

Annex A: Governance Expectations of a Chair

This letter, issued by UK Government Investments ("UKGI"), sets out the standard governance expectations of Chairs within its portfolio. This is not an exhaustive list of the duties of a Chair. This document does not supersede or alter any responsibilities as set out in POL's Framework Document, Articles of Association, Funding Agreement or Entrustment Letter.

UKGI, acting as shareholder on behalf of Departments, expects the Chairs of its Assets to lead the Board in an effective and collegiate manner, and adhere to best practice corporate governance standards where possible in undertaking their roles. It is your responsibility, as Chair of POL to lead the Board, and ensure that it undertakes all of its responsibilities as set out in POL's Articles of Association and Terms of Reference, Managing Public Money and the Corporate Governance Code. The Chair should set the tone from the top of POL in line with the Nolan Principles of Public Life and promote an effective and appropriate culture in both the Boardroom and the wider organisation.

Your responsibilities are to act in accordance with the highest standards of corporate governance, and are complemented by requirements and expectations of you by HM Government. Below is a list of some of the core governance expectations of UKGI regarding your duties as Chair encompassing both of these elements. This list is not intended to be exhaustive, and does not supplant any responsibilities set out in POL's governing documentation:

Set the Board's agenda

You should set POL's Board's agenda in good time ahead of a Board meeting. There should be sufficient visibility of items for forthcoming meetings to allow Board members, Executives, and stakeholders as necessary to prepare and engage with the Board. The agenda should focus upon POL's strategy and any policies as set by BEIS. In addition, the Board's agenda should interrogate POL's ongoing performance, culture, and value for money, all while being cognisant of its overall accountability to the Secretary of State, and ultimately, the taxpayer.

Encourage engagement from Board members

You should encourage Board members to engage with POL both within Board meetings, through active participation in discussions and decisions, and more widely. You should encourage Board members to join Board committees where they can add value. You should support Board members to contribute their expertise where relevant to POL on an ongoing basis. You should foster effective relationships based on trust, mutual respect, and open communication between Board members and the Executive team, both inside and outside of the Boardroom. You should monitor and manage conflicts of interest among Board members in order that the Board may function appropriately, in accordance with the conflicts of interest policies of BEIS and POL.

Foster relationships between the Board and stakeholders, including Government

You should be the principal point of contact between stakeholders and the Board. You should foster constructive relationships with all relevant stakeholders to POL,

including postmasters and staff. You should also maintain a constructive relationship with BEIS and UKGI in the course of your work.

Develop a strong working relationship with the Chief Executive

The relationship with the Chief Executive is key to the long-term success of POL. You should provide support and advice to the Chief Executive, while respecting their executive responsibility. You should work with the Chief Executive to consider the strength of the broader executive team. Under your leadership, the Board should consider executive succession planning on a regular basis.

Work with HM Government on the composition of the Board, and the appointment of new Board members

You should consider the composition of the Board in line with the requirements of POL on a continual basis, providing regular feedback to BEIS and UKGI as appropriate. You should work with BEIS and UKGI to consider appointments to the POL Board. You should engage in the appointment process as appropriate as per the agreed framework, and in compliance with rules or regulations governing appointments to POL Board. Diversity should be a key consideration of all appointments made by you.

Provide mentoring and an induction to new Board members

You should lead the induction to new Board members on behalf of POL. You should make sure new Board members are introduced to all relevant people both within POL and among stakeholders. This should be done in cooperation with BEIS and UKGI. The induction process should familiarise new Board members with POL and its overall governance framework.

You should encourage Board members to develop their knowledge and skills

You should continually consider the knowledge and skills that the Board requires to discharge its duties to POL, this should be considered in conjunction with UKGI. Where the Board would benefit from additional knowledge and skills, which can be met without the need to recruit new or additional Board members, you should encourage Board members to undertake relevant training and education where possible.

Lead the annual evaluation of the Board, which should be externally facilitated at least every three years

You should ensure that a review of the Board's effectiveness is undertaken on an annual basis. This should be facilitated by an external provider at least every three years. Where the evaluation is not externally facilitated, you should lead the process, gathering feedback from Board members regarding the Board's functioning. You should also consider how stakeholders, such as BEIS and UKGI, can input into the review, to provide comment upon the Board's effectiveness in engaging with Government and stakeholders. You should be responsible for overseeing the implementation of any recommendations arising from a review as necessary.

Evaluate the performance of non-executive Board members at least annually

You should undertake a review, at least annually, of the performance of non-executive Board members. This review should consider their contributions to the Board, and the value they add to POL. You should write these reviews and be

prepared to share them with BEIS and UKGI in an appropriate manner. A written review of performance may be necessary to support any reappointment decisions for Board members.

Be subject to an annual performance evaluation

You should engage with an evaluation of your performance on an annual basis. You should allow the Senior Independent Director to gather feedback on your performance from the perspective of Board members. BEIS and UKGI shall gather feedback from Government and other stakeholders. This will be collated by UKGI and provided to the Principal Accounting Officer in an appropriate manner. A written review of your performance may be necessary to support any reappointment decision.

For additional best practice guidance regarding the role of the Chair, see the “Guidance on Board Effectiveness” published by the Financial Reporting Council. This can be found [here](#).