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7 December 2023

Kevin Hollinrake MP  
Parliamentary Under Secretary of State  
Department of Business and Trade  
Old Admiralty Building  
Admiralty Place  
London  
SW1A 2DY

Dear Minister

### **Senior Independent Director Recruitment - Post Office Limited**

Our current SID, Ben Tidswell, is due to step down from the Board on 26 July 2024, when his term expires. Ben is currently the Chair of the Remediation Committee, a member of the Remuneration and Nominations Committees and he is also the Senior Independent Director (SID).

I am writing, therefore, to seek Shareholder consent to commence an appointment process for a new SID to join the Post Office Board to fill the vacancy that will arise on Ben's departure. Shareholder consent is sought for:

- the proposed SID role description and associated fees (see **appendix 1**);
- the proposed recruitment process and timetable (see **appendix 2**);
- the constitution of an interview panel that will comprise myself, Lorna Gratton, the Shareholder representative, Saf Ismail, one of our Postmaster NEDs, and an independent assessor (sourced with the support of UKGI); and
- the appointment of an external agency to support the search.

### **Role description and fees**

The role description is attached at **appendix 1** and reflects discussions I held with the Directors to inform our search. In summary, there was an overall consensus that the SID should be an external appointment and it is proposed that the search should be open to candidates from a wide range of backgrounds, whether from within the corporate or commercial sector, and that public sector experience gained

at Executive or Non-Executive Director level would be of value. The skills and competencies we are seeking will complement the skills mix on the Board, ensuring we continue to have a capable and diverse set of backgrounds and experience from which we can draw as the Post Office delivers against its strategic priorities and as it balances remediating for past failures and driving forward transformation and change.

It is proposed that the appointment should be for an initial term of three years and the remuneration should be £35,000 per annum for the NED role, with an additional fee of £5,000 per annum for the SID role; these fees are in line with the current agreed levels.

### **Appointment process**

The proposed appointment process for the new SID is attached at **appendix 2**; it follows the approach agreed previously and reflects the requirements of the Governance Code on Public Appointments, which while not formally applicable to Post Office, we use as our reference guide.

In line with the 2018 UK Corporate Governance Code, and the expressed desire and commitment of the Directors, the appointment process will be rigorous, transparent and based on objective criteria. The appointment will be on merit from a search that will promote diversity of gender, social and ethnic backgrounds as well as cognitive and personal strengths.

The timetable anticipates that we will seek Shareholder consent to the appointment of the preferred candidate in May 2024, with a start date in June or July 2024, after completion of all necessary due diligence and vetting checks.

### **Executive Search agency**

It is proposed that the search is supported by specialist external recruitment provider, Gatenby Sanderson. As a provider on the Crown Commercial Services Framework, POL is able to make a direct award of contract, the terms of which will be standard. Gatenby Sanderson has a proven track record in Non-Executive Director recruitment, both in the public and private sector and know POL and the Shareholder well, having supported previous Non-Executive Director recruitment successfully. Importantly, we are confident that Gatenby Sanderson is able meet our brief to attract a diverse range of candidates.

### **Composition of the Board**

I will be writing separately in relation to the recruitment of our next Postmaster Non-Executive Directors which, by the nature of that recruitment, will be subject to a discrete process and for which there are particular timing considerations. That said, we will maintain oversight across both processes to ensure we manage the dependencies, as necessary. This includes the timing of the ultimate appointments and the implications, among other things, for onboarding and for assigning membership across our different Board Sub-Committees.

I look forward to hearing from you.

Yours sincerely

The logo consists of the letters "GRO" in a bold, black, sans-serif font. The letters are enclosed within a rectangular border made of small, evenly spaced dots.

Henry Staunton  
**Chairman**  
**Post Office Limited**

## Appendix 1

### Senior Independent Non-Executive Director Job Description

**Job Title:** Non-Executive Director

**Base Pay:** £40k

**Department:** Non-Executive Directors (NEDS)

**Hours:**

**Reports to:** Chairman

#### Background

With over 11,500 branches, Post Office has the biggest retail network in the UK. 99.7% of the population live within three miles of a Post Office and 4,000 branches are open seven days a week. It is looking to modernise and transform its operations to keep pace with changing consumer preferences.

Post Office's public ownership is founded on its social purpose and the requirement to maintain its network of branches. Post Office Limited is wholly owned by the Secretary of State for the Department of Business and Trade who holds a special share in the Company.

The majority of its branches are run in partnership with retail partners on a franchise basis. It plays a key role in communities, often as a central hub for towns and villages, supporting local economies and small businesses and providing access to essential services and a meaningful source of social interaction, to more vulnerable members of society.

Post Office offers a vast range of products and services, but it is simplifying its customer proposition with a focus on its cash and banking; mails and parcels; foreign exchange; and bill payment services.

Post Office plays a key role on the high street, with research indicating that visits to the Post Office help drive another 400 million visitors to other shops, restaurants and local businesses. This adds up to an estimated £1.1 billion in additional revenue for High Street businesses.

Post Office is working to resolve past failures and fundamentally reform its culture, practices and operating procedures, and forge an open and transparent relationship with the thousands of Postmasters providing customers with vital services in the UK's communities.

Transformation is critical to the Post Office's future. You will join us during a hugely ambitious challenge to reshape our services in the face of rapid and fundamental shifts in consumer and business behaviour. We are under no illusions on the scale of this challenge, but see huge opportunity to evolve built on the foundation of our rich history. It is the only retailer with a presence in each nation and every community across the UK and it needs to adapt its branch network to



reflect the way people live their lives today. Prioritising strong and trusting relationships with all Postmasters will be critical to this.

Post Office is growing its network, making sure it has the right branches in the right locations nationwide. It is innovating in Mails, working with more carriers and delivering more of what customers want and small businesses need.

The Post Office's Everyday Banking services in partnership with over 30 banks, building societies and credit unions mean that 99% of customers can access their High Street bank account securely and conveniently over the counter at their local Post Office for cash withdrawals, deposits and balance enquiries. Post Office is also committed to safeguarding 1,400 free-to-use ATMs across the UK, helping anyone who wants cash to get it which ever way is most convenient.

Post Office aims to secure free, convenient and reliable access to cash in every community. It will build commercial partnerships to launch new products and services in branches and online. It will invest in new branch technology for Postmasters and online for their customers. And it will bring value for the Government Shareholder with a successful, profitable and efficient business.

### The Board

The Post Office Board currently consists of the Chair, five independent Non-Executive Directors, two Postmaster representative Non-Executive Directors, a Shareholder appointed Non-Executive Director, a Chief Executive Officer and a Chief Finance Officer.

(Insert Bios)

### Main Duties and Responsibilities

The primary role of the Senior Independent Non-Executive Director will be to:

- Demonstrate commitment to Post Office's role as a commercial business that delivers a social purpose and is seeking to build a modern franchise in partnership with its Postmasters and multiple partners.
- Participate in the development of Post Office's strategy and oversee its implementation.
- Contribute positively to the Board's discussions and decision-making, applying intellectual rigour, displaying good judgement, considering the impact of decisions on different stakeholders and providing constructive challenge and support to management.
- Bring knowledge, experience and expertise to shape how the business develops
- Provide oversight of and receive assurance on the operation of the business, its compliance with law and regulation, risk management and internal controls
- Provide leadership on the values and culture the company seeks to promote, including its engagement with Postmasters, customers, employees, suppliers and shareholder.
- Monitor the performance of management in meeting agreed targets and objectives.

- Demonstrate high standards of integrity and behaviour expected of a director of a government owned company (with reference to the guidance on roles, expectations and responsibilities for public body Non-Executive Directors: <https://www.gov.uk/government/collections/public-bodies-non-executive-directors-principles-and-standards> - which includes the 7 Principles of Public Life: <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>).

### Experience and Background

The Post Office is committed to having a well-rounded Board that reflects society. We encourage candidates who can share varied perspectives that will bring insights and experiences to the Board, so we are best able to meet the changing needs of our customers, Postmasters and Shareholder.

Ideally, candidates will have:

- A successful track record and experience in at least one of the following disciplines:
  - HR and organisational development.
  - Transformational change.
  - Data, digital, technology, cyber and systems development.
  - Commercial.
  - Diversity and Inclusion.
  - Finance.
- A demonstrable understanding of the central government environment, gained through a close working relationship with the sector, previous Non-Executive and Board level experience, or as a senior leader within an executive capacity.
- A strong track record and experience of operating successfully as a Non-Executive Director, with a sound appreciation of effective governance and a demonstrable track record of influencing transformational change.
- A commercially focussed outlook together with a commitment to delivering Post Office's social purpose and alignment to our values.
- Strong analytical skills, resilience and enthusiasm, as these will be critical to supporting the development of a modern franchise in partnership with our Postmasters and multiple partners.

## Appendix 2

### Recruitment process and timeline:

	Action	Internal POL support	POL NomCo	POL Board	DBT/ Shareholder	Timing
1.	Agree NED/SID role description and appointment process (including appointment of the search agency and members and remit of Interview Panel) for recommendation to the Shareholder.	Co Sec / People	✓			28 November 2023
2.	Make application to the Shareholder for approval of the role description and appointment process.	Co Sec			✓ consent required	By 7 December 2023
3.	Receipt of Shareholder approval.	Co Sec				By 12 December 2023
4.	Hold kick-off meeting with search agency.	People				January 2023
5.	Commence advertising period.	People				January 2023
6.	Search agency to undertake search. At conclusion of advertising period draw up longlist and shortlist. Settle shortlist.	People				February to March 2023
7.	Search agency to conduct due diligence on shortlisted candidates in line with Shareholder's requirements.	People				March 2023



8.	POL's Group General Counsel to undertake review of shortlisted candidates CVs to assess for conflicts.	GC/ Co Sec / People				March 2023
9.	Interview Panel to conduct interviews with the shortlisted candidates.					March to April 2023
10.	Interview Panel to make determination as to preferred candidate.	People				April 2023
11.	Seek written consent/approval to the proposed appointment of the preferred candidate.	Co Sec	✓	✓	✓ Prior consent required	May 2023
6.	Undertake POL due diligence/vetting checks.	Co Sec				May to June 2023
7.	Issue letter of appointment, start on-boarding process and arrange induction programme.	Co Sec				May to June 2023
8.	New NED to observe/attend first Board.					June/July 2023