

Witness Name: Veronica Branton

Statement No.: WITN11420100

Dated: 04 September 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF VERONICA JANE BRANTON

I, **VERONICA JANE BRANTON**, will say as follows:

INTRODUCTION

1. I am a former employee of Post Office Limited (**POL**). I held the position of Head of Secretariat between 2nd February 2018 and 31st May 2019. I was interim Company Secretary from 1st June 2019 to 25th July 2019. I was Company Secretary from 26th July 2019 to 9th March 2022. My final day of employment at POL was on or around 2nd March 2022.
2. This witness statement is made to assist the Post Office Horizon IT Inquiry (the **"Inquiry"**) with the matters set out in the Rule 9 Request dated 1st July 2024 (the **"Request"**). I have been assisted in the preparation of this statement by Russell-Cooke LLP. In accordance with the Request this statement will cover the following topics:

- a) Professional background
 - b) Experience on the POL Board
 - c) Departure from the POL Board
 - d) Key events: The Times article dated 19th February 2024
 - e) General comments
3. First, I would like to say how sorry I am for the severe suffering and damage caused to so many Subpostmasters, their family and friends arising from reliance on the Horizon IT system and the actions of POL and others to prosecute and pursue innocent people.
4. In order to respond to the Inquiry's questions as set out in the Request, I have relied upon my recollection of events which took place more than two to six years ago. I did not retain copies of any documentation from my time at POL, nor did I have any access to my former POL emails since I left POL. For the purposes of preparing this witness statement I made requests to POL for disclosure of material and emails which might assist me with my recollection of events and which in turn might also assist the Inquiry. The POL team have cooperated with my requests, and in response to which between the 14th - 28th August 2024, I have been provided with copies of over 62,000 documents. In the limited time available to me I have tried to identify, review and refer to relevant material which has been made available to me and which may assist the Inquiry. However, it has simply not been possible for me to review this volume of material and so where there remain any gaps in my knowledge or

recollection of events, I have sought to identify them within his statement.

PROFESSIONAL BACKGROUND

5. I have been asked: ***"Please summarise your educational and professional qualifications"***.
6. I am a history graduate (BA (Hons), Medieval and Modern History, Royal Holloway, University of London, 1992) and have a postgraduate diploma in Urban History (University of Leicester, 1993).
7. In respect of my professional qualifications, I can confirm I graduated with an MSc in corporate governance from Bournemouth University in 2006 I have been an associate of the Chartered Governance Institute since December 2006. I have a practitioner certificate in data protection (January 2012).
8. I have been asked: ***"Please summarise your career background and your appointment to POL as Company Secretary (including relevant dates)."***
9. Before being employed by POL I worked in a number of administrative and governance roles at a medical school and for a number of professional bodies between 1994 and 2005 (Senior Registry Assistant, Kings College School of Medicine and Dentistry, March 1994 – February 1998. Committee Secretary, British Dental Association, March 1998 – January 2001. Deputy Pensions Practice Manager, Institute of Actuaries, February 2001 - November 2003. Manager Joint Council for Qualifications, November 2003 – November 2005). I became the Board Secretary at the Pension Protection Fund in November 2005 and stayed in that role until December 2012 when I moved to become the

Corporation Secretary at the National Employment Savings Trust until January 2017. I then had a career break for a year and when I came back to the UK I took an interim role at the Institute of Actuaries during January and February 2018.

10. I was appointed as Head of Secretariat at POL on 2nd February 2018. At that time Jane McLeod was both General Counsel and Company Secretary but when she left at the end of May 2019 the roles were separated. The appointment to the Company Secretary role needed to be approved by POL's Board so I was Interim Company Secretary from the 1st June 2019 until formally appointed on 26th July 2019. I ceased to be Company Secretary on 9th March 2022 and my final day of employment at POL was 2nd March 2022.
11. While I was Company Secretary, my main responsibilities were to lead the secretariat team in providing administrative and governance support to the POL's main board and committees, to its senior executive committees (the Group Executive Committee and the Risk and Compliance Committee) and to its subsidiary and joint venture companies (Post Office Insurance, Payzone and FRES). This encompassed drafting forward plans and agendas for boards and committees, providing governance support and advice to colleagues, reviewing and publishing board and committee packs, drafting minutes, action points and following up on action points. The role also involved support for non-executive appointment processes, onboarding and induction. I was responsible for maintaining and proposing changes to the governance framework where required, for example, where there were changes to the UK Corporate Governance Code. The governance framework included terms of

reference, matters reserved to the Board, delegated authorities and governance reporting. The role of Company Secretary also involved ensuring that the required Companies House filings were made and that other governance requirements such as annual board and committee effectiveness reviews were carried out, having first taken proposals to the Nominations Committee. The secretariat team also managed the contract approval process to make sure that the required approvals had been retained before an authorised signatory signed a contract and that a register of contracts was maintained.

12. Since leaving POL, I have been employed as Corporation Secretary at Ofcom, starting in that role on 28th March 2022. I work full time.
13. I have been asked: ***“Please summarise your understanding of and experience with the Horizon IT system.”***
14. My understanding and experience of the Horizon IT system is limited. My general understanding of the Horizon IT system from discussions I heard at POL Board and Committee meetings is, and at all relevant times was, that it is an electronic point of sale (EPOS) system which is commonly used in retail businesses to process and record sales and track inventory, also allowing reports to be produced from the data held. I understand that there was a legacy Horizon IT system (2000 - 2010), a Horizon IT system known as HNG-X (2010 - 2017) and the present day Horizon IT system.
15. I did not receive any briefings on using the Horizon IT system and did not have any direct experience of using the Horizon IT system or of seeing how it worked

in practice, as using the system or understanding in any detail how it worked, was not necessary for my role at POL. The Horizon IT system operated in the individual post office branches, not in the Secretariat Team where I worked. Every employee at POL is asked to do some 'branch days', usually in the busy period at Christmas, to help out. I never used the Horizon IT system during my branch helper days.

EXPERIENCE ON THE POL BOARD

16. I have been asked: ***"Please summarise the nature of any training and induction that you received prior to, or on your appointment as, POL's Company Secretary"***.
17. After I joined POL as Head of Secretariat on 2nd February 2018, I took part in an induction programme around February to March 2018. This included introductory meetings with members of the Executive Team (the **"Group Executive"**) to begin to understand their roles and how these interacted with POL's governance function. Around this time, I also had meetings with Jane MacLeod, General Counsel and Company Secretary, who was my line manager and with individuals who were her direct reports to get to know them and understand their areas of work. I had meetings with my new team which was responsible for providing POL's secretariat function, including with the interim Head of Secretariat. These meetings were to allow me to get to know the most relevant individuals for my job and to learn what their jobs involved. I cannot remember whether I received written induction materials but I would assume that materials of some sort were produced. From my recollection of

my induction, I do not think that there was anything missing ~~that~~ I would have expected to be provided.

18. I did not receive further training or induction when I became Interim Company Secretary or Company Secretary, but I had by June 2019, been at POL for more than a year and had acquired a good working knowledge of information relevant to the role. I knew how the Board and Committee functions were organised and the secretariat requirements of each group.
19. I have been asked: ***“Please set out your reflections on the quality and completeness of any training and induction that you received”.***
20. The induction I received when I started as Head of Secretariat on 21st February 2018 was in line with what I would expect to happen when starting in a new governance role. I met the key people I would be working with day-to-day and also those who were with members of the Group Executive Committee (typically the direct reports of the Chief Executive Officer (CEO)) and others who were likely to present items to either the Group Executive Committee or the Board.
21. On reflection, ideally, I would have had some form of further induction when I became Company Secretary to make sure that there were no elements of the role of which I was unaware from my time as the Head of Secretariat. However, Jane MacLeod had left POL at fairly short notice which may have affected the opportunity for me being given any further form of induction. As noted in paragraph 17, I cannot recollect the content of any written induction materials I received but I would assume that some materials were produced.

22. In my experience inductions are never complete in the sense that they only tend to cover the ground necessary to get started. The quality was, so far as I recall, reasonable and what I would have expected. I did not receive any special induction focussed on particular problems with which POL was grappling but I would not criticise that, given the nature of my role.
23. I have been asked: ***"What briefings, if any, did you receive on the issues addressed by the Inquiry, such as the Horizon IT system, the prosecution of SPMs and the Group Litigation Order (GLO) before or on joining POL? If you received any such briefings, please provide details of the briefing received and reflect on their quality."***
24. To the best of my memory, I did not receive any specific briefings on the issues addressed by the Inquiry before or at the time of joining POL or immediately having joined POL. It is quite likely however, that my manager (Jane Macleod, the General Counsel & Company Secretary) will have mentioned these issues at an early meeting.
25. As Head of Secretariat, I normally attended Board meetings to take minutes, unless absent for any reason. I did not know about the GLO before I started at POL. My recollection is that the appointment process for Head of Secretariat had quite a compressed timeline for interviews, and in my preparation for interview I had focussed on what was publicly available on the corporate governance of POL.
26. From a review of copies of some of the Board minutes from my employment with POL, I can see that the first meeting of the Board I attended was on 27th

March 2018. I am recorded as in attendance as “Minute Secretary”. From these minutes I can see that the “Postmaster Litigation” was an agenda item and that the Board resolved at this meeting to approve the terms of reference for the Postmaster Litigation Subcommittee (the **Litigation Subcommittee**). My understanding of the issues now addressed by the Inquiry, though 2018 and the early part of 2019, came largely through listening to discussions at monthly ordinary Board meetings and ad hoc Litigation Subcommittee meetings together with any documents provided for these meetings.

27. My understanding of the discussions is reflected in the minutes of these meetings.
28. As noted in my response at paragraph 15 above, I do not recall receiving any briefings on the Horizon IT system or other matters being addressed by the Inquiry and therefore I am unable to comment on quality.
29. I have been asked: ***“Please set out the process by which matters were raised on the agenda for Board meetings”***
30. I stood down from as Company Secretary of POL on 9th March 2022 and left POL on or around 21st March 2022, so my answer to this and other questions reflects my recollection of the position at this time, drawing on a number of documents from my time at POL, which I have recently reviewed in order to refresh my memory and to assist in verifying my recollections.
31. When I left POL in March 2022, the Secretariat Team maintained a ‘Forward Plan’, which was included in each of the ordinary Board meeting packs and

listed as an item on Board agendas for ordinary meetings. I can see from the Board agendas and minutes that I have reviewed for the purposes of this statement, that the Forward Plan is referred to on the agendas as "*Forward Agenda*", but the document itself within the Board packs is headed *Board Governance Map & Forward Plan*". My recollection is that the Secretariat Team and I had produced this form of more detailed Forward Plan following a recommendation made in the externally facilitated Board evaluation presented to the Board in March 2021 (further details of which are provided in paragraph 54 below).

32. Board members could ask about items on the Forward Plan and request additions to the agenda either at the meeting or between meetings. For the Board, there were quite a number of standing agenda items such as the CEO's report and financial and management information. There were a number of cyclical items such as the Annual Report and Accounts, the Network Report and the Business Plan. The Network Report had to be laid in Parliament each year and included information on the number and location of post offices, the services provided and the accessibility of these services to users, particularly those in rural areas or who might be at risk of exclusion from the services provided at post offices etc.

33. As Company Secretary I would typically have a Board agenda planning meeting or discussion with the CEO, Nick Read, each month with input as required from other members of his Group Executive team, (generally comprising his direct reports) who would often be presenting agenda items to the Board. When I was Head of Secretariat, the process was similar but also

involved the then General Counsel and Company Secretary, Jane McLeod, and the then CEO, Paula Vennells.

34. From recollection, draft Board agendas and papers were discussed at a Group Executive Committee meeting each month and also via email correspondence. By way of example, email correspondence from 6th – 7th February 2020, in relation to Group Executive and Board agendas for February and March 2020 is provided with this Witness Statement (**POL00155484**). The POL Chairman, Tim Parker, and the CEO, Nick Read, had regular 1-2-1 meetings and would discuss the shape of the Board agenda and particular agenda items in these meetings. I did not attend these meetings. Tim or Nick would feed back to me if anything from their discussions meant that changes were required to a Board agenda.
35. I would seek formal approval from the Chairman, Tim Parker, of the final draft of the Board agenda before this and the Board papers were finished and published (usually referred to as the Board 'pack' for each meeting). By published, I am referring to them being in final form and made available to the Board directors on the secure electronic board portal. For ordinary Board meetings this would normally be a week in advance of the meeting and Board directors would be advised of any late papers or late additions to the agenda if they were added after the Board pack had been published. An example of an email, dated 25th July 2019, from me to Board directors notifying them of publication of papers is provided with this Witness Statement (**POL00103616**).
36. I have been asked: ***"Please explain the process by which it is decided what***

information is provided to the Board in advance of Board meetings. To what extent do you consider the amount of information provided to the board was sufficient?

37. I have set out at paragraphs 31 to 35 above, the process by which Board agendas were set when I was at POL.
38. Neither my role as Head of Secretariat or Company Secretary involved me making decisions as to the priority to be given to particular items of business or whether or not they should be included within agendas. Although, as explained in paragraph 31, my team and I maintained Forward Plans and made sure that items on the Forward Plan were included on agendas. I regarded decisions on the priority to be given to particular items of business or whether or not they should be included on agendas as essentially the function of the Chairman with input from the CEO. My role in relation to the setting of agendas was to make sure that the Forward Plan for agendas was maintained, agendas were drafted and revised as required, papers were commissioned with advice and guidance provided to colleagues where sought, and that the final agenda was approved by the Chairman before it and the associated papers were published.
39. For ordinary Board meetings, the normal rule was that the agenda and papers were provided to the Board a week in advance of the meeting via a secure board portal. The ordinary Board meetings covered the full range of POL business areas and the Board packs for these meetings were lengthy. In the event that there were late papers, as explained in paragraph 35 above, they

would be published and notified to the Board directors as soon as they were available.

40. Non-executive directors ("**NEDs**") on the Board would quite often have informal discussions with the executive lead on a particular agenda item where their area/s of expertise or interest could help inform the topic/s and any recommendations being brought to the Board. A full discussion of the issue would be held at the Board meeting but it was considered that early engagement on certain matters could improve the likelihood of both sufficient information and the right information being provided to the Board to allow the Board to have discussions and reach an informed decision during the meeting.
41. When the Board started to meet more frequently, it was not always possible for the agendas and papers to be published a week in advance of the meeting date. From recollection, at times the Board met weekly, such was the need for them to deal with urgent business, often concerning the matters covered by the Inquiry. In these circumstances, the agenda and papers for these additional weekly Board meetings, might only be published and circulated a day or two in advance of the additional Board meeting.
42. For the purposes of this statement, I have looked at the POL Annual Report & Consolidated Financial Statements 2019/20 (**POL00363150**). I can see from this document that during 2019/20 the Board met 13 times, including additional meetings held either in person or by telephone. There were 8 ordinary Board meetings and 5 additional Board meetings.

43. I have looked at the POL Annual Report & Consolidated Financial Statements

2020/21 (**POL00363149**). I can see from this document that during 2020/21 the Board met 52 times, including additional meetings held either in person or virtually. There were 10 ordinary Board meetings, and 42 additional board meetings.

44. I have also looked at the POL Annual Report & Consolidated Financial Statements for 2021/22 (**RLIT0000331**), and can see that during that year the Board met 33 times, including 9 ordinary Board meetings and 24 additional board meetings.

45. The Annual Report and Consolidated Financial Statements also record the number of times the Board's Committees met, including the Audit Risk and Compliance Committee, the Nominations Committee, the Remuneration Committee, the Litigation Subcommittee and in 2021/22 the Historical Remediation Committee (later called the **Remediation Committee**) which was set up to deal with those matters which are the focus of the Inquiry. However, where a decision was required that could establish a precedent or principles which would be applied to future decisions those matters would be escalated to the Board for decision.

46. I can see that The Remediation Committee met 21 times from 26th August 2021 until 5th April 2022. From recollection, the Remediation Committee normally met weekly, so again it was not possible in these circumstances to maintain the usual practice of publishing the agenda and papers for this committee a week ahead of the weekly meetings.

47. For the Board and Committee meetings, a standard paper template was

available on POL's intranet with guidance on how this should be completed by the paper author. The template was structured to begin with the input sought from the Board or Committee, including the decision / resolution sought (where applicable), a section on previous governance oversight, an executive summary and the report itself including risk assessment, mitigations and legal impact and consideration of how any decision sought might impact stakeholders.

48. Board packs for the ordinary Board meetings tended to be lengthy, not only because of POL's multiple business lines and the many decisions required, but increasingly during my time at POL as a result of all the matters now being considered by the Inquiry, and also because of POL's 'strained' financial circumstances in this period, which required close attention to be paid to POL's trading position. Workload was further increased by the sale of the telecoms business in 2021, as well as negotiations for a new Master Delivery Agreement with Royal Mail Group and the third Banking Framework agreement
49. As Company Secretary, I attended the Board and Committee meetings to minute the meetings and to provide any guidance or advice on issues of governance which arose during the meeting, for example, if there were questions about who had the delegated authority to make certain decisions or where Shareholder approval was required. I did not take part in the discussions of the agenda items as I was not a Board director. The only exception might be, if I had been asked to prepare a paper on any governance matters, or as a follow up to a Board or Committee evaluation process. On these occasions I would speak to such papers as their author.

50. It is difficult to comment generally on the sufficiency of information provided by a paper author or in their presentation to the Board or a Committee where these individuals were the subject matter expert and I was not. As Company Secretary, I could advise and help individuals on writing papers for the Board in terms of structure, style and the type of information a Board director might expect to receive to help them make an informed decision, but not on the substance of a proposal. I would also observe that individual Board directors might have different requirements as to the level of detail they thought appropriate. The level of detail required might also depend on the trust and confidence felt by individual Board directors which itself could vary over time.
51. When I left POL in March 2022, the Board had been grappling with an unusually large volume of information over an extended period of time, because of all the issues which had come to light around the handling of the group litigation and new errors emerging, such as the additional information which had been discovered which should have been reviewed as part of the original Post Conviction Disclosure Exercise (the "PCDE"), they were understandably inclined to seek additional assurance and even more information.
52. Tom Cooper, the Shareholder Representative on the Board, had a team to support him in his role as a POL Board director, which I believe grew over time. I understood this to be a reflection of the additional assurance which was being sought by the Board. I observed that this meant that he tended to ask for more detail than other Board directors.
53. In relation to general business, I did not identify any pattern of information in

Board or Committee papers being inadequate, although as noted in paragraph 50 above, I would not purport to be a subject matter expert in relation to most of the topics being presented to the Board so cannot speak to the strength or otherwise of recommendations made. In relation to matters covered by the Inquiry, I think the information that had previously been provided to the Board during the GLO proceedings came to be regarded by Board directors as insufficient. This was after Board directors' trust and confidence was shaken by events surrounding the GLO and the findings in the judgments. From that point, which from recollection was an emerging theme from April 2019 onwards, additional assurances and information were often sought by Board directors and the information tested by Board directors in meetings.

54. The externally facilitated POL Board review "*Review of the effectiveness of the Board and Committees*", produced by Independent Audit Limited in March 2021, provides an overview of the Board's view on the adequacy of Board papers and other information provided to the Board at this time (**POL00448723**).
55. In my roles as Head of Secretariat and then as Company Secretary I did not make the decisions on what level of information was provided to the Board except in the limited number of papers I produced within my area. These were decisions taken by the Chairman, CEO and senior members of the Executive. From recollection, during my time at POL, those who were principally involved in providing information to the Board on the legal cases which are the subject of the Inquiry included Jane MacLeod (General Counsel and Company Secretary) until April 2019, Ben Foat (General Counsel), from May 2019, Rod

Williams from POL's Legal Team and a range of external legal advisors including solicitors and leading barristers (QC's as they were then).

56. Having reflected on the overall sufficiency of information and how it was provided to the Board in advance of Board meetings, I do not consider there to have been obvious gaps, but the quality of proposals and the maturity of, for example, risk reporting, is more a question for subject matter experts in the relevant areas. The governance framework existed around the operation of the Board and its subcommittees in respect of there being terms of reference, delegations of authority, report templates, a secure electronic board portal, as well as the processes for agreeing agenda items and timeframes for publishing packs of papers.
57. Following the Common Issues judgment (the "CIJ") and Horizon Issues judgment (the "HIJ") being handed down in 2019, I observed the Board having to deal with a vast volume of information across a range of complex issues all of which needed to be addressed quickly, while also seeking to support a major change in the culture of the organisation. At this point, I believe the information being generated for the Board to consider was more than sufficient and if anything, it became so extensive as to be difficult for Board directors to assimilate.
58. I have been asked: ***"Please set out your reflections as to the adequacy and effectiveness of POL's corporate governance arrangements that were in effect at the time that you left POL"***
59. In order to answer this question, I think it would be helpful to set out the context

in terms of the key elements of the formal governance structure from when I was at POL which I consider to be relevant, and then provide my reflections.

Governance Structure and arrangements

60. Overall, I consider the governance structure of POL to have been largely conventional save for POL's special position, with its dual governance requirements of being both a private company and a public corporation. POL was also subject to Government control and required to comply with a Framework Document (further details of which I explain below).

Articles of Association

61. Post Office's separation from the Royal Mail Group came into effect on 1st April 2012, enabled by the Postal Services Act 2011. POL's Articles of Association ("the **Articles**") sets out its structure as a private limited company, and that its sole shareholder is the Secretary of State (Department for Business, Energy & Industrial Strategy "**BEIS**", as at March 2022, now the Department for Business and Trade ("**DBT**"). The Articles also set out the matters for which the company requires shareholder consent as well as the process for obtaining this consent, the protocols for general meetings, the powers of the Board and the protocols for how it operates.

The Framework Document

62. There was a Framework Document in place between POL and its Shareholder, BEIS (now DBT) and UK Government Investments (**UKGI**) as the shareholder representative. For the purposes of this statement, I have reviewed a copy of the version of the Framework Document which was in place when I left POL - The Post Office Limited: Shareholder relationship framework document, published March 2020 (the **'Framework Document'**)(**RLIT0000334**).
63. The Framework Document sets out the relationship between the parties and the obligations with which POL was expected to comply and the parameters within which it must operate. The Framework Document also explains that POL is categorised by government as a Public non-financial corporation. This means that while its Board is responsible for setting strategy and has day-to-day oversight of how POL operates, it is accountable to the Shareholder for its performance and the Shareholder is accountable to Parliament. A number of governance requirements flow from being a public corporation and from POL's public ownership being founded on its social purpose. These are set out in detail in the Framework Document and include the corporate guidance which applies to all public corporations.
64. One such requirement is compliance with the principles in HM Treasury's Managing Public Money, which sets out the standards expected of public bodies and explains the role of the Accountable Officer, which include that they are personally responsible for ensuring high standards of probity in the management of public funds. In POL's case the Accountable Officer was POL's CEO. POL was also required to comply with the Corporate Governance Code

for Central Government Departments in so far as it was applicable to a public corporation.

Entrustment Letter and Funding Agreement

65. POL had to comply with the requirements of an Entrustment letter and a Funding Agreement (both updated periodically) provided by the Shareholder. The Entrustment Letter included measures which POL was required to meet and report against, such as the number of branches in the network and the ability of customers to access particular services in accordance with targets. As referred to in paragraph 32 above, a Network Report covering these metrics had to be produced annually and laid in Parliament. The Funding Agreement stipulated the requirements which POL must meet to be able to draw down the network subsidy funds from government on a quarterly basis and also any 'change spend' funding (i.e. spend on investments).

Composition of the Board

66. In March 2022, the Board comprised an independent non-executive Chairman, two executive directors (the CEO and the Chief Financial Officer ("CFO")) and a further eight NEDs. The composition of the NEDs included: one who had been appointed as the Senior Independent Director ("SID"); one who was the shareholder representative (so a non-independent NED); and two who were Subpostmasters ("SPMs") (and thereby non-independent NEDs). The SPM NEDs were appointed to the Board for the first time in June 2021.

The Chairman of the Board

67. The Chairman of the Board was recruited by and appointed by the shareholder, BEIS (now DBT). The shareholder also set the Chairman's remuneration.

Non-Executive Directors and Executive Directors of the POL Board

68. The approval of the Shareholder was required to appoint other NEDs to the Board and for setting NED fees. Typically, a representative from BEIS (now DBT) and/or UKGI, as well as an independent assessor, would be part of the panel involved in reviewing the long-list of NED candidates, drawing up a short-list, interviewing shortlisted candidates and making recommendations for appointment.
69. Once appointed, new NEDs received induction materials, access to past Board and committee materials and had a tailored induction programme. For the purposes of this Witness Statement, I have included as examples an induction programme document for Saf Ismail (**POL00448724**), a briefing note for NEDs from May 2021 (**POL00448765**) and an induction pack (**POL00448766**). Directors could request additional training and support as required and had access to briefing sessions on areas such as corporate governance offered by the internal auditors and one of the external legal firms.
70. Executive director remuneration (including Short-term Incentive Plan ("**STIP**") and Long-term Incentive Plan ("**LTIP**") payments) required shareholder approval.

The Shareholder

71. The Shareholder, BEIS (now DBT) appointed a representative as a NED to the POL Board (at my time of leaving POL in March 2022, this was Tom Cooper, a UKGI director) and they served as the principal link between POL and the shareholder.
72. Tom Cooper had a team at UKGI that supported him in his role. In addition, as at March 2022, the POL Chairman (Tim Parker) and CEO (Nick Read) met regularly with ministers and senior civil servants at BEIS (now DBT). The CFO as at March 2022, (Alisdair Cameron) and members of his team also had regular meetings with BEIS officials (now DBT), including quarterly accountability meetings.

The Senior Independent Director (SID)

73. A SID was appointed to the Board. Ken McCall was the SID when I joined POL and stayed in that role until his second non-executive term ended on 25th January 2022. He was succeeded by Zarin Patel who was the SID when I left POL in March 2022.
74. The SID would convene a meeting of the NEDs annually to discuss the performance of the Chairman and a summary of this discussion was shared with UKGI.
75. The SID was available to discuss any matters with Board members or the Shareholder which they wished to discuss in addition to or rather than having these discussions with the Chairman or the Chief Executive.

Board Committees

76. Matters reserved to the Board and terms of reference for the Board Committees were in place and available on POL's website. When I left POL in March 2022 the Board had an Audit, Risk and Compliance Committee, a Nominations Committee, a Remuneration Committee and a Remediation Committee. A table of delegated authorities set out how significant matters for decision needed to be taken through governance approvals (e.g., whether a particular matter required Board or Committee approval and whether Shareholder approval was required). For the purposes of this Witness Statement, I have included a bundle of POL governance materials compiled for UKG in March 2020, and which includes the table of delegated authorities at pp.32-41 (**POL00448720**).
77. The Board Committees were responsible for matters set out in their terms of reference. These terms of reference were reviewed annually by a member of the Secretariat Team, the Chair of the relevant committee and a paper went to that Committee for it to consider both whether any changes were required to the duties and responsibilities of the committee and whether those set out in the existing terms of reference had been addressed during the year. The Board approved any changes required to committee terms of reference which would normally be proposed within the annual governance report to the Board. An example of the annual governance report to the Board from January 2020 (**POL00448719**) and an example of a terms of reference review (POL Audit, Risk & Compliance Committee Terms of Reference (ToR) Evaluation 2021/22 (**POL00448768**), (minus the cover paper which I have not been able to locate) are provided with this statement.

The Audit, Risk and Compliance Committee

78. The Audit, Risk and Compliance Committee (**ARC**) oversaw the production and audit of the financial statements, with NEDs meeting separately with the internal and external auditors on a regular basis. The ARC reviewed the risk register and the risk appetite statements, for recommendation to the Board, internal controls, key company policies and received deep dives on an agreed plan of topics. The ARC also agreed the plan of internal audits for the year and approved the appointment of the Head of Internal Audit and the external auditors.

The Nominations Committee

79. The Nominations Committee was responsible for overseeing succession planning at Board level, approving the approach to the recruitment of NEDs, including the appointment of a search agency. The proposed approach to the recruitment of NEDs was discussed with UKGI and once the Nominations Committee had obtained approval from the Board to its recommended candidates for appointment, approval to appoint would be sought from BEIS (now DBT). The Nominations Committee also approved the appointment of NEDs to subsidiary companies (Post Office Insurance, FRES, Payzone). The Nominations Committee also reviewed and approved the questionnaires for Board and committee evaluations and oversaw the appointment of the firm carrying out any externally facilitated board effectiveness review.

The Remuneration Committee

80. The Remuneration Committee had responsibility for: (i) senior remuneration, including approving recommendations on executive director pay to the shareholder; (ii) oversight of the recruitment, retention and reward approach for all employees; (iii) approval of the structure of short-term and long-term incentive schemes for recommendation to the Shareholder; (iv) whether a **STIP** or **LTIP** scheme should be launched in a particular year; (v) the measures and metrics for these schemes which also required shareholder approval; and (vi) whether or not and to what extent these measures had been met. The Shareholder had to approve the launch of STIP schemes for all employees, LTIP schemes for the senior leadership group and the pay-out of bonuses for the executive directors.

The Postmaster Litigation Subcommittee

81. The Postmaster Litigation Subcommittee (the **Litigation Subcommittee**) was established in January 2018, and its Terms of Reference were approved by the Board at its meeting on 27th March 2018, to look at matters concerning the GLO, including receive legal advice, and then the follow up actions to the GLO. After two years it was decided by the Board that it should again take direct responsibility for oversight and strategic decisions in relation to the post GLO matters which had been within the subcommittee's remit, and so the subcommittee was disbanded at the Board meeting on 10th March 2020.

The Remediation Committee (previously the Historical Remediation Committee)

82. Meetings of the Remediation Committee were convened to deal with developing issues such as: the findings of the CIJ (handed down 15th March 2019); the HIJ (handed down on 16th December 2019); and the cases referred to the Criminal Cases Review Commission ("**CCRC**"); and those cases overturned by the Court of Appeal). Its work also included issues relating to compensation to sub-postmasters wrongfully convicted of theft, false accounting or fraud, or otherwise adversely impacted by matters relating to the Horizon IT system.

The Code of Conduct

83. Board directors were required to comply with the Code of Conduct for Board members of public bodies (**RLIT0000335**) which sets out the seven principles of public life and duties around the use of public funds and conflicts of interest etc.

Directors' Duties Generally

84. As a private limited company, POL directors were required to comply with directors' duties as set out in Sections 171 - 177 of the Companies Act 2006.

The UK Corporate Governance Code

85. POL chose to comply with the UK Corporate Governance Code where this was applicable to it as a private limited company solely owned by government and POL's Shareholder supported this approach. POL also had a number of areas in which it was required to comply with government guidance and these were set out in an appendix to the Framework Document.

Reporting on governance

86. POL reported on its governance processes annually in the Governance report contained within its Annual Report and Consolidated Financial Statements, which were presented to Parliament pursuant to section 77 of the Postal Services Act 2000. The introduction to the Governance report explained the corporate governance of POL including its legal ownership and the structure of the company. It set out information about its Board of directors, meetings held during the year, the main topics discussed and key decisions made. The report also summarised the findings of its Board and Committee effectiveness reviews which were typically facilitated externally every third year. An example of an internally facilitated Board and Committee Evaluations 2019/20, from April 2020 (**POL00448721**), an externally facilitated review (produced by Independent Audit Limited in March 2021) (**POL00448723**) and the follow up Board reports on the Recommendations from the externally facilitated Independent Audit Board review 2020/21 dated 27th July 2021 (**POL00448725**) and 28th September 2021 (**POL00448726**) have been provided with this statement.

Meetings Generally

87. The Chair's agendas were produced by me or the member of the Secretariat team supporting that meeting. These set out points for the Chair to note, the decision/s sought for each agenda item (where applicable) and the key points from each paper.
88. Normally minutes of meetings were drafted by a member of the secretariat

team, reviewed by the Chair of the meeting and included in the pack for approval to be sought at the following ordinary meeting. The minute taker would consult presenters where they needed to clarify their understanding on any points for the purpose of minuting. If there was to be a big gap in time before the next meeting, then draft minutes may have been circulated to the respective Board or Committee ahead of the pack for the next meeting, in order that they could be reviewed while still fresh in the memory of the attendees. My team and I also maintained a decision log which included resolutions from all Board and Committee meetings which were entered into the log after the minutes for a meeting had been approved. This made it easier to search for decisions by topic and to see the history of decisions for a particular item or topic.

Reflections

89. In my opinion the formal governance arrangements at the time I left POL were, as a matter of general principle adequate, but were no longer effective to deal with the issues which had arisen. The volume of meetings and the range of decisions the Board was required to take to address the findings of the judgments and all that flowed from this, while trying to oversee the running of the business in precarious financial circumstances, and with some of the senior relationships starting to break down (in particular the CEO, Nik Read, and the CFO, Alisdair Cameron), meant that the demands on Board time were, in my opinion, in excess of what would generally be regarded as sustainable.

90. Notwithstanding this, in my opinion, the Board directors in post in March 2022

were diligent and committed to driving the cultural and operational changes required. The NEDs were supportive of the executive but in my opinion also probed and challenged appropriately and sought additional assurances and information where they thought this was needed.

91. Time had to be spent to dealing with new problems as they arose, POL executives were working at full stretch, and the volume of meetings and the governance support required meant that my team and I were at times struggling to keep up. From my perspective that meant I was attempting to keep on top of the workload but was not able to step back to see the bigger picture of whether a fundamentally different and exceptional approach to governance was required because of the particular circumstances, what that different approach needed to be, and how that needed to be resourced.
92. I now think more consideration should have been given to how to manage governance arrangements at both Board and Group Executive Committee level during a period of crisis for the company.
93. On a personal level, I did not appreciate quickly enough how great the day-to-day workload would be for me and my team, nor that it would be sustained and that the position would deteriorate. The pressure increased as the company's financial position worsened. Resources were severely overstretched and with hindsight not only was a larger secretariat team needed but also a review of whether our governance processes were right for the circumstances.
94. Had risks been correctly assessed earlier there would have been more opportunity to put mitigation measures in place, including in relation to

governance.

95. I think that certainly by mid-2020, additional resource should have been obtained for my team. At that time, in addition to me there ~~were~~ three or four company secretariat team members. Of those, two or three had ~~a~~ experience of supporting committees and taking minutes. These individuals ~~were~~ supporting POL's various different legal entities as well as managing the ~~contract~~ approval process and Companies House filings. This meant that I attended and minuted the majority of POL Group Executive, Board and Committee meetings and the volume of meetings had increased exponentially.
96. I recall that I was reluctant to propose more expenditure ~~on~~ staff because the company's financial position was strained and there had been waves of redundancies with further proposed. I also thought it important to have consistency of support for Group Executive Committee and Board meetings. With hindsight, I think initially I was naively optimistic in thinking that the increased workload would be either sustainable or would reduce. I think the Covid-19 pandemic and everyone working remotely also made it ~~more~~ difficult for me to appreciate just how stretched we were as a team.
97. I finally reached the conclusion that recruitment of ~~additio~~nal resource was essential in the second half of 2021, after the Remediation Committee had been established. By then it proved difficult to attract and retain new governance professionals in the team. I think that this was ~~partly~~ because of the reputation of POL by that time, partly that it was a "hot" market for mid-level company secretaries at that time and partly because POL was ~~such~~ a "pressure

cooker” environment, which people found difficult to cope with in practice. On reflection, I also think that I was perhaps unrealistic in what additional resource would be sufficient. I was looking to recruit one extra team member at Assistant/ Senior Assistant Company Secretary level but it may have been better to seek a more experienced Deputy Company Secretary who could have shared some more of my workload and helped the junior team members. I am aware that this is what my successor at POL has subsequently done and with the benefit of hindsight this seems like a very sensible approach.

98. I have set out at paragraphs 58-88 above, the formal corporate governance arrangements in place at the time I left POL in March 2022. I consider that for the usual business of POL these would have been adequate and effective, recognising that frameworks and processes are important but not sufficient in and of themselves. During the period of crisis POL was in, I now think it would have been desirable to consider modifying the governance arrangements and more substantially increasing the governance support available.

99. Having stepped out of that environment and had more time to reflect, I think it would have been helpful for the Board to agree ways of working while under such a period of strain. The kind of issues which could potentially have been handled better were:

- how discussions and correspondence outside of meetings that did not involve the whole Board would be dealt with
- how to make sure adequate context was provided about background to a topic and any previous decisions and discussions by the Board (noting

that this was a section included in the Board paper template but one which may not always have been covered sufficiently well in practice)

- what the approach to minuting should be, recognising that POL was facing intense external scrutiny and fuller minutes than normal and even recording meetings might therefore have been appropriate
- what additional administrative support the Board directors might need given the volume of meetings and papers.

100. My perception was that trust in POL's executive was damaged at Board level because of the shock of the damning findings of the CIJ and HIJ and the company entered a state of crisis. It seemed to me that additional assurance was more often sought by the NEDs and by the Shareholder. This included, for example, BEIS (now DBT) seeking to formalise the assurance meetings between itself and POL, introducing more stringent reporting measures.

101. As noted above, POL was overwhelmed and overstretched at both Board and executive level. While a huge amount of work needed to be done, and to be done quickly, in my opinion, the ability to execute some of the most important work was stalled in some instances because of POL's financial and funding position. For example, I recall that a significant volume of payments under the Historical Shortfall Scheme (renamed the Horizon Shortfall Scheme on 7th July 2023) could not be started because POL's ability to meet all of the potential claims could not be guaranteed. In other instances I recall, the task proved to be more complex than originally anticipated, which I believe was the case with changing SPM contracts (further details of which I provide at paragraph 114

below).

102. I have been asked: ***“Please describe the culture of POL at Board level as at the time that you left and set out your reflections as to the ways in which the culture had or had not changed following the findings of Fraser LJ in the Common Issues Judgment or resulting from evidence arising in the Inquiry.”***
103. In my opinion, there was a period of shock following the handing down of the CIJ on 15th March 2019 and it took the POL Board some time to absorb how far apart its understanding of the GLO case had been when compared with the reality.
104. By the time the HIJ had been handed down on 10th December 2019, I think the true position was understood by the Board. However, during the period from March to December 2019, POL saw its application to recuse the managing judge (Lord Justice Fraser) and its application for leave to appeal the CIJ refused. It had appointed new lawyers to draw up a new litigation strategy and it had appointed a new QC (at the time) to represent POL in the Horizon Issues trial. The Chief Executive, Paula Vennells, and the General Counsel and Company Secretary, Jane McLeod, had left the organisation. Alisdair Cameron had become interim CEO in April 2019 with Nick Read joining as the permanent CEO in September 2019. Ben Foat had been appointed as General Counsel in around May 2019 and there were a number of other changes in senior personnel. It was in my view a turbulent period.
105. I recall observing how both Ben Foat (General Counsel) and Nick Read (CEO)

were moved by what they had heard from SPMs during the mediation process leading to the settlement with GLO claimants in December 2019. The Board as a whole was absorbing the fact that the litigation approach which had been followed had been completely wrong both in substance and tone. From what I was able to observe, I think that drove a change in Board culture, with the ambition to: i) do what could be done to address the wrongs done to SPMs affected by the faulty Horizon IT system; and ii) to reset the relationships with current SPMs to much better understand their views, and what POL needed to do to support them.

106. In my opinion, the practical delivery of these ambitions was affected both by resourcing and finances. For example, I recall a significant tranche of payments in the Historical Shortfall Scheme could not be started because POL might not be able to meet the eventual totality of those payments. The Board were provided with legal advice on this at the time, and the individual Board directors may have also obtained advice. From recollection, the issue as understood was because making these payments would have put the company at risk of wrongful trading or preference. In addition, I recall that the number of claims received was much higher than anticipated making it difficult for the independent panel reviewing claims to keep pace with the volume and requiring additional panel members to be recruited.

107. From recollection, the Board's view was that Government needed to fund the claims for those whose convictions had been overturned by the Court of Appeal but the potential range of costs was very wide and difficult to narrow down because while each person whose case had been overturned by the Court of

Appeal had suffered significant harm, the circumstances of each person's case and the heads of claims were different. This I believe, was one reason the Board wanted to make available interim payments of up to £100k so that at least some payment could be made without significant delay.

108. In tandem, the organisation needed to keep the business afloat while fundamentally changing its relationship with current SPMs to better support them and to understand their views of what worked well and what did not. This led to many different work streams which were designed to address the findings of the judgments and establish (through conversations with SPMs, SPM surveys and reviews of existing processes and materials) what needed to be done to improve the support provided to SPMs, underpinned by the right culture. I have set out in more detail the work streams and attempts to make POL more postmaster centric in my response at paragraph 130 below.

109. At Board level there seemed to me to be desire to lead and drive cultural change which I understood from the focus on responding to the findings of the judgments, setting up claims' schemes and mediation processes providing the information required by the Inquiry and supporting the CEO in the initiatives as set out in paragraph 130 to better support SPMs. There was recognition at Board level that the culture of the organisation needed to be changed and the relationship with current SPMs completely reset. This needed to reflect that post offices and post office services only operated because of the work of SPMs and POL employees should be there to support that work.

110. I think it is fair to say that the delivery of these desired fundamental changes

was adversely affected by practical difficulties. This included:

- Finances - exacerbated by increased costs and reduced revenues during the COVID-19 pandemic and ongoing conversations about the funding agreement with government at the time I left POL in March 2022;
- The right structure;
- Resourcing; and
- Training for the Historical Matters Business Unit, which took time to put in place.

111. As noted at paragraph 106 above, additional resource was required for the independent panel assessing claims for the Historical Shortfall Scheme as the volumes of claims far exceeded the original assumptions.

112. As noted above, the Executive and Board bandwidth was tested as demands on time grew from a range of sources, including significantly increased external scrutiny of the organisation (as evidenced by the need to respond to higher volumes of Freedom of Information requests, attend Select Committee hearings, provide information to the Inquiry), and to provide additional assurance to the Shareholder and external stakeholders, including the banks.

113. In my opinion, the frequent changes in the senior leadership team added to the instability of the organisation and also led to a loss of corporate memory.

114. As work began on initiatives it was often the case that resolution of the matter proved to be more complex than originally anticipated. An example that I recall

concerned changes to SPMs' contracts. I recall that it turned out that there were multiple versions of SPM contracts in force and in some cases no signed copy of a contract with individual SPMs could be found.

115. It also remained the case that even with Nick Read joining as the new CEO in September 2019, and with support for him from the Board to drive organisational changes, it was apparent that the level of trust in the organisation at Shareholder and Board level (not to mention other stakeholders) was low. The impediments to delivery of desired change in my opinion led to disappointment about the speed of change which in turn affected morale at both Board level and across the organisation.

116. When I left POL in March 2022, it still felt to me that the Board wanted to make the cultural and other changes needed. It seemed unified in the purpose and to me, the Board appeared to be supporting the CEO, Nick Read, in doing so. However, I felt that actually being able to affect those changes in the way needed had begun to seem a potentially unachievable task, because the scope and scale of the task was not matched by the resources available.

117. For the purposes of this statement, I have considered the Times article dated 19th February 2024 (RLIT0000201). While I was employed at POL, I was not aware of a stream of thinking, as suggested by that article, of people within POL not accepting the findings of the judgments. This is based on my day-to-day contacts within the organisation which were mostly my own team, the Board directors, the Group Executive Team and a number of individuals who had significant contact with the Board. The judgments (CIJ and HIJ), the PCDE

and documents unearthed through that exercise (as referenced in paragraph 51), and the review by the Board of the cases referred by the Criminal Cases Review Commission ('CCRC') in March 2020, had in my opinion left no scope for anyone on the Board to question that there had been a huge miscarriage of justice.

118. I thought the review of the first cases referred by the CCRC was a particularly important point culturally, because POL's approach to the GLO had focussed largely on legal arguments around the case on matters like contract law and the robustness, or otherwise, of the Horizon system. The review of the first CCRC cases brought the focus onto the SPMs as people and what they had experienced. It made the Board collectively aware of individuals' stories and also showed the pattern of abuse. In my opinion, it was a sobering experience for the Board and everyone else who read those cases and attended the meetings on 4th and 8th September 2020. It certainly had that effect on me.

119. I appreciate that this had been known only too well by the SPMs affected, their loved ones and the people who have supported them and sought to raise the profile of their case for many years. But I think for the Board collectively being so immersed in what had happened to the people involved brought home the misery that had been caused by POL and others' actions.

120. In terms of other cultural shifts that occurred during my time at POL, I thought that Elliot Jacobs and Saf Ismail joining the Board in June 2021, as current SPMs had been a very positive development. Although, I thought it might be very difficult for them personally, as I explain further in my response at

paragraph(s) 195-202 below.

121. In my opinion, both Eliot Jacobs and Saf Ismail brought clarity and insight to Board discussions about priority issues for SPMs including the importance of new products and services being developed and delivered in a way which factored in operational practicality. I believe there was also strong backing from the Board for the CEO, Nick Read, in his programme of work to develop an organisation that better supported SPMs, understood the work they did and recognised that the success of the business hinged on them.
122. In my opinion, the Chairman, Tim Parker, and Nick Read appeared to get on well and to have built a strong working relationship which was important for the culture of the Board at a time when the organisation was under strain.
123. Ultimately though, by the time I left in March 2022, I thought that POL's reputation might have been damaged beyond the point of repair and that the huge challenges for the business going forward, as well as addressing the issues of the past, while in a precarious financial position, might have made the changes needed, culturally and otherwise, undeliverable.
124. People may choose to join an organisation in crisis if they think they can be part of turning it around, but if that seems unachievable, they may not stay. I think this was one of the reasons for high turnover at senior level as well as the reality of a high-pressure working environment, with insufficient time and resource to do the work required and time spent "fighting" new problems as they arose, such as the discovery of additional materials which should have been part of the PCDE.

125. I have been asked: ***"Please summarise your understanding of the actions POL took to change the culture of the organisation following the findings of Fraser LJ or resulting from evidence arising in the Inquiry. Please set out your reflections on how effective these changes were."***

126. In December 2019, POL made a public apology to all the SPMs wrongly convicted and others adversely affected by the Horizon IT system and POL's actions in relation to this.

127. A settlement was also reached in relation to the GLO in December 2019.

128. In May 2021, the Chairman, Tim Parker, wrote to SPMs identified as having been wrongly convicted, following the quashing of convictions in the first cases by the Court of Appeal, in April 2021.

129. In my view, any change in culture had to start with an apology and a public acknowledgement of the wrong done, but I do not think there could ever have been an apology that was going to be immediately taken as sincere, given the damage done and POL's recent history with the conduct of the group litigation. I believe that made taking action quickly seem all the more important.

130. I am aware that work was done by the legal team and other executives to map out the findings from the CIJ and HIJ, what needed to be done to address these, and how that work was going to be achieved and resourced. Work was also started to change the organisation culturally and operationally with the ambition of making it more postmaster centric. From recollection, this incorporated a range of initiatives including:

- Improvements to the Branch Support Centre.
- The development of Branch Hub, an online platform which could be used by SPMs to reorder stock, access information and training materials and view information on branch sales and trends.
- Onboarding processes were simplified and better training materials developed.
- A Postmaster experience director, Hithendra Cheetirala, was appointed.
- Two SPMs, Saf Ismail and Elliot Jacobs, were appointed to the Board in June 2021.
- An SPM survey was conducted so that the findings could feed into the work taking place.
- Additional communication routes were set up with development of the field network, SPM conferences and SPM involvement in working groups on IT development.
- POL employees were provided with a better understanding of the work of SPMs through a “Week in the life of a postmaster” training as well as training on the GLO case and the findings of the judgments.
- Senior leaders were involved in the “Adopt an Area” programme where they would spend more time meeting with SPMs and understanding the issues they faced.

131. The Board received regular updates on the work to respond to the findings of the judgments and the initiatives, such as the improvements to the Branch Support Centre and the development of Branch Hub.
132. I recall that sometimes work to make POL more postmaster centric unearthed additional problems which to me demonstrated the scale of the cultural challenge. For instance, I recall that when SPMs were asked about their experience of the Branch Support Centre, their responses revealed that not only was it often not easy to get queries resolved but also that the tone and attitude of those working in the Branch Support Centre were considered an issue. This led to a further programme of work to improve the operation of the Branch Support Centre.
133. From recollection, updates on steps to improve the Branch Support Centre and also the range of other initiatives identified in paragraph 130 above, were reported to both the Group Executive Committee (the senior executive committee comprised of the CEO and his direct reports) and at Board meetings and to the Remediation Committee, after it was set up in 2021. In the time available to me to prepare this statement it has not been possible to review and identify examples of this from the minutes and papers of the Board, Committees and Group Executive Committee. With additional time, I would be happy to provide supplementary evidence on this should the Inquiry request it.
134. I think the approach which was taken to the appeal cases in mid-2020 recognised that POL had been wrong to bring prosecutions in all Horizon data dependent cases. I consider this to be a reasonable indicator of changing

attitudes and culture within POL.

135. From recollection, POL also made clear that it would not contest any future cases where shortfalls were linked to information from the Horizon IT system following the Court of Appeal's ruling in April 2021. In the time available to prepare this statement I have not been able to identify and review Board and Committee minutes and papers in connection with this. With additional time, I would be happy to provide supplementary evidence on this should the Inquiry request it.

136. As a further indicator relating to the culture of the organisation, I recall that in or around early 2020, the new CEO, Nick Read, commissioned the consultancy firm McKinsey to carry out an organisational health index, the results of which were concerning. From recollection, they placed POL in the lower quartile, with levels of trust and confidence particularly low, even within the senior leadership group. This to me is indicative of how unstable things were within POL at this time. I think that there was also a colleague survey conducted not long before I left in March 2022 which also returned poor results. In my opinion, the continuing "churn" within the senior leadership group, changes in organisation structure, fear of redundancies, severe criticism of the company and a highly pressurised work environment were drivers for the low scores in the colleague survey.

137. I have been asked: ***"Did the culture at POL support the building and maintaining of trust between POL and SPMs, managers and assistants as at the time you left POL?"***

138. My experience of the culture at POL is based on my work and interactions with my team, the Board and Committee members, including the Group Executive Committee and any other senior executives who were producing papers for the Boards and Committees I worked with. As such, I do not feel able to comment on the culture within the organisation more generally, and my response to this question should be read in that context.

139. I refer to my response at paragraph 130 above, which provides details of a number of initiatives and attempts to rebuild trust and improve support and communications with SPMs.

140. As I left POL in March 2022, I am not aware of whether the improvement in the Branch Support Centre service and the development of Branch Hub have continued. If they have, and if they have been assessed positively by SPMs, then these seem to me to be positive measures to better support SPMs.

141. From recollection, my sense, by the time I left POL in March 2022, both from Saf Ismail and Elliot Jacob's comments at Board meetings I had attended, and from feedback from the wider SPM community which was discussed at Board level, was that there were three particular priorities for SPMs

- (a) Fair remuneration for each task or process undertaken for POL which reflected both time and complexity. Higher staff and energy costs for retailers had meant that fair recompense was ever more important. I recall that Elliot and Saf both highlighted an example of the problem at the Board meeting in the autumn of 2021. They gave details about the introduction of digital passport services in post offices and that it had

proved to be a time consuming and complicated service for SPMs to offer compared with the physical passport process, but the fee for this service did not reflect this properly.

- (b) Proper support from POL, such as being able to resolve IT issues promptly and get stock and cash delivered quickly.
- (c) Identification and roll out of growth opportunities.

142. My impression when I left POL in March 2022, was that while there were a wide range of measures introduced seeking to improve support from POL for SPMs, not much had been done to address transparency around the fees paid to SPMs for particular services or identifying and rolling out new growth opportunities. These three priority areas did not appear to have been met by the time I left POL, although inroads were being made to improve the support provided to SPMs.

143. Having reflected on these matters for this statement, I think POL will have to be able to deliver on each of the three priorities for SPMs (fair fees; good support services; identification and roll out of growth opportunities) if it wants to secure and maintain the trust of SPMs and have people who want to become and remain SPMs.

144. On reflection I also think that this reveals the various tensions that POL was facing in terms of settling the claims of SPMs who had been wrongly convicted or had suffered losses and the matters related to the Inquiry, with simultaneously trying to deal with the matters faced by currentday SPMs,

without the funds to invest in change.

145. I have been asked: ***“Please summarise your experience of the Board’s relationship with and approach towards SPMs.”***

146. In my opinion, NEDs on the Board had relatively limited direct contact with SPMs before Saf Ismail and Elliot Jacobs joined the Board in June 2021. Prior to that, the Board’s NEDs met SPMs on branch visits during their induction programme and some NEDs went on further branch visits during their time in office. For example, I recollect that the Chairman, Tim Parker, and the Shareholder representative, Tom Cooper, carried out more regular branch visits, and thereby had more interaction with SPMs.

147. Saf Ismail and Elliot Jacobs also conducted more regular branch visits after they joined the Board. My recollection is that Saf Ismail and Elliot Jacobs spent a significant amount of time visiting branches and tapping into SPMs’ views of POL and on what SPMs needed from POL. In my opinion, Elliot and Saf joining the Board in June 2021 brought direct industry experience and thereby greater insight into priorities for SPMs, operational and product issues at branch level, the retail market and customer trends.

148. The CEO, Nick Read, and the CFO, Alisdair Cameron, will I think have had more day-to-day contact with SPMs through the various postmaster conferences, branch visits and other meetings, such as the informal dinners set up with SPMs and branch managers locally. From recollection these were arranged from 2020/21 onwards.

149. In my opinion, the Board's approach towards SPMs was changed by acceptance that POL had been responsible for the huge miscarriage of justice linked to its wrongful pursuit of prosecutions of those SPMs affected by the faulty Horizon IT system. That recognition by the Board in my view led to support to prioritise responding to the findings of the judgments and support for the programme of work designed to better support current SPMs.
150. I believe that SPMs were viewed by the Board in my time as fundamental to the delivery of the business, that they needed to be better served by POL and that there were concerns about being able to attract and retain SPMs given all that had happened and with the pressures felt by retailers generally as their costs increased.
151. At the point I left POL in March 2022, my observation was that both Saf Ismail and Elliot Jacobs were full and valued participants at Board meetings and that their contributions were valued.
152. I have set out in paragraphs 194-202 below, my knowledge and understanding of the matters raised in The Times article published on 19 February 2024 (RLIT0000201).
153. Saf and Elliot's experiences may have been very different to the impression that I had and I do not know whether the quote attributed to Elliot that he and Saf were "*ignored and seen [...] as an annoyance*" was specifically linked to the period around Henry Staunton's departure or was more deep-rooted than that and had been his and Saf's experience over a longer period of time.

154. In terms of the wider relationship and approach to SPMs, recall that the Board received and discussed updates on feedback from SPM conferences and other events run by POL, on the work to implement the findings of the judgments and the work streams on initiatives to make POL more subpostmastercentric. These initiatives seemed to me to still to be a priority when I left POL in March 2022.

155. I have been asked: ***“Please summarise your understanding and experience of the Board’s relationship with key relevant external stakeholders, such as the National Federation of SubPostmasters (NFSP), Communications and Workers Union (CWU), Fujitsu, UK Government Investments (UKGI) and the Department for Business and Trade (DBT).”***

156. The Chairman, Tim Parker, and the CEO, Nick Read, met regularly with the Post Office Minister senior civil servants at BEIS (now DBT). With the passage of time, I cannot now recall names of individuals. I was not present at these meetings but was aware of them through updates provided in Board, Committee and Group Executive Committee meetings.

157. The CFO, Alisdair Cameron, and his team also had meetings with BEIS officials, including, from recollection, quarterly assurance meetings. Again, with the passage of time, I cannot now recall names of individuals. I was not present at these meetings but was aware of them through updates provided in Board, Committee and Group Executive Committee meetings.

158. My recollection is that the CFO, Alisdair Cameron, and his team also had regular meetings with UKGI, typically with the Shareholder Representative,

Tom Cooper, and his team at UKGI. I was not present at these meetings but was aware of them through updates provided in Board, Committee and Group Executive Committee meetings.

159. I think that meetings with NFSP, the CWU, and Fujitsu were typically at executive director level but it may be that these involved the Chairman on occasion as well. I was not present at these meetings, but to the extent that I was aware of them, it would have been through updates provided in Board, Committee and Group Executive Committee meetings.

160. I did not have any direct contact with the NFSP, CWU, Fujitsu, UKGI, BEIS (now DBT), save for the extent to which it was necessary for me and my team to liaise with representatives from UKGI and BEIS for the purposes of them attending Board and / or Committee meetings and in connection with responding to requests for information on governance related issues and NED appointments.

161. I have been asked: ***“What is your view as to the current composition of the board with regards to experience, expertise and abilities?”***

162. I left POL in March 2022 and the membership of the Board has changed extensively since that time. As noted at various points in my statement, I think that Elliot Jacobs and Saf Ismail joining the Board in June 2021 and having SPMs on the Board was a very positive development.

163. I do not have any further comments with regards to the current composition of the Board.

164. I have been asked: ***“Specifically, what is your view on the desirability of (i) SPM representation on the Board (ii) legally qualified board members and (iii) board members with IT experience?”***

165. Regarding SPM representation, I think that having SPMs as NEDs was the right decision from both a business perspective, to bring a direct insight of the retail market to Board discussions, and from a cultural perspective, to have SPM perspectives’ informing the strategic direction of the company. I also believe that it was a positive step that two SPMs joined the Board rather than one, to increase SPM representation and make it more likely that there would always be an SPM present at all Board meetings.

166. Regarding legally qualified Board members, I think deciding whether or not to have a legally qualified Board member may depend on what knowledge and expertise is sought at a particular point in time. Ben Tidswell, a highly experienced lawyer, joined the Board in July 2021 and chaired the Remediation Committee. This seemed to me to be the right decision because the Board needed to make decisions on legal matters of which many Board members would have had limited or no experience. In my opinion, Ben Tidswell brought independence as well as significant knowledge and experience to probe recommendations brought to the Board by both the internal legal team and external lawyers. In my view this was invaluable.

167. Regarding IT experience, the need for a NED with IT experience may also depend on POL’s requirements at a particular point in time, but given the history of the Horizon IT system and the plans to replace it, having a NED with

expertise in this area, who can support, constructively challenge the executive lead in this area and assist with communicating issues to non-experts, feels important. More generally, digital skills and IT experience are highly sought after by boards given the growth of the digital economy and the need for organisations to understand and protect against the threat of cyber attacks.

168. I have been asked: ***“Do you think the culture in POL actively encourages whistleblowers to speak open and honestly about their concerns? Please provide reasons for your answer.”***

169. In terms of the overall culture during my time at POL, as well as my experience as an employee of POL, as is noted at paragraph 138 above, my experience of culture in respect of whistleblowing was shaped largely by my interactions and work with my team, the Board, committees and the Group Executive team.

170. With regard to promoting a “speak up” culture, I recollect there being meetings periodically for employees to be able to ask senior management questions. There were also staff surveys which would include questions on organisational culture including experience or witnessing of bullying and harassment.

171. More generally, I think that whether or not someone feels encouraged to report a potential whistleblowing incident is likely to be affected by their confidence in the process, whether it is possible to maintain their anonymity who will be dealing with their case (and the different reporting options) and whether they trust that their case can be dealt with promptly, confidentially and appropriately.

172. Again, in general, I think the more senior the person to whom a potential

whistleblowing incident relates, the greater the risk that a perceived power imbalance will deter disclosures. It may also be the case that the bigger the issue, the more nervous individuals may be in raising it. This is just my general view rather than a comment on the position at POL during the period I worked there.

173. POL did have a whistleblowing policy and for the purposes of preparing this statement I have reviewed a copy of the policy which I understood was in force in early 2022, before I left POL, Whistleblowing Policy Version 6 March 2021 (POL00413444).

174. Save for the one matter which I explain further in paragraphs 176-178 below, I had no personal experience of any whistleblowing disclosure during my time at POL. So far as my own team were concerned, I had no reason to think that they would be reluctant to raise issues with me relating to our work.

175. I have been asked: ***“Are you aware of anyone having ‘blown the whistle’ within POL since the findings of Fraser LJ in a matter relevant to the issues being explored by the Inquiry? If so, please summarise the nature of the complaint(s) made and the response of both the board and any individuals named in the complaint, insofar as you are able whilst protecting the identity of the whistle-blower.”***

176. The only potential whistleblowing disclosure that I was aware of during my employment with POL was raised in an additional meeting of Remuneration Committee, held on 19th November 2021. For the purposes of preparing this statement I have sought to identify and review the minutes of that meeting in

order to refresh my memory of events and to provide details to the Inquiry. The details of the disclosure made are set out in the draft minutes of the Remuneration Committee meeting of 19th November 2020, which are produced with this statement (**POL00448727**) and in an email relating to those draft minutes dated 28th December 2020 (**POL00448767**). I am afraid that the minute reflects the limit of my knowledge in relation to this disclosure.

177. In the material that I have received from POL for the purposes of preparing this statement, and in the time available to me, I have not been able to locate a signed approved copy of the minutes of this meeting of 19th November 2020. I can see from various emails from this time that I have reviewed that I prepared a draft set of minutes which were circulated for review, first to Ken McCall, Senior Independent Director and Chair of the Remuneration Committee, Ben Foat, General Counsel, and Lisa Cherry, People Director. They were then circulated to Tim Parker, Chairman of POL and a member of the Remuneration Committee, Tom Cooper, Shareholder Representative and member of the Remuneration Committee and Lisa Harrington, member of the Remuneration Committee. The copy that I have produced as an exhibit contains the final limited amendments/comment which were received from Tom Cooper.

178. I am not aware of any other whistleblowing disclosure relating to the Inquiry issues.

179. I have been asked: ***“Please set out your reflections as to the adequacy and effectiveness of POL’s whistleblowing policies and procedures that were in place at the time that you left POL.”***

180. My observations in relation to the adequacy and effectiveness of POL's Whistleblowing Policy are limited.
181. My recollection is that the Whistleblowing Policy was reviewed and approved by the ARC each year and I presume (although with the passage of time cannot now remember) that the policy will have been published on the intranet for all POL staff.
182. I recall that there was a mandatory series of training for employees each year and that during my time at POL a module on whistleblowing was introduced.
183. In the time available I have sought to identify and review the Whistleblowing Policy that was in force at the point that I left POL in March 2022. Having reviewed Version 6 from March 2021 (POL00413444) I make the following comments. The policy included the option for a whistleblower to raise their case via an independent helpline as well as via the Whistleblowing Officer/s. An independent NED had been appointed as the Whistleblowing champion to help encourage a "speak up" culture at POL. Whistleblowing incidents and trends were reported to the Risk and Audit Committee. The policy could be used by SPMs to report incidents as well as employees. POL also had a grievance procedure for individual employee complaints or concerns.
184. I believe that the Whistleblowing Policy was adequate and the arrangements were what would have been expected. I think it was as effective as any policy in general use. This is not to say that it was effective in ensuring that any disclosure which could have been made was actually made. I do not think any policy or approach can be certain to do that.

185. I have been asked: ***“To what extent do you consider you understand issues of legal professional privilege and the extent to which such information may be shared with the Board of a company? Do you consider the provision of legal information to the Board (and the relevant mechanisms) to be sufficient? Please set out any concerns that you may have in this respect.”***

186. I have assumed that this question refers to legal advice which is given to POL as a client. My understanding of legal professional privilege is that it allows advice and communications between a lawyer and their client to remain protected so that it is not normally disclosable even in Court. I believe that in order to preserve privilege confidentiality must also be preserved so that any dissemination needs to be restricted to those who have a duty to keep it confidential.

187. I am not a lawyer and would not profess to have expertise on this subject. I would defer to a lawyer if the entitlement was in doubt. From a company secretarial perspective, I would expect the Board of a company to be entitled to see any of the company's privileged information which had Board level significance, unless the Board collectively decided that it was not in the Company's interest for the advice to be shared with all directors. This might for example, be due to confidentiality concerns or as a result of a conflict of interest for a particular Board member. If the Executive of a company had obtained any legal advice and had assessed that such advice was of Board level significance, I would expect the Board to be made aware of it, at least in summary, if not provided in full. I was not, and would not have expected to be,

asked for my opinion on whether or not a particular document could or could not be shared because of legal privilege.

188. In relation to whether I consider the provision of legal information to the Board (and the relevant mechanisms) to be sufficient or whether I have any concerns in this respect, I had no point of comparison from any of my previous experience against which to evaluate what was provided to the Board at POL. I left POL in March 2022 and cannot therefore comment on what the current position with POL is and how it is operating.

DEPARTURE FROM THE POL BOARD

189. I have been asked: ***“Please confirm when you left POL.”***

190. I can confirm that I left POL on or around 2nd March 2022.

191. I have been asked: ***“Please set out in detail the reasons for your departure from POL, including the relevant background, chronology and actions of any individuals involved.”***

192. I left POL in March 2022 to become the Corporation Secretary at Ofcom. I had been approached about the role by the search firm Audeliss in October 2021. Interviews took place in November and December 2021 and I was offered and accepted the role in mid-December 2021. I had a three-month notice period at POL and I handed in my notice on 20th December 2021 and left POL on 2nd March 2022.

193. The reason for my departure was to advance my career and the timing was not

as a result of any actions by individuals.

KEY EVENTS

194. I have been asked: ***Please consider the Times article dated 19 February 2024 (RLIT0000201). Please set out in detail your understanding of the matters raised in this article, including the relevant background, chronology and actions of any individuals involved. Please set out your reflections on the quoted statement of Mr Jacobs that he and Mr Ismail were “ignored and seen [...] as an annoyance” by other members of the POL Board.***

195. Saf Ismail and Eliot Jacobs had been Board NEDs for nearly 10 months when I left POL in March 2022. In my experience they were full participants in Board discussions and it appeared to me that they were listened to and that their views were valued.

196. I do not know whether the quotes from the article reflect a particular point in time around Henry Staunton's departure or were more deep-rooted than that. I think that having SPMs on the POL Board is vital but being the first SPMs to join the Board and at an exceptionally difficult time cannot have been easy and I did worry what it would be like for the individuals appointed. I have identified an email from me to the Chairman from 28th January 2021 (POL00448777) and email from me to Zarin Patel of 10th March 2021 (POL00413315) which summarise my thoughts and concerns from around the time regarding expectations on the new SPM NED roles.

197. Most of the POL NEDs were very experienced Board directors but I believe they typically found their POL role more challenging than their other non-executive roles. Most had a portfolio of non-executive roles rather than executive roles while Saf and Elliot were running a number of post offices and retail businesses.
198. The Board had met 52 times in 2020/21 and a high volume of meetings looked set to continue. There was no reason to assume that the SPMs joining the Board would have previous non-executive experience, although Elliot Jacobs had.
199. The final part of the selection process was for SPMs to vote for the shortlisted SPM NEDs. I understood the reason for that decision, given the low level of trust in POL. However, I think that as a result it added an extra layer of responsibility for Saf and Elliot who were going to be representing SPMs and bringing SPM views to the table as well as their own retail experience, while also having to comply with their directors' duties to the company.
200. From conversations that I had with Saf and Elliot in connection with their role at POL, I know that they found the early months of their appointment very intensive starting with a wide-ranging induction programme.
201. Zarin Patel and Carla Stent, who were existing POL NEDs, were paired with Saf and Elliot when they joined the Board to provide them with a peer with whom to raise questions which I hoped would support their first period at POL.
202. By the time I left POL in March 2022 Saf and Elliot seemed to be fully involved

in Board discussions, from my observation of those meetings. I actually wondered whether my original concerns about how difficult I had thought it would be for them to join the POL Board at such a troubled time for the organisation might have been overstated.

203. I have been asked: ***“Please set out in detail your understanding of the circumstances which led to the dismissal of Henry Staunton on 27 January 2024, including the relevant background, chronology and actions of any individuals involved.”***

204. I left POL in March 2022, which was before Henry Staunton was appointed as Chair and I do not have any knowledge of the circumstances involving his dismissal other than those in the public domain.

205. I have been asked: ***“Please set out in detail your understanding of the circumstances which led to the resignation of Alisdair Cameron on 25 June 2024, including the relevant background, chronology and actions of any individuals involved.”***

206. I left POL in March 2022, which is before Alisdair Cameron's resignation.

207. Alisdair Cameron, the CFO, had stayed at POL and on the Board after his period as interim CEO between April 2019 and September 2019, having not secured the permanent role. My understanding from discussions at Nominations Committee and Remuneration Committee meetings around that time was that the Board wanted there to be a new person at the helm of the organisation given the extent of organisational and cultural change needed.

From recollection, the Chairman (possibly at a Nominations Committee meeting) fed back that the interview panel for the CEO role felt that Nick Read had provided a compelling vision of how that might be achieved. The Board was also keen to have some stability and Tim Parker, the Chairman, thought it would be helpful for Alisdair Cameron to stay and support the CEO in his new role. From recollection he agreed to do so for at least six months.

208. This appeared to work well for a while, but at some point (and with the passage of time I cannot now recall exactly when) I think the relationship between the two became more strained.

209. I was aware from my attendance at the Remuneration Committee meeting on 19th November 2020, as detailed in the draft minutes of that meeting (POL00448727) and from subsequent discussions that there had been attempts to agree Alisdair's departure from POL. By the time I left POL in March 2022, it was my understanding that attempts at reaching a agreed exit had stalled. I believe any agreement would also have needed to be approved by the Shareholder.

GENERAL

210. I have been asked: ***"Please set out any other comments, reflections or concerns (if any) you may have about your experience at POL."***

211. I have reflected on the governance structure within POL and think that the complicated structure of POL, having to operate as both a private company

and a public corporation has an added layer of complexity by having the Shareholder representative on the Board, not from the Shareholder, but from a separate entity with advisory functions to the Shareholder. I think this has the potential for a disconnect between the two and also the risk for potential confusion.

212. I have reflected on the litigation approach which was originally pursued by POL, and then how that changed in or around the middle of 2019 following the handing down of the CIJ, refusal of leave to appeal that judgment and in anticipation of the HIJ being handed down in December 2019. I think some of the difficulties experienced by POL would have been experienced by any Board / Committee whose membership is changing but which is required to deal with a developing, unusual and very complex series of related issues over a period of many years. In my opinion, such a set of circumstances make it particularly important to ensure that the background, timeline of decisions, information pertinent to those decisions and the context of the matter is at the forefront of the minds of decision makers, who might be being asked to make decisions months or even years after the issue first arose.

213. Organisational memory depends on more than documentary records and in particular the light that individuals can throw on past decisions. This adds to the challenge of taking decisions in the present which relate to events in the past.

214. Once a Board / Committee has started down a particular path, and a significant issue has gained momentum, it can be very difficult to revisit historical

decisions and fundamentally change direction. But for me, that means you have to be prepared to keep testing that the proposition on which your approach is resting is sound, and that you can understand why others disagree.

215. In relation to the handling of the GLO, and while not a member of the Board and thereby not a decision maker, I have reflected more generally, and think that the focus from the point that I joined POL in February 2018 until April/ May 2019 was too much on the technical legal strengths or otherwise of POL's defence of the GLO and was not viewed sufficiently through the human lens of individuals and their experience. In my opinion, the subsequent review of cases referred by the CCRC to the Court of Appeal showed not only how individuals had suffered but the pattern across cases of Horizon errors, disclosure failures, poor and oppressive investigatory practices and underhand tactics to pressurise people into pleading guilty to false accounting. While not making any assumptions as to what the Board may or may not have done, with the benefit of hindsight, perhaps reviewing some of the individual cases earlier might have highlighted to the Board issues like SPMs being told that they were the only ones experiencing problems with Horizon. Such information being drawn out at an earlier stage may have enabled the Board to raise questions about the approach POL had taken to both support for SPMs and the prosecutions.

216. I think that what occurred at POL raises more general considerations about when members of a Board are being asked to make decisions on matters when they are reliant upon expert advice, such as legal advice. From what I observed at the time, there was considerable reluctance to not accept the

advice being provided from the lawyers, or to go against any such advice. I think this is an extremely difficult issue for any director as they are the ones responsible for taking the ultimate decision. However, it raises questions of what to do when directors are perhaps not comfortable with the expert advice they receive, what they do in that situation and when they could deviate from that advice. The specific example I am thinking of for the Board of POL was when they received advice to seek the recusal of the managing judge in the GLO. They expressed concern about this approach and a second legal opinion was obtained which confirmed the first opinion.

217. In reflecting on the questions which the Inquiry has asked in my Rule 9 Request, I have wondered if any of them have been based on the concerns and questions which have been publicly raised by the Inquiry and others regarding the Transformation Incentive Scheme 2021/22. I have therefore set out some of my reflections in relation to this scheme and how they are connected to criticisms of the governance support which was provided to the Remuneration Committee, of which I am aware.

218. In brief summary, a decision was taken by the Remuneration Committee not to launch an STIP scheme for the 2020/21 financial year or an LTIP scheme for 2020 – 2023. By exception, a Transformation Incentive Scheme ("TIS") was launched with the Remuneration Committee agreeing to this in principle in, from recollection, December 2020. The TIS was to cover the period April 2020 to January 2022. A metric included within the TIS was *All required evidence and information supplied on time, with confirmation from Sir Wyn Williams and team that Post Office's performance supported and enabled the Inquiry to finish*

in line with expectations" In the 2021/ 22 Annual Report and Accounts published on 1st March 2023 this metric was reported to have been "achieved".

219. I am aware from information which has subsequently been put in the public domain that POL has apologised for this error and the implication that Sir Wyn Williams and his team had in any way been aware of the metric or commented on whether or not it had been achieved (**RLIT0000332**). I am aware that the CEO, Nick Read, and others have repaid the parts of their bonus linked to this metric.

220. I am also aware from information which has subsequently been put in the public domain that a report was produced by Amanda Burton, (who was appointed as a NED at POL on 27th April 2023 and subsequently became Chair of the Remuneration Committee), on whether the Remuneration Committee's policy for rewarding senior executives and its implementation was in line with corporate governance best practice.

221. Subsequently, from information in the public domain, I understand that on 10th May 2023, the Minister for Postal Affairs informed the House of Commons that the DBT had commissioned an independent review of the governance of Post Office's remuneration practices in relation to POL's senior executives (**RLIT0000336**). The report entitled "Review Of The Governance Relevant To Post Office Limited's Senior Executive Remuneration" was produced by Simmons & Simmons LLP and published on 16th August 2023 ("the **Simmons & Simmons Report**") (**RLIT0000337**). Before setting out its findings and making ten recommendations paragraph 1.11 of the report notes that "...it is

important to note that the Inquiry moved onto a statutory footing on 1 June 2021 and was, from that point, anticipated to finish in the Autumn of 2022. Neither RemCo nor POL Human Resources appear to have recognised the significance of this change and particularly the consequence that the performance that the Inquiry Support Target incentivised would now be compelled by law."

222. Among a number of findings within the Simmons & Simmons Report, is the comment *"that because of the poor standard of RemCo minutes it is not clear precisely what decision the RemCo took at the relevant RemCo meetings held on 25 January 2022 on 22 February 2022"*, and that as a result this made it difficult to know what discussions had taken place, what decisions had been taken and the basis for some decisions. I was not approached as part of this review and did not therefore provide evidence to it.

223. The Simmons & Simmons Report categorises this as a "governance weakness" and a "risk for POL". The report states at para 1.16 *"The fact that RemCo's decision-making was not better recorded is a clear governance failing, including on the part of the RemCo members who should have identified that the minutes were deficient."*

224. Included in the Recommendations, the Simmons & Simmons Report concluded *"The quality of the minutes of RemCo meetings should be improved to ensure that minutes of meetings accurately reflect the discussions and decisions to facilitate proper recording of decision-making. We also recommend that processes for signing-off minutes are improved to ensure the RemCo members*

have the opportunity to ensure that minutes accurately reflect the discussion that has taken place.”

225. I attended and minuted the Remuneration Committee meeting held on 25th January 2022. At that meeting the Committee received an update on performance against the metrics of the TIS but, having reviewed the minutes of this meeting I do not think the Committee was being asked to take any decisions and therefore, the minutes could not have recorded any decisions on this occasion. I have noted in the Simmons & Simmons Report that it says “*The minutes of this meeting record a discussion about how achievement of the Inquiry Support Target would be evidenced.*”
226. Having reviewed my emails and some Committee papers from that period for the purposes of this statement, I have identified that I circulated by email a set of draft minutes of that meeting on 1st February 2022, to Angela Williams, the Interim People Director, to which she responded on 4th February 2022 **(POL00448779) & (POL00448780)**. That I subsequently sent a revised set of draft minutes to Lisa Harrington, the Chair of the Remuneration Committee on 4th February 2022 for review **(POL00448781) & (POL00448782)**. That I then sent the draft minutes to the whole Remuneration Committee on 7th February 2022, seeking any comments **(POL00448783) & (POL00448784)** and that the minutes were approved by the Committee at its next meeting on 2nd February 2022.
227. I did not attend the Remuneration Committee meeting held on 22nd February 2022, at which decisions were taken about whether and to what extent the TIS

metrics had been met. This meeting was minuted by a member of my team as I was on annual leave. I stood down as Company Secretary shortly after this on 9th March 2022, and I do not know whether there were any additions or amendments made to the draft minutes of that meeting before they were approved because I had left POL by that point.

228. I have noted in the Simmons & Simmons Report that it says "*The minutes of this meeting do not recall any discussion in relation to the Inquiry Support Target.*"

229. I regret that the minutes of the meeting held on 25th January 2022 were not viewed as fit for purpose and that the minutes of the meeting held on 22nd February 2022 did not include the detail required to evidence the decisions reached.

230. From recollection there were particular challenges associated with remuneration decisions where Shareholder approval was required. This was because it could be a protracted process with correspondence between meetings as well as discussions at Remuneration Committee meetings. During my four years at POL there were five People Directors which in my experience meant there was a lack of continuity. On occasion decisions of the Remuneration Committee were sought and obtained outside of meetings, without the Secretariat Team being involved or even aware. An example of this is in my email of 25th June 2021 RE: Remuneration Committee 1st July 2021 (POL00448778). I am not suggesting that this was deliberate, more indicative of the lack of continuity and thereby understanding of the required governance

processes which needed to be followed. This did make keeping track of decisions and the rationale for such decisions, more of a challenge.

231. On minutes more generally, when I first joined POL in February 2018, the "house style" for the Post Office Board was concise, focussing on recording formal matters such as attendees, date, time, location, noting of reports received, the principal points raised informing a particular conclusion or decision, the decisions, next steps and action points. I think this style will have evolved over time.

232. I do not recall any occasion on which I was asked specifically to minute or not to minute any matter but I recall Jane MacLeod's (General Counsel and Company Secretary) preference was for minutes to be concise and focussed on reports received and any decisions taken, rather than a more expansive record of the discussion with extraneous details.

233. I moved to a fuller style of minutes in general, when I became Company Secretary in July 2019, but did not seek to make a verbatim record, which would not in my opinion be a normal approach to minuting, and not one advocated by The Chartered Governance Institute, the professional body for governance (ICSA Guidance on Minute-Taking (**RLIT0000338**)). In my previous experience, noting who had made particular points at a meeting had been unusual unless a contributor had specifically asked for a point to be recorded and ascribed to them and the Chair had agreed to this. However, I was aware that in some sectors, such as financial services, it is more usual to note which director has raised which point to be able to evidence contributions

and challenge.

234. I cannot recollect exactly when, but I did move to this approach of greater attribution of points when minuting, having, I believe, raised this issue with the Chairman, Tim Parker. From recollection, the reason I did this was that the need to evidence contributions and challenge seemed to me more important following what had happened with the GLO. I believe the Chairman was comfortable with this change of approach.

235. The only other point I wanted to make was in relation to SPM non-executive appointments. At the moment there are two SPM non-executives on the Board. There has been research about women on boards which identified the importance of a “critical mass”¹. This research suggests critical mass was seen as 30% or greater membership of a board when it “...enhances the likelihood that women’s voices and ideas are heard and that boardroom dynamics change substantially.” It could be that it is worth considering the “critical mass” argument when making future SPM appointments to the POL Board, given the issues raised in The Times article published on 19 February 2024 (RLIT0000201).

236. I have been asked: ***“Please set out any other matters that you consider the Chair of the Inquiry should be aware of”***

237. I do not have any additional matters to bring to the attention of the Chair of the

¹ Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance. Vicki W. Kramer V. Kramer & Associates. Alison M Konrad. Richard Ivey School of Business, University of Western Ontario. Sumru Erkut. Wellesley Centers for Women. 2006 (RLIT0000339).

Inquiry.

Statement of Truth

I believe the content of this statement to be true.

Signed:

GRO

Dated: 04 September 2024

Index to First Witness Statement of VERONICA JANE BRANTON

<u>No.</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
1.	POL00155484	Emails of 6 & 7 February 2020 RE: Group Executive and Board agendas February and March 2020	POL-BSFF-0014581
2.	POL00103616	Email of 25 July 2019 RE: All papers now published	POL-0103199
3.	POL00363150	POL Annual Report & Consolidated Financial Statements 2019/20	POL-BSFF-0191153
4.	POL00363149	POL Annual Report & Consolidated Financial Statements 2020/21	POL-BSFF-0191152
5.	RLIT0000331	POL Annual Report & Consolidated Financial Statements 2021/22	RLIT0000331
6.	POL00448723	POL "Review of the effectiveness of the Board and Committees", produced by Independent Audit Limited in March 2021	POL-BSFF-WITN-015-0009178
7.	RLIT0000334	Post Office Limited: Shareholder relationship framework document, published March 2020	RLIT0000334

8.	POL00448724	Induction Programme for Saf Ismail	POL-BSFF-WITN-015-0010040
9.	POL00448765	NED Briefing Note, May 2021	POL-BSFF-WITN-015-0009992 (pp.1-17)
10.	<u>POL00448766</u>	Induction pack	POL-BSFF-WITN-015-0007142
11.	POL00448720	Bundle of governance materials for UKGI, March 2020	POL-BSFF-WITN-015-0006072
12.	POL00448719	Annual governance report to the Board from January 2020	POL-BSFF-WITNESS-015-0006067
13.	POL00448768	POL Audit, Risk & Compliance Committee Terms of Reference (ToR) Evaluation 2021/22	POL-BSFF-WITN-017-0045729
14.	RLIT0000335	Code of Conduct for Board members of public bodies	RLIT0000335
15.	POL00448721	Board and Committee Evaluations 2019/20 from April 2020	POL-BSFF-WITN-015-0006251
16.	POL00448725	Board report on the Recommendations from the externally facilitated Independent Audit Board Review 2020/21, dated 27 July 2021	POL-BSFF-WITN-015-0010764

17.	POL00448726	Board report on the Recommendations from the externally facilitated Independent Audit Board Review 2020/21, dated 28 September 2021	POL-BSFF-WITN-015-0011566
18.	RLIT0000201	Times Article, 19 February 2024 "Postmasters on Post Office board 'ignored and unwanted'"	RLIT0000201
19.	POL00413444	Whistleblowing Policy Version v6 March 2021	POL-0193906
20.	POL00448727	Draft minutes of Remuneration Committee meeting of 19 November 2020	POL-BSFF-WITN-017-0031850
21.	POL00448767	Email of 28 December 2020 RE: Draft RemCo minutes 19 th November 2020	POL-BSFF-WITN-017-0031849
22.	POL00448777	Email of 28 January 2021 Re: NEDs appointments as Ken and Carla step down/considerations with new Postmaster NEDs	POL-BSFF-WITN-017-0033382
23.	POL00413315	Email of 10 March 2021 RE: Final six candidates for the Postmaster NED roles	POL-BSFF-0233690

24.	RLIT0000332	Clarification to Post Office Limited Annual Report and Accounts 2021-22 and apology to Sir Wyn Williams	RLIT0000332
25.	RLIT0000336	GOV.UK – Independent Report - Review Of The Governance Relevant To Post Office Limited's Senior Executive Remuneration	RLIT0000336
26.	RLIT0000337	Review Of The Governance Relevant To Post Office Limited's Senior Executive Remuneration	RLIT0000337
27.	POL00448779	Emails of 1 & 4 February 2022 RE: Draft RemCo minutes 25 th January 2022	POL-BSFF-WITN-017-0046953
28.	POL00448780	Draft RemCo minutes 25 th January 2022 (attachment to email of 4 th February 2022)	POL-BSFF-WITN-017-0046954
29.	POL00448781	Email of 4 February 2022 Draft Remuneration Committee minutes 25 th January 2022	POL-BSFF-WITN-017-0046957
30.	POL00448782	Draft RemCo minutes 25 th January 2022 (amended) (attachment to email of 4 th February	POL-BSFF-WITN-017-0046958

		2022)	
31.	POL00448783	Email of 7 February 2022 Draft minutes Remuneration Committee meeting 25 th January 2022	POL-BSFF-WITN-017-0046984
32.	POL00448784	Draft RemCo minutes 25 th January 2022 (amended) (attachment to email of 7 th February 2022)	POL-BSFF-WITN-017-0046985
33.	POL00448778	Email of 25 June 2021, RE: Remuneration Committee 1 st July 2021	POL-BSFF-WITN-017-0039136
34.	RLIT0000338	ICSA Guidance Note – Minute-taking	RLIT0000338
35.	RLIT0000339	Critical Mass on Corporate Boards: Why three or more women enhance governance	RLIT0000339