

Post Office Limited – Strictly Confidential

POLB 16(4th)
POLB 16/26 – 16/36

POST OFFICE LIMITED
(Company no. 2154540)
(the 'Company')

Minutes of a Board meeting held at 9.00am on 24 May 2016
at 20 Finsbury Street, London EC2Y 9AQ.

Present:

Tim Parker	Chairman
Richard Callard	Non-Executive Director
Alisdair Cameron	Chief Financial Officer
Tim Franklin	Non-Executive Director
Virginia Holmes	Non-Executive Director

Carla Stent	Non-Executive Director
Paula Vennells	Chief Executive

In Attendance:

Alwen Lyons	Company Secretary
Nick Kennett	Financial Services Director (<i>Minute POLB 16/33 to Minute POLB 16/34</i>)
Steve Ashton	Chairman Post Office Management Services (<i>Minute POLB 16/34 only</i>)
Jane Hill	Head of Public Affairs (<i>Minute POLB 16/32 only</i>)
Mark Davies	Communications Director (<i>Minute POLB 16/32 only</i>)
[POAC Guest]	Post Office Advisory Council (<i>Minute POLB 16/32 only</i>)
Natasha Wilson	Head of Pension and Reward (<i>Minute POLB 16/30 only</i>)
Neil Hayward	Group People Director (<i>Minute POLB 16/30 only</i>)
Kevin Gilliland	Network and Sales Director (<i>Minute POLB 16/35 only</i>)
Jane MacLeod	General Counsel (<i>Minute POLB 16/31 only</i>)

Apologies:

Ken McCall	Senior Independent Director
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POLB 16/26

INTRODUCTION

- (a) The Chairman noted that a quorum was present and opened the meeting.
- (b) Each Director confirmed that they had no conflicts of interest in relation to the business to be considered at the meeting.

POLB 16/27

MINUTES OF THE PREVIOUS BOARD AND COMMITTEE MEETINGS INCLUDING STATUS REPORT

Minutes

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- (a) The minutes of the meeting of the Board held on 9th February 2016 were approved as accurate records and the Chairman was authorised to sign them.
- (b) The minutes of the meeting of the Board held on 21st March 2016 were approved as accurate records and the Chairman was authorised to sign them.
- (c) The minutes of the Audit, Risk and Compliance Committee meeting held on 22nd January 2016 were noted.

Status Report

- (d) POLB 16/02 (g) – The Board noted NFSP Grant Agreement update.
- (e) The Board noted the Status Report dated 16th May 2016.

POLB 16/28

CEO REPORT

CEO Report

- (a) The CEO introduced the CEO Report, focusing on the following key points:

The Board noted the CEO report.

Transformation Update

The CEO introduced the Transformation Update, focusing on the following key points:

The Board noted the progress made, the key challenges faced and the actions taken to address them.

POLB 16/29

ANNUAL REPORT AND ACCOUNTS

- (a) The Chairman welcomed Dave Carter to the meeting.
- (b) Alistair Cameron introduced the Annual Report and Accounts focussing on the following key points.

Taking into account the discussion topics, the Board:

- Noted the Briefing Book.

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- Noted the Post Office Annual Report and Financial Statements.
- Noted the Audit Results Report provided by EY.
- Delegated authority to the Post Office Audit, Risk and Compliance Committee (ARC) to approve the Annual Report and Financial Statements
- Delegated authority to the Chairman, the Chief Executive and the Chief Financial Officer to sign the Annual Report and the Financial Statements following approval by the ARC.

Dave Carter left the meeting.

POLB 16/30

APPROVAL OF STIP PERFORMANCE CONDITIONS

- (a) The Chairman welcomed Neil Hayward and Natasha Wilson to the Meeting.
- (b) The Chairman introduced the report focussing on the following key points.

The Board noted the report.

Neil Hayward and Natasha Wilson left the meeting.

POLB 16/31

ITEMS FOR NOTING

Sparrow

- (a) The Chairman welcomed Jane MacLeod to the Meeting.
- (b) Jane MacLeod introduced the report focussing on the following key points.

The Board noted the report.

Modern Slavery

Jane MacLeod introduced the report focussing on the following key points.

Taking all the discussion points into consideration, the Board approved the statement.

Jane MacLeod left the meeting.

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Sealings

The Directors resolved that the affixing of the Common Seal of the Company to the documents numbered 1400 to 1421 inclusive in the seal register was confirmed.

Project Paddington

The Board ratified the decision to delegate authority to the CEO to sign a variation to the existing Collaboration Agreement, a Master Franchise Agreement and a Framework Concession Agreement with WHSmith (WHS) in connection with Project Paddington.

POLB 16/32

POAC

- (a) The Chairman welcomed Jane Hill, Mark Davies and [POAC guest] to the meeting.
- (b) Mark Davies introduced the report, focussing on the following key points.

The Board noted the report.

Jane Hill, Mark Davies and [POAC guest] left the meeting.

POLB 16/33

PROJECT PEREGRINE PHASE 1

- (a) The Chairman welcomed Nick Kennett to the meeting.
- (b) Nick Kennett introduced the Project Peregrine Phase 1 update, focussing on the following key points.

The Board noted the update.

POLB 16/34

POMS UPDATE TO POST OFFICE BOARD

- (a) The Chairman welcomed Steve Ashton to the meeting.
- (b) Steve Ashton introduced the POMS Update focussing on the following key points.

The Board noted the progress made and confirm support to the strategic direction and business intent.

Nick Kennett and Steve Ashton left the meeting.

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POLB 16/35

CROWN NETWORK STRATEGY UPDATE

- (a) The Chairman welcomed Kevin Gilliland to the meeting.
- (b) Kevin Gilliland introduced the Crown Network Strategy Update, focussing on the following points.

The Board noted the update, confirmed its appetite for a transformation programme to further reduced the Crown network and welcomed a fuller business case to return to the Board in September.

Kevin Gilliland left the meeting.

POLB 16/36

CLOSE

- (a) There being no further business, the Chairman declared the meeting close.

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Chairman

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Date