



POST OFFICE LIMITED BOARD REPORT

Title:	Grant Thornton Corporate Governance Recommendations	Meeting Date:	8 July 2024
Author:	Rachel Scarrabelotti, Group Company Secretary	Sponsor:	Chair

Input Sought: Noting, Discussion and Approval

Board is asked to:

- (i) **Note** the Corporate Governance recommendations made by Grant Thornton (GT) in the GT Governance Review and the GT Board Effectiveness Review;
- (ii) **Note** the draft Actions Tracker prepared in respect of the recommendations, contained at Appendix 1;
- (iii) **Discuss** which of the recommendations the Board proposes for adoption along with how these will be prioritised and timeframes for implementation; and
- (iv) **Approve** the recommendations the Board wishes to adopt along with delegating certain of these to the Audit, Risk and Compliance Committee and the Nominations Committee for oversight.

Report

1. GT issued final versions of the GT Governance Review and the GT Board Effectiveness Review on 25 June 2024 (together 'the Reports'). The Reports assess the effectiveness of POL's Enterprise and Operational Governance structures and processes.
2. The report contains a number of strategic recommendations designed to enable POL to continue its journey towards creating value rather than merely preserving it. Some recommendations are within POL's control, while others are subject to Shareholder approval / buy-in. The Board is asked to consider which of these recommendations can / should be taken forward now, at a more appropriate time in the future, or are recommendations the Board does not support the adoption of. In summary, the recommendations contained in the Reports relate to:
 - Resetting the relationship with the Shareholder regarding roles, responsibilities and authority, in order to provide greater clarity on accountability and improve the pace of decision-making.
 - Producing a long-term vision and strategy for POL which goes beyond the funding period, is understood and supported by all stakeholders, and has unifying financial and non-financial metrics which define the ambition and allow the strategy realisation to be tracked.
 - With this strategy settled (which would include a long-term ownership model ambition), that POL explores with its Shareholder the optimal corporate governance structure to enable effective strategic execution.
3. GT believes that addressing the lack of clear vision on the purpose of POL, objectives and relationship with the Shareholder, and its influence over the day to day running of the business, are the most fundamental issues which influence the effectiveness of governance, clarity on roles and responsibilities and pace of decision-making within POL.
4. The report also includes a series of more tactical recommendations which sit below Board to take forward. Some are dependant upon the Strategic Review conclusions but others do not have dependencies and can be taken forward now.



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5. Appendix 1 includes a table which sets out GT's Corporate Governance recommendations taken from the Reports along with an initial assessment of actions already in train, and a view of where ownership may sit.

A session is scheduled with GT as part of the Board Away Day on 8 July 2024. It may be that the Board wishes to have the benefit of the recommendations being presented to the Board by GT at that session, ahead of making any decisions as to which recommendations are adopted. The session with GT could also be used to explore actions that could be taken as against the recommendations and or obtain GT's view on the effectiveness of actions already taken.



Appendix 1