

Call with Henry Staunton Post Office Chair.

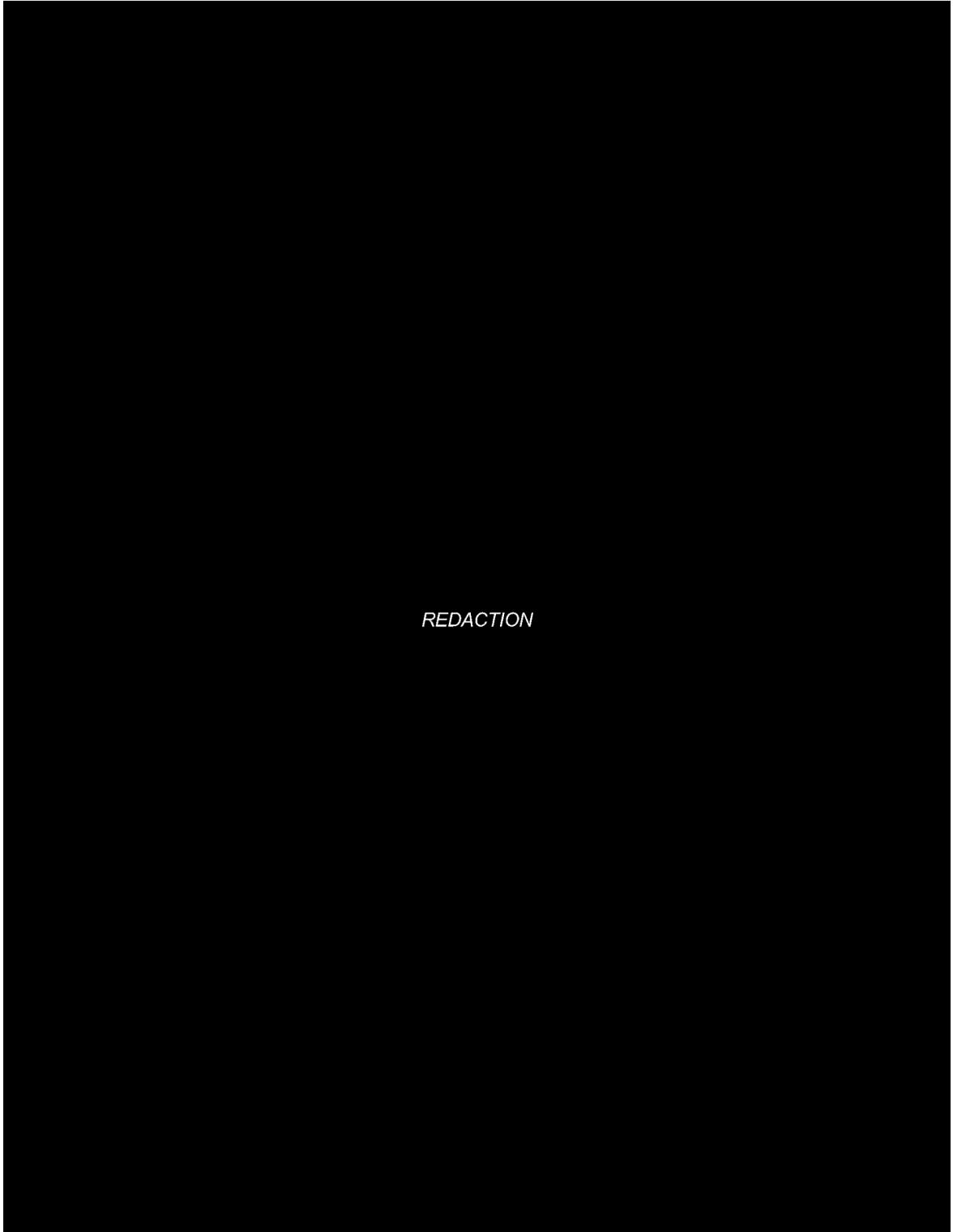
- Henry, I'm sorry to be speaking to you under these circumstances. I understand that given the increased media scrutiny at the moment, these are difficult times for the Post Office.
- I'm speaking to you today, to tell that you that the government, as sole shareholder, is exercising our power, under the company's Articles to remove you as Chair of the Post Office Board.
- Now more than ever the Post Office is rightfully under a heightened level of scrutiny. Culture in an organisation is set right at the top, and we, as Shareholder, have a duty to make sure the culture in today's Post Office is nothing like the Post Office of the past. This includes full investigation of whistleblowing allegations and fostering an environment of respect and openness, so colleagues feel able to speak up.
- Unfortunately, we understand that your behaviour regarding open whistleblowing investigations in Post Office has not met that standard. We understand that you have repeatedly put pressure on executive team members and other board members to stop whistleblowing investigations. We have heard this from multiple different parties who have expressed their concerns to us.
- This unacceptable in any circumstance, but particularly egregious in a Post Office context, of historic failings in respect of whistleblowing.
- In addition we understand your behaviour in the workplace has been disruptive to the Executive and not in keeping with standards expected of your position.
- Finally, we understand that you have displayed a disrespect for due process on governance matters such as the appointment process for the SID and other matters requiring approval by the Shareholder or HMT. Again a matter than is of particular concern in the sensitive operating environment of the Post Office, and its public subsidy.
- When you were appointed as Chair of the Post Office your Letter of Appointment set out the expectations of your role, and frankly the behaviour above does not meet those expectations.
- We will notify the Post Office of our decision immediately.

Background (not part of script)

1. On Monday 22 Jan, the Senior Independent Director (**SID**) of the Post Office Board telephoned DBT to express serious concerns about Mr Staunton's behaviour, and recommended to the Department that you remove him as Chair of the Post Office Board. UKGI and DBT officials share this view and agree with this recommendation.
2. The concerns raised by the SID include:
 - a. Repeated attempts by Mr Staunton to close down a whistleblowing investigation into his (and, the CEO's) conduct¹. This has included attempting to pressure both POL staff and Board members into ending the investigation, which the SID notes reflects a pattern of behaviour on Mr Staunton's behalf.
 - b. Aggressive, intimidating and disrespectful behaviour to other Board members and members of the Executive Team. This has resulted in written complaints from Executives to the CEO about the Chair's conduct and multiple verbal complaints to the Chief People Officer from different parties.
 - c. Continued poor understanding of the public sector operating environment and poor judgement of appropriate actions given the particular scrutiny that Post Office operates under. This has not improved over time despite senior UKGI and DBT staff seeking to assist him with this.
 - d. Disregard for due process on governance matters, including most recently announcing a new SID to the Board and seeking to close the ongoing public appointment process, without formal consultation with the Board, following Board processes, or seeking Shareholder approval.
 - e. Lack of constructive support to the CEO, who is under considerable pressure.
3. These concerns come before, and aside from, the conclusion of a whistleblowing investigation concerning his conduct (allegations of misogyny and racism). We expect the initial findings of that investigation this week. However, regardless of those findings, the view of the SID, RemCo Chair, UKGI and DBT officials is that we should require him to step down given the concerns set out above.
4. The concerns that have been raised would indicate conduct that is not in keeping with Mr Staunton's obligations under his Letter of Appointment (between POL

¹ The investigation is due to report in mid-Feb, though the allegations against Mr Staunton are likely to be substantiated or otherwise this week. There is no suggestion that the CEO has behaved improperly in response to the investigation.

and Mr Staunton dated September 2022, **LoA**) or POL's Articles of Association (**AoA**) (see below for further detail).



REDACTION

