensation and remediation. Our trade press was quite good however and NR was not uncomfortable about the level of support provided. BT queried whether internally and externally we needed to remind people of the positive work that was undertaken, for example, in relation to restorative justice and that this was a different Post Office, particularly as against the prosecutions phase of the Inquiry. NR agreed and advised that he had spoken to R Taylor about this.

AD noted the recent graduates who had joined and queried what steps were being taken to develop diverse talent so as to ensure a diverse talent pipeline was established. NR advised that OW would speak to this.



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SI asked about ongoing work to identify individuals who remained in the business who had worked previously on matters that were now under remediation. NR spoke to this; if any allegations of misconduct were made then investigations would be undertaken. OW advised that a panel had been convened of OW and K McEwan to look at these cases.

5. Finance

5.1 Financial Performance Report

TABLED and **NOTED** was the P5 Financial Performance Overview.

TM and AP joined the meeting at 12:46. Key discussion points were as follows:

- AP outlined P5 financial results including the level of Postmaster remuneration and spoke through reasons influencing performance;
- AD noted the strong performance year to date however queried what was driving higher costs which could potentially erode trading profit. AP replied that many of the cost challenges were timing differences and expected in the second half of the year; there was a risk that some of these would not be achieved so the budget may not be met. Currently the Company was within the annual budget, however. KS outlined the establishment of a new Group Executive Sub-Committee, the Opex Committee that would assist management to sight proposed cost increases that were not in the budget;
- Following a query from EJ, the reasons for performance in relation to Western Union were discussed as well as the anticipated trajectory for Travel;
- LG noted the change in forecast for the potential security headroom breach and queried what had driven the change in forecast. AP replied, referencing reduced spending on SPM. Discussion followed as to the need for a security headroom waiver still to be in place for December;
- The Board provided positive feedback on the revised form of reporting.

AP left the meeting at 13:09.

5.2 Funding and Going Concern Update

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

- 'DBT Funding Update'; and
- 'Linklaters Advice'.

Key discussion points were as follows:

- TM outlined the process and progress of the funding submission, noting the split in the funding request for interim funding for SPM and the Inquiry, the briefing sessions held with the Shareholder, and the due diligence undertaken with Interpath. AD queried the quantum of the increase in Inquiry and Remediation Unit spend. TM replied. A second funding application in relation to SPM was anticipated for early 2024 following the outcome of the Accenture review. **ACTION** Discussion followed in relation to providing the Shareholder with a demonstration of R2. TM advised that he would take this point away;
- BT queried whether the accounts could be approved on a going concern basis when only part of the funding required would be receipted for SPM. KS replied that the interim funding request would cover costs up until [IRRELEVANT] and that a high-quality letter of support would be required from the Shareholder. BT queried further that the going concern period was up until the end of [IRRELEVANT] however and not all the current funding requests for SPM went up to this period. TM

TM



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replied, advising that the interim funding request would cover SPM costs until

IRRELEVANT

IRRELEVANT

KS advised that all of these factors would be captured in the disclosures;

- The Board received written advice from Linklaters dated 22 September 2023 and met with Linklaters to discuss that on 25 September. Taking into account that advice and discussion, and with regard to the matters discussed at the meeting, including the progress with agreeing a letter of comfort from the Shareholder, the Board confirmed their view that [REDACTED]

5.3 Increase in Working Capital Facility Usage

TABLED and **NOTED** was a paper, 'Working Capital Facility Increase for peak trading period FY23/24'.

KS spoke to the paper. BT queried whether the length of period for the temporary increase was longer than previously sought. KS advised that it was the same period as applied for previously. LG questioned the potential wider utilisation purposes of the Working Capital Facility. TM advised that the potential wider utilisation was more about alignment with the **IRRELEVANT**

The Board **RESOLVED** to **APPROVE** temporary increases in the utilisation level of the **IRRELEVANT** DBT Working Capital Facility from £ **IRRELEVANT** for the period **IRRELEVANT** **IRRELEVANT**

6. Transforming Technology

6.1 SPMP Review - Update and Observations (Verbal)

CB joined the meeting at 13:50. Key discussion points were as follows:

- CB noted the progress that had been made on SPMP from a technological perspective and advised that RTP had been combined with NBIT and together they were now SPMP. SPMP was being run as a business change programme not just an IT programme; this gave CB some comfort that the programme would deliver for Postmasters;
- CB noted the approach taken to NBIT was based on modern methodologies as opposed to the approach taken historically of outsourcing; this represented a significant change in approach;
- Employees and contractors on the programme had been through some difficult times in the past weeks with different team members leaving given revised resourcing plans. More Company employees on the programme were required and it was imperative to make sure that the team were motivated and understood what needed to be achieved and how. Given previous issues the culture was very risk adverse; it was very difficult however to run a programme of the size of SPMP if every decision was pushed up. Skills gaps and the ability to attract new employees onto the SPMP was considered;
- The progress and possible outcome of the Accenture review was discussed;
- BT queried CB's assessment as to the suitability of the build to match business requirements and noted the concern that had been raised that aspects of the



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current system were becoming replicated on the new, and it was not always clear why. CB noted the significant amount of time that had been spent with Postmasters to check the requirements prior to and during build, shared his view that the overall scope was clear, and advised that opportunities to improve the efficiency of the flow of transactions were being taken when identified;

- CB advised that a new SPMP sub-committee of the Group Executive had been formed, chaired by OW, meeting fortnightly. Programme fora beneath this was being reviewed to ensure coherent governance;
- CB noted a communications plan was being reviewed in relation to SPMP and emphasised the importance of engendering an open sense of communication.

6.2 SPMP Funding Request

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

- (i) 'Strategic Platform Modernisation Programme (SPMP) Funding Request'; and
- (ii) 'Appendix 1 - Shareholder and Board Briefing Summary'.

Key discussion points were as follows:

- TM spoke to the paper advising that the funding request was reflective of the reduction in SPMP spend, with costs to be reduced across all areas, however still achieving the milestone of R2 in 5 branches by March 2024, which would set up a trajectory to extend R2 into 50 locations by the end of 2025;
- EJ queried the number of counters referenced in the paper, which was less than the current level. TM replied that even if the number of branches did not change, the under-utilised counters would be removed;
- Attracting talent onto the SPMP was discussed; CB shared his view that the right talent existed within the market, and we had partners so it could be a multi-pronged approach;
- LG queried whether there were any elements of spend between now and March 2024 that could wait. CB replied, outlining the support required for the 2 – 5 branches where R2 would be live and retention costs to retain knowledge. TM advised that there would also be training costs for the Postmasters and their staff in branch in respect of R2;
- AB queried the proposal to pause on the development of Drop and Collect. TM advised that the scope of SPMP had been refocused however there was still some proposed work to invest in Drop and Collect. AB queried the impact on revenue if further investment in Drop and Collect was not progressed at this time. TM replied that forecast income was predicated on the current Drop and Collect proposition. SI queried what an enhanced Drop and Collect would compose. TM replied that this would contain an enhanced mail proposition;
- EJ referenced contractual commitments for hardware and noted that some hardware had already been delivered. CB advised that the team were undertaking analysis to establish if any of the kit could be used now. EJ queried whether there was a risk that the kit may not be fresh and up to date when SPMP was deployed. CB replied that there was a risk, however we could resell if we needed to;
- AD queried the status of the service contracts with Fujitsu. CB advised that it was intended to come to the October Board seeking approval for both contracts to be extended out until March 2025.

The Board **RESOLVED** that:

- (i) Funding in the amount of [IRRELEVANT] for the continuation of SPMP for the period from 27 September 2023 up until 31 March 2024 be and is hereby **APPROVED**; and



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- (ii) Authority be delegated to the Group Executive, who in turn delegated to the Investment and Approvals Delivery Group, to authorise the drawdown of the funds mentioned in (i) be and is hereby **APPROVED**.

TM and CB left the meeting at 14:37.

7. Ethos Programme

TABLED and **NOTED** was a paper, 'Ethos Programme'.

Key discussion points were as follows:

- OW spoke to the paper noting:
 - the criticisms made in the CIJ in relation to the culture of the Company;
 - how with the Inquiry there was a level of paralysis in relation to decision making;
 - there were concerns that under performance was not addressed and conversely that we were not able to provide reward in order to hold onto our best people;
 - issues around whether we had become short termist;
 - the use of consultants and contractors and whether we had become too reliant on third party assistance;
 - a significant amount of progress had been achieved since the CIJ and HIJ however perhaps not cohesively, and with too much of a view to the Inquiry; rather than the Inquiry being a beneficiary;
 - culture had been owned by the People team not the executive and the executive needed to own culture. 5 work streams were being set up, one of which was focused on the executive. One of the other work streams was on governance and ethical decision making;
- BT expressed support for the programme however queried whether OW was adequately resourced. OW replied, advising that there were no plans to build a large team for the programme and noted the role of T Perkins. BT suggested that firm like KPMG could provide a secondee perhaps if one was needed, or there were small boutique firms that could provide support;
- OW noted that the programme may identify employees who did not meet the benchmarks and the Board needed to be ready for this;
- AD shared his perspective that it was very difficult to have a scorecard in place to measure organisational culture and queried what would need to be seen in order to demonstrate change. OW advised that this was an area where third party assistance may be required;
- LG queried how support would be provided to employees to make behavioural changes. OW advised that external support was being considered for this and the running of leadership programmes to embed cultural changes.

8. Rebuilding Trust

8.1 Inquiry Update

SR, GL and DW joined the meeting at 14:54.

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

- (i) 'Post Office Horizon IT Inquiry: Update'; and
(ii) 'Post Office Horizon IT Inquiry – Appendices'.



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Key discussion points were as follows:

- DW outlined the current position in relation to disclosure and the status of the response to the current disclosure request, where a further extension may need to be applied for. DW spoke to the risks at play. A further hearing in January 2025 on disclosure was anticipated. DW outlined the materials emanating from the back-up tapes and advised that the team had notified the Inquiry. At the opening of the Inquiry hearings earlier in the day Sir Wyn had considered adjourning for 3 months and sharing all the Company's correspondence on disclosure with core participants. Sir Wyn had decided not to, however. There were circa 5 million documents to be reviewed. SJ queried whether we were making full use of technology. DW replied that we were [REDACTED]
- BT queried how the Inquiry was processing all the disclosed documents. DW advised that she was not clear on this however spoke to a possible adjournment of the commencement of Phase 5 of the Inquiry;
- LG queried whether the back-up tapes could have been reviewed earlier if additional investment had been made. DW replied that she did not think so as the material was vast; the team had kept the Inquiry informed throughout the process;
- DW referenced the next Agenda item and advised that funding was sought for disclosure remediation costs. The current focus was to keep all disclosure providers working however no invoices were being approved for payment without DW and GL signing off;
- SJ queried the level of resource within the team. DW replied that it was a very difficult working environment however there were some good people who had joined the Inquiry team;
- [REDACTED]

BF joined the meeting at 15:10.

8.2 Inquiry Funding Request

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

- (i) 'Post Office Horizon IT (POHIT) Inquiry Funding Paper'; and
- (ii) 'Inquiry Financial Spend – Supporting Pack'.

GL spoke to the paper. Discussion followed in relation to the risks and assumptions, and the main cost drivers. AB queried whether the Company's ownership structure was in part influencing the approach of the Inquiry; if the Company were privately owned it would not be able to sustain these costs. AB further queried the reasonableness of requests. DW advised BSFF were [REDACTED]

[REDACTED] NR queried whether there was there an opportunity for the Shareholder as sponsor to raise this. BT suggested that the Inquiry be advised as to the costs so far of participating in the Inquiry and agreed with comments of other Board members that there was no optionality in the funding request; the most important thing was that we fully participated in order for the Inquiry to be proceeded with and concluded.



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The Board **RESOLVED** that:

- (i) Additional funding in the amount of [IRRELEVANT] taking FY23/24 costs to [IRRELEVANT] for the continuation of the Inquiry programme for the activities set out in the paper for the period from 1 October 2023 up until 31 March 2024 be and is hereby **APPROVED**; and
- (ii) Authority be delegated to the Group Executive, who in turn delegated to the Historical Matters Funding Meeting, to authorise the drawdown of the funds mentioned in (i) be and is hereby **APPROVED**.

8.3 RU Update

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

- (i) 'Remediation Unit Programme Update'; and
- (ii) 'RU Finance Update'.

Key discussion points were as follows:

- SR spoke to the Secretary of State's announcement in relation to the up-front offer of £600,000 in full and final settlement to Postmasters who had had their Horizon related convictions overturned and the operationalising of this. SR advised of issues that were emerging in relation to the offer, including challenges from claimants' lawyers as to the lack of consultation and alleged breach of privacy. SJ queried the distribution of potential overturned conviction claims. SR advised that 50% of claimants may be within the £600,000 settlement vicinity. LG outlined the potential reduction in the amount of the offer over time to account for anticipated legal costs;
- SR advised that there were 4 offers remaining to be made on HSS and 2 were due to be issued by the end of the week, with the remaining 2 offers to be issued in October. Discussions had gone quiet with the Shareholder as to whether a HSS appeals process would be established; SR advised that the Advisory Board would likely prompt on this, as well as SR.

8.4 RU Scope and funding request

TABLED and **NOTED** was a paper, 'Remediation Unit Scope and Funding Request'.

Following discussion, the Board **RESOLVED**:

- (i) Additional funding in the amount of [IRRELEVANT] taking FY23/24 costs to [IRRELEVANT] for the continuation of the Remediation Unit for the activities set out in the paper for the period from 1 October 2023 up until 31 March 2024 be and is hereby **APPROVED**;
- (ii) Authority be delegated to the Group Executive, who in turn delegated to the Historical Matters Funding Meeting, to authorise the drawdown of the funds mentioned in (i) be and is hereby **APPROVED**;
- (iii) To **NOTE** additional funding of [IRRELEVANT] is forecast for FY24/25 as a result of an increase in scope and extension of costs across several Remediation Unit projects.

8.5 GLO Disclosure Contract

TABLED and **NOTED** was a paper, 'GLO Disclosure Contract'.



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SR spoke to the paper, outlining the form of contract. **ACTION** KS requested that L Carroll be sighted on the contract. SR

DW and BF left the meeting at 15:39.

9. Procurement Requests

LC joined the meeting at 15:40 with D Harvey.

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

- (i) 'Procurement Report';
- (ii) 'Legal Risk Note – HSF Legal Services';
- (iii) 'Legal Risk Note – PwC Extension'; and
- (iv) 'Legal Risk Note – CODE RAPP Contract'.

HSF

LC spoke to the paper, outlining the engagement history, and advising that the legal market was not overly litigious, so it was thought that the possibility of challenge was low. AD queried implications if the proposal was not approved. GL replied.

The Board **RESOLVED**:

- (i) The continuation in respect of a contract with HSF for a further period of 2 years from 27 September 2023 for the provision of legal services in respect of the Remediation Unit for the activities as set out in the paper up to a maximum total contract value of IRRELEVANT be and is hereby **APPROVED**;
- (ii) The continuation in respect of a contract with HSF for a further period of 2 years from 27 September 2023 for the provision of legal services in respect of the Inquiry for the activities as set out in the paper up to a maximum total contract value of IRRELEVANT be and is hereby **APPROVED**; and
- (iii) Any authorised signatory of the Company be authorised to sign the resulting contracts and any ancillary documents in relation to (i) and (ii) above.

GL and SR left the meeting at 15:45.

PwC

LC spoke to the paper noting the decision ARC had taken to recommend to the Board the re-appointment of PwC as the Company's external auditors FY23/24.

The Board **RESOLVED**:

- (i) The reappointment of PwC as the Company's external auditors for FY23/24 with a maximum cost of IRRELEVANT be and is hereby **APPROVED**; and
- (ii) The existing contract in place between the Company and PwC be otherwise modified on the basis as set out in the paper; and
- (iii) Any authorised signatory of the Company be authorised to sign the resulting contracts and any ancillary documents in relation to (i) and (ii) above.

CODE

LC spoke to the paper advising that the proposed cost increase was not committed, however would place head room into the contract should it be required.



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The Board **RESOLVED**:

- (i) An increase in the CODE contract value of [IRRELEVANT] over the contract term taking the maximum contract value from [IRRELEVANT] be and is hereby **APPROVED**; and
- (ii) Any authorised signatory of the Company be authorised to sign the resulting contract variation and any ancillary documents in relation to (i) above.

ID Services

LC spoke to the paper. The Board **RESOLVED** that the sourcing strategy for the procurement of an identity services supplier on the basis set out in the paper be and is hereby **APPROVED**.

LC left the meeting at 15:48.

10. Requests with Presentation

10.1 Copper Stop Sell

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

- (i) 'Copper Stop Sell'; and
- (ii) 'Copper to Fibre Presentation'.

ZM joined the meeting at 15:50. Key discussion points were as follows:

- ZM reminded the Board of the content of the paper that came on this issue in July, seeking additional funding to account for increased cabling costs. The request for additional funding had been revised down to [IRRELEVANT] and the cost of telephones was now proposed to be at the Company's expense;
- AD queried whether there were likely to be issues with taking access. ZM advised that the contractors were only paid when the work was completed;
- LG queried the timing for the programme to be completed. ZM replied December 2025. LG further queried how the programme could be sequenced if branches were closed ahead of conversion to fibre. ZM advised that there was full flexibility on the sequencing;
- ZM advised that the programme was part of a wider community plan with Postmasters. In terms of communication details for branches, SI advised that a complete data set was required for projects going forward. ZM agreed and advised that data from this programme would feed into an overall operational excellence programme;
- **ACTION** SI queried whether the Wi-Fi which would accompany the conversion to fibre would be made available to the Postmaster. ZM replied that a decision had not been taken on this as yet however would revert with timing for the decision;
- EJ provided feedback that he thought the pre-call to Postmasters in relation to the programme was very good and that this would contribute to the programme being better executed and improved engagement with Postmasters over the course of the programme.

**C Brocklesby/
Z Mladenov**

The Board **RESOLVED** additional funding in the amount of [IRRELEVANT] (bringing total project costs to [IRRELEVANT] for the items and activities as set out in the paper be and is hereby **APPROVED**.

ZM left the meeting at 16:02.



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10.2 Payzone Loan Agreement

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

- (i) 'Payzone Credit Facilities Agreement - Report';
- (ii) 'Payzone Credit Facilities Agreement – Legal Risk Note';
- (iii) 'Project Apollo Report and Appendices'; and
- (iv) 'Payzone Integration Exploration Report'.

TL and CS joined the meeting at 16:02. KS spoke to the paper. BT queried the 2% interest rate which did not reflect a commercial rate. TL advised that the interest rate had been set using the rate from DBT of 1.2% then building this up to 2%.

The Board **RESOLVED**:

- (i) Entry into a Credit Facilities Agreement between the Company and Payzone Bill Payments for an amount not exceeding IRRELEVANT (Facility A) and not exceeding IRRELEVANT be and is hereby **APPROVED**;
- (ii) The delegation of authority to the Group CEO and the Interim CFO to finalise the terms of the Credit Facilities Agreement, in line with the parameters as set out in the paper, be and is hereby **APPROVED**;
- (iii) Any authorised signatory of the Company be authorised to sign the resulting Credit Facilities Agreement and any ancillary documents.

11. Noting Items with Presentation

11.1 Board Strategy Away Day – Next Steps

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

- (i) 'Board Strategy Away Day – Next Steps';
- (ii) 'London Economics – The Economic and Social Value of Post Office';
- (iii) 'DBT Strategic Review - Policy Options Analysis - Part 1';
- (iv) 'DBT Strategic Review - Policy Options Analysis - Part 2';
- (v) 'Project Blueprint - 2019 McKinsey Organisational Design Analysis'; and
- (vi) 'Supporting Commercial and Network Reading Materials'.

TM joined the meeting at 16:03 and outlined how actions arising from the Board Strategy Away Days would be reported back to the Board over the next 6 months. TM drew Board members attention to the London Economics report and the McKinsey paper, although the McKinsey paper had been prepared pre-pandemic.

TM left the meeting at 16:09.

12. Noting Items with no Presentation

12.1 Health & Safety Report

TABLED and **NOTED** was a paper, 'Health & Safety Monthly Report'. **ACTION** The Chairman raised a concern around in branch robberies given increases in cash banking. EJ highlighted the increased risk of abuse to Postmasters and their staff and noted other retailers were working on additional safety measures for their staff. KS advised that she would take these points away.

**KS/ M
Hopcroft**



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12.2 OPEX Reductions Programme

TABLED and **NOTED** was a paper, 'Opex Reduction Programme'.

12.3 Project Starling

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

- (i) 'Project Starling - Postmaster Status Report'; and
- (ii) 'Project Starling – Appendices'.

13. Governance Items

13.1 Establishment of Investment Committee

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

- (i) 'Investment Committee Report';
- (ii) 'Investment Committee Terms of References'; and
- (iii) 'Post Office Limited Matters Reserved to the Board'.

The Board **RESOLVED**:

- (i) The establishment of the Investment Committee as a standing sub-committee of the Board be and is hereby **APPROVED**;
- (ii) The Investment Committee's Terms of reference in the form tabled be and are hereby **APPROVED**;
- (iii) The appointment of A Darfoor as Chair of the Investment Committee and L Gratton and E Jacobs as members of the Investment Committee effective 26 September 2023 be and are hereby **APPROVED**; and
- (iv) Consequential amendments to the Matters Reserved to the Board in the form tabled be and are hereby **APPROVED**.

13.2 SID Role

TABLED and **NOTED** was a paper, 'Senior Independent Director role'.

13.3 Sealings Report

The Board **APPROVED** the affixing of the Common Seal of the Company to the documents set out against items numbered 2201 – 2222 in the Register of Sealings.

13.4 Future Meeting Dates

The future meeting dates were **NOTED**.

13.5 Forward Agenda

The Forward Agenda was **NOTED**. **ACTION** EJ requested that an update Christmas operational preparedness be added to the October Agenda.

M Roberts

14. Any Other Business



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Feedback on papers

LG requested that the Board papers be released slightly earlier, even if this meant issuing them piecemeal.

There being no other business the Chairman declared the meeting closed at approximately 16:45.

15. Date of next scheduled meeting

31 October 2023 9:00 – 17:00.

GRO

20/11/2023 16:21

Chairman

Voting Results for POL Board Minutes from 26.09.2023 (approved on 31.10.2023)

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
Staunton, Henry	For	20/11/2023 16:21