



POST OFFICE LIMITED BOARD MEETING
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KGKC advised that she would be pleased to update the Board at any time. The Chair thanked KGKC and KGKC left the meeting at 12:59.

6.2 Inquiry Budget

TABLED and **NOTED** was a report, 'Inquiry Cost Options'.

The Board noted that the recommendation was for an alternative firm to be instructed for Phase 5 onwards but with HSF to be retained for targeted strategic advice to mitigate the risk of discontinuity arising from changing law firm mid-way through the Inquiry.

BF spoke to the paper advising that whilst it was subject to further refinement it clearly conveyed the significant increase in cost, the reasons for which had been set out by KGKC in the immediately prior session and in previous papers provided to the Board.

BF referenced the need to make arrangements for alternative legal representation in relation to Phase 5 of the Inquiry because of HSF's risk of a future conflict in relation to Phase 5 of the Inquiry and advised that, given the possibility of this, Board approval was sought to authorise management to commence a tender process for an alternate firm. The Board noted this, as well as the potential cost savings associated with appointing an alternative firm for Phase 5 onwards and the chance to reset the legal partnership, as set out in the Paper.

BF advised that Board approval was also sought to delegate authority to the CFO to approve (1) Inquiry costs for the period up until the next Board Meeting and; (2) FTE costs for the life of the Inquiry Programme.

LH queried when the revised budget would be returned to the Board. BF advised that this would tie in with the 3-year plan and be returned to Board on 9 March.

The Board **RESOLVED**:

1. Management authorisation to commence a tender process for an alternate external law firm to HSF for Phases 5, 6 and 7 of the Inquiry be and is hereby **APPROVED**;
2. HSF be retained for targeted strategic issues arising in relation to Phases 5, 6 and 7 of the Inquiry; and
3. Authority be **DELEGATED** to the Company's CFO to approve Inquiry spend for the period up to the next Board Meeting and for FTE costs for the life of the Programme be and is hereby **APPROVED**.

DW and GL left the Meeting at 13:03.

6.3 HMU Budget

RA re-joined the Meeting at 13:04.

TABLED and **NOTED** was a report, 'Historical Matters - HMU Funding Request'.

SR spoke to the paper, providing the Board with an update on the current financial position of HMU, the continued cost challenges being conducted, and the potential opportunities to achieve cost efficiencies. Funding was requested for HMU activities for



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the next 2 months, and the team would return to the next Board Meeting to request funding for activities for the FY23/24.

The Board **RESOLVED**:

- (i) the drawdown of funding for HSS Pre Offer delivery costs **£4.028m** including IVAT and Late Application costs be and is hereby **APPROVED**;
- (ii) the drawdown of funding for HSS Post Offer delivery costs **£791k** including IVAT and Late Application costs be and is hereby **APPROVED**; and
- (iii) the drawdown of funding for CCRC/DGA delivery costs **£1.7m** including IVAT be and is hereby **APPROVED**.

6.4 HMU Update

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

- (i) 'Historical Matters Programme Update'; and
- (ii) 'HMBU Finance Update'.

Key discussion points were as follows:

- In relation to overturned historical convictions, SR spoke to the potential future appellant triage review that was being conducted, which was due to conclude next month. So far, it appeared that 12% of cases were cases that the Company may be able to concede. Once the review exercise was complete, a decision would need to be taken as to how the results of the review exercise were utilised, for example, writing to the individuals and advising them. Despite a number of previous approaches, any such approach might not result in a significant number of new cases. BT suggested that management refer the review results to the CCRC and request the CCRC undertake any subsequent approaches. LH agreed with this;
- SR was of the view that we needed to start a conversation with the shareholder as to why the number of appellants was low and map out all the reviews and approaches that had taken place to encourage potential appellants to come forward. In respect of the path to obtaining compensation, remediation was more of an engaged process, so for those who would engage with us, it would be a better experience;
- SR advised, in respect of overturned historical convictions, that 2 of the Public Interest Only cases had been settled the previous day. SR was delighted with the outcome for Postmasters. There was one case in this category which remained outstanding. BT advised that there could be another case in the pipeline. Whilst there may be very little appetite to prosecute in the Crown Court, the Company had a duty to ensure that people who were guilty remained guilty. AC cautioned that if a decision was taken at HRC to prosecute, then this would need to be returned to the Board for consideration;
- In respect of Postmaster detriment suspension payments, correspondence had been issued last week to Postmasters.

6.5 GLO Disclosure

TABLED and **NOTED** was a report, 'GLO Disclosure'.

SR spoke to the paper. NR emphasised the management time and management bandwidth that would be required to facilitate this request. SR advised that the Board and management would need to stay close to this exercise to ensure consistency with our outcomes.