

APPENDIX 1

The Historical Remediation Committee (HRC) is a Committee of the Company Board ("the Board") from which it derives its authority and to which it reports at each scheduled meeting. Its authority is always subject to the powers and duties of the Board, as set out in the Articles of Association.

A. PURPOSE

1. The purpose of the HRC is to:
 - i) Oversee the administration of the Historical Shortfall Scheme (HSS); consider the principles that underpin how HSS claims are assessed for the consideration of the HSS Independent Advisory Panel (IAP); oversee and consider as required claim outcomes recommended by the IAP (including those recommending offers of financial compensation); recommend to the Board decisions on precedent setting matters; and consider any other matters escalated to the HRC for decision;
 - ii) Oversee the administration of the Stamps Scheme;
 - iii) Decide, in accordance with decision making tools approved by the Board, the Company's stance on appeals to the Court of Appeal (Criminal Division), Scottish Court of Appeal and Crown Court of convictions where Post Office acted as prosecutor;
 - iv) Oversee the efforts made by Post Office to contact potential appellants to encourage them to apply to overturn their convictions, including where they were convicted by prosecutors other than Post Office;
 - v) Oversee the management of claims for compensation made by those who have had their historical convictions overturned; consider policies, parameters, and principles that underpin how claims are assessed; recommend to the Board decisions on precedent setting matters; and consider any matters escalated to the HRC for decision;
 - vi) Oversee the administration of providing financial compensation to Postmasters deemed to have suffered detriment as a result of with the review of historic and continuing Post Office business practices following the Post Office Group Litigation "Common Issues" and "Horizon Issues" judgments¹;
 - vii) Consider recommendations made by, and matters, observations and feedback arising from, the Post Office Horizon IT (POHIT) Inquiry in respect of matters relating to compensation and potential future appellants;
 - viii) Oversee the processes in place for the management of litigation costs across all workstreams and those sufficient resources are in place to support the management team and enable effective delivery;
 - ix) In all matters considered by the Committee, take an approach which is transparent, promotes fair outcomes for appellants and claimants overall, while representing Value for Money for taxpayers' money and safeguarding the reputation of Post Office Limited; and

¹ The Board retains oversight of the review of policies, processes and support previously provided to Postmasters to ensure previous and ongoing conformance with the "Common Issues" and "Horizon Issues" judgments

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- x) Address such other matters as may from time to time be delegated to it by the Board.

B. DUTIES AND RESPONSIBILITIES WITH REGARDS TO THE HISTORICAL SHORTFALL SCHEME (HSS)

2. **Review** and constructively challenge reports, management information and financial information from the Historical Matters Business Unit (HMBU) and Legal Team on the management (including discretionary decisions within delegated authorities) of the HSS and consider any recommendations and decisions sought.
3. **Review** and discuss inputs to and outcomes from the IAP on any matters requiring the Board's view or decision, following consultation with UKGI and the Shareholder².
4. **Approve for recommendation to the Board** HSS cases which have been escalated by the Historical Matters Committee (HMC) that have been deemed to be of particular complexity, public interest concern or financial consequence.
5. **Approve** HSS Interim Payments (including relating to Hardship) requests escalated by HMC.
6. **Approve** the principles and approach to be taken within the HSS to settlement offers which have been rejected by claimants, prior to their submission to the DBT SteerCo.
7. **Approve for recommendation to the Board** the IAP's Case Assessment Guidelines and significant changes to these guidelines, which set out the key applicable legal principles outlined in the HSS Terms of Reference and Consequential Loss Principles and Guidance.
8. **Approve for recommendation to the Board** the principles for the assessment of different cohorts of claims, which are intended to assist the consistent treatment of cases by the IAP, in consultation with UKGI and the Shareholder, before final submission to the DBT SteerCo for approval.
9. **Approve for recommendation to the Board** HSS decisions which materially affect scheme cost and/or timetable or (in the discretion of HRC) set significant principles or establish significant precedent for how different types of claim may be assessed (e.g. quantified, part-quantified, unquantified, shortfall only, consequential losses), and how those claims may be treated within a settlement offer, prior to their submission to the DBT SteerCo and the IAP.
10. **Approve for recommendation to the Board** any significant changes to the HSS or IAP Terms of Reference, prior to their submission to the DBT SteerCo.

² A POL / DBT HSS Operations Agreement is in place, and this sets out HMG approval points during the HSS process. A DBT SteerCo for the HSS has also been established.

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11. **Escalate to the Board** any issue which the HRC considers requires the attention of the Board.

C. DUTIES AND RESPONSIBILITIES WITH REGARDS TO THE STAMPS SCHEME

12. **Review** and constructively challenge reports, management information and financial information from the Historical Matters Business Unit (HMBU) and Legal Team on the management of the HSS and consider any recommendations and decisions sought.
13. **Approve** the principles that underpin how Stamps Scheme claims are assessed.
14. **Approve** decisions which establish a precedent for how other Stamps Scheme claims may be treated, and any other cases escalated at the discretion of HMC.

D. DUTIES AND RESPONSIBILITIES WITH REGARDS TO CRIMINAL CASE APPEALS INCLUDING POTENTIAL APPELLANTS, COURT OF APPEAL AND CROWN COURT CASES

15. **Review** and constructively challenge reports, management information and financial information from the Historical Matters Business Unit and Legal Team on the management of cases from Potential Future Appellants (PFAs) received by the Court of Appeal, Scottish Court of Appeal or referred to the Crown Court by the Criminal Cases Review Commission (CCRC) and consider any recommendations or decisions sought.
16. **Review** and constructively challenge the reports, management information and financial information from the Historical Matters Business Unit and Legal Team on the approach to contacting PFAs to encourage them to apply to set aside their convictions, including PFAs who were prosecuted by other agencies.
17. **Approve** stance on cases or refer cases to the Board for decision on stance in accordance with the decision-making tools approved by the Board.
18. **Approve** procedural steps, correspondence and submissions in appeal proceedings as required.
19. **Approve for recommendation to the Board** any changes to the decision-making tools which guide how the stance on cases will be decided.

E. DUTIES AND RESPONSIBILITIES WITH REGARDS TO THE ESTABLISHMENT OF COMPENSATION ARRANGEMENTS FOR OVERTURNED CRIMINAL CASES AND CIVIL CASES

20. **Review** and constructively challenge reports from the Historical Matters Business Unit and Legal Team on legal, financial and operational advice on managing claims for compensation made against the Company by those who have convictions overturned.
21. **Approve** proposed policy / principles prior to submission to DBT and 3rd party claimant representatives.

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22. **Approve for recommendation to the Board** the policy / principles or parameters within which HRC may approve compensation offers and / or payments, including the extent to which POL Board and DBT / UKGI approval may first be required.
23. **Approve** decisions on compensation offers and / or payments which fall within the policy / principles or parameters approved by the Board, from time to time, prior to their submission to DBT when required.
24. **Approve for recommendation to the Board** decisions which fall outside the policy / principles or parameters within which HRC may make compensation offers and / or payments, prior to their submission to DBT.
25. **Approve for recommendation to the Board** Interim Payment requests that have been escalated by HMC that are deemed to be of particular complexity, public interest concern or financial consequence.
26. **Escalate to the Board** any issue which the HRC considers requires the attention of the Board.

F. DUTIES AND RESPONSIBILITIES WITH REGARD TO THE ADMINISTRATION OF FINANCIAL COMPENSATION to Postmasters deemed to have suffered detriment as a result of with the review of historic and continuing Post Office business practices following **THE COMMON ISSUES AND HORIZON ISSUES JUDGMENTS**

27. **Review** and constructively challenge reports, management information and financial information from the Historical Matters Business Unit, Legal Team and Post Office Limited BAU on work to establish compensation schemes to provide compensation for detriment identified.
28. **Approve for recommendation to the Board** decisions on the establishment of schemes to provide compensation where there has been Postmaster Detriment.
29. **Approve** policy / principles and or parameters within which HMC may make decisions on compensation offers and or payments where there has been Postmaster Detriment.
30. **Review** decisions on aspects of claims such as consequential loss claims, prior to their submission to DBT/UKGI.

G. REPORTING RESPONSIBILITIES/ INFORMATION SHARING/ GOVERNANCE

31. The Committee Chair shall **report** to each scheduled Board meeting on the nature and content of the Committee's discussion, recommendations and action to be taken.
32. **Report** to the Board whatever recommendations it deems appropriate on any area within its remit where action or improvement is needed.
33. **Report** on its activities in the Company's annual report describing the work of the Committee.

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- 34. **Approve** any changes proposed to the delegated authority to the Historical Matters Committee.
- 35. **Approve** any changes proposed to the Historical Matters Committee Terms of Reference.

H. AUTHORITY

- 36. The Committee shall have authority to appoint to obtain, at the Company's expense, legal or other professional advice on matters within its terms of reference as required, up to a financial limit determined by the Board.

I. COMPOSITION AND GOVERNANCE

Membership

- 37. The Committee Chair and members of the Committee will be appointed by the Board, acting on the recommendation of the Nominations Committee.
- 38. In the absence of the Chair of the Committee at any meeting, the Committee members present shall determine who shall chair the meeting.
- 39. It shall consist of at least three members, including at least two independent non-executive directors and the DBT Shareholder Representative.

Quorum

- 40. The quorum necessary for the transaction of business shall be two members.

Committee Secretary

- 41. The Company Secretary, or his or her nominee, shall act as Secretary to the Committee and shall attend all meetings to keep minutes and record actions.

Frequency

- 42. The Committee shall meet as often as required but at least 12 times per year.

Governance

- 43. Meetings may be held in person or by telephone or other electronic means, so long as all participants can contribute to the meeting simultaneously.
- 44. Notice of each meeting shall be given to all those entitled to participate at least two working days before the meeting.
- 45. Meetings for the Committee may be convened by the Secretary in consultation with the Chair, or by any member of the Committee, at any time. The Secretary will be responsible for setting the venue date and time of meetings in conjunction with the Chair. All papers supporting the meeting will be issued not less than 2 days in advance of the meeting date.
- 46. Minutes of each meeting will be circulated to all members of the Committee.

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47. The Committee Secretary shall provide current and new Committee members with any training, briefings or induction required under the supervision of the Chair.
48. Only members of the Committee have the right to attend Committee meetings. Others may be invited by the Chair to attend all or part of any meeting, as and when appropriate.
49. The Committee shall have access to sufficient executive time and resources in order to carry on its duties, including access to the Company Secretariat.
50. If there should be disagreement between the Committee and the full Board, the Chairman of the Board shall make time available for discussion of the issue so that the matter may be resolved.

J. ANNUAL REVIEW AND APPROVAL

51. The Committee will undertake an annual review of its performance and the Terms of Reference. The outcome of these reviews will be recommended to the Board for approval (notwithstanding amendments approved by the Board whenever so required).

Approved by:	Date:	Version:	Effective from:
Post Office Limited Board	06/06/2023	1.0	06/06/2023