
From: Rose LASKO-SKINNER (TRADE)/[O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CF491CD0C4754C46A8A2D6320E3C0EE3-6B8502A2-EF]
Sent: Mon 15/05/2023 4:58:37 PM (UTC)
To: Kemi BADENOCH (TRADE); [GRO]
Cc: Sonia ZVEDENIUK (TRADE); [GRO]; Dylan SHARPE (TRADE); [GRO]; Daniel EL-GAMRY (TRADE); [GRO]; Anna KERE (TRADE); [GRO]; Ellie DELABEDOYERE (TRADE); [GRO]; Victoria HEWSON (TRADE); [GRO]; Joanna THOMAS (TRADE); [GRO]
Subject: [RLS 008] for info - background on Post Office CEO stepping down

Hi Secretary of State,

Following on from last week's box time, please see below some more background information on the Post Office bonuses issue – in case of interest. No action required. Happy to provide further details if helpful.

Many thanks,

Rose

- On 23 February 2023, the Post Office Limited Annual Report and Accounts for 2021-22 were laid before Parliament. In the section entitled 'Remuneration Outcomes' one of the business transformation sub-metrics related to support for the Post Office Horizon IT Inquiry. It stated that 'All required evidence and information supplied on time, with confirmation from Sir Wyn Williams and team that Post Office's performance supported and enabled the Inquiry to finish in line with expectations' and the metric was marked as 'achieved'. Whether metrics have been met, and therefore whether they should pay out is a matter for the Post Office's Remuneration Committee. The Remuneration Committee receives evidence of performance from the Post Office's Executive Team.
- On 31 March 2023, the Solicitor to the Inquiry wrote to Post Office seeking clarification on the statement Post Office's Accounts regarding the achievement of that metric. On 6 April 2023, Post Office responded to the Inquiry and apologised to the Inquiry including for:
 - setting a target that appeared to require Sir Wyn William's participation without asking for his agreement;
 - reporting against that target by suggesting Sir Wyn and his team had given input into a particular outcome when they had not; and
- On 5 May 2023 Sir Wyn Williams received a personal apology from the Chief Executive of the Post Office, Nick Read and Post Office published a correcting statement regarding its Annual Report and Accounts 2021/2022. The Post Office Board will also be asked to pass a resolution to include a clarification in the Annual Report and Accounts for 2022-23.
- DBT became aware of this issue on 5 May. Officials wrote to Post Office asking that they write and apologise to Ministers and explain how this has arisen and confirm that the Board will work with UKGI and DBT to review enforcement of governance for such issues to ensure that

this will not happen again.

- The Post Office has since announced that the incoming Chair of its Remuneration Committee, Amanda Burton, will lead an immediate investigation into this incident. Ms Burton was appointed Non-Executive Director on Post Office's Board at the end of last month. The scope of the investigation is to ensure that the Remuneration Committee's decision on rewarding its executives in this case was consistent with corporate governance best practice. This investigation will report to Ministers within two weeks with its findings and recommendations.
- DBT is also commissioning a wider review of the governance around Post Office decisions on remuneration. This should make recommendations about any further changes that are needed. This will run alongside the Post Office Remuneration Committee Chair's investigation of this specific incident and take into account the findings of that investigation.
- Minister Hollinrake has written to the Chair of the Business and Trade Select Committee with a copy of the Post Office's statement and this statement will be placed in the Library of the House. We understand that the Business and Trade Select Committee will also hold a hearing on this subject in the near future, likely timed for these reviews to report.
- When the review is complete, Minister Hollinrake will make a further statement to the House on the review's findings, recommendations and what further action is necessary.



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