



POST OFFICE LIMITED BOARD MEETING
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MINUTES OF A CCRC MEETING OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON THURSDAY 07 JANUARY 2021 AT 20 FINSBURY STREET, LONDON EC2Y 9AQ BY CONFERENCE CALL AT 15.00 HRS¹

Present:

Tim Parker	Chairman (TP)
Ken McCall	Senior Independent Director (KM)
Tom Cooper	Non-Executive Director (TC)
Carla Stent	Non-Executive Director (CS)
Zarin Patel	Non-Executive Director (ZP)
Lisa Harrington	Non-Executive Director (LH)
Alisdair Cameron	Group Chief Finance Officer (AC)
Nick Read	Group Chief Executive (NR)

In attendance:

Veronica Branton	Company Secretary (VB)
Ben Foat	Group General Counsel (BF)
Rodric Williams	Head of Legal – Dispute Resolution & Brand (RWI)
Richard Taylor	Group Corporate Affairs and Communications Director (RT)
Declan Salter	Historical Matters Director (DS)
Lucie Lambert	General Counsel – UKGI (LL)
Alan Watts	Herbert Smith Freehills (AW) (Items 1. – 5.)
Sir David Calvert-Smith	QEB Hollis Whiteman (DCS) (Items 1. – 5.)
Zoe Johnson QC	QEB Hollis Whiteman (ZJ) (Items 1. – 5.)
Nick Vamos	Peters & Peters Solicitors LLP (NV) (Items 1. – 5.)
Brian Altman QC	2 Bedford Row (BA) (Items 1. – 5.)
Radford Goodman	Norton Rose Fulbright (RG) (Item 6.)

Apologies: N/A

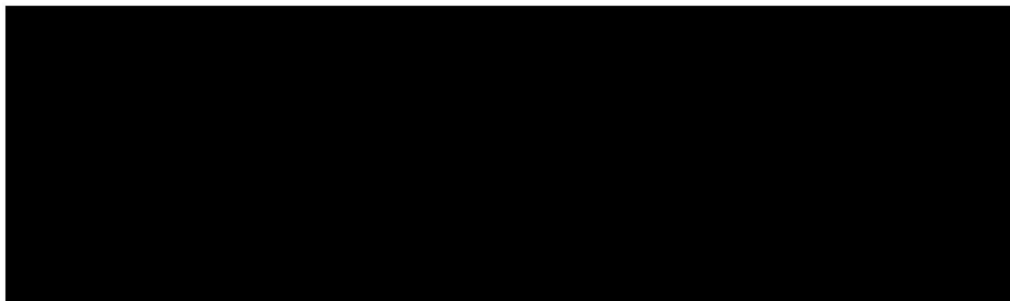
Agenda Item**Action****1. Welcome and Conflicts of Interest**

A quorum being present, the Chairman opened the meeting. The Directors declared that they had no conflicts of interest in the matters to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 and the Company's Articles of Association.

2. Minutes and Matters Arising

The Board **APPROVED** the minutes of the Board meeting to discuss the CCRC cases held on 10th December 2020.

The Board **NOTED** the action log.

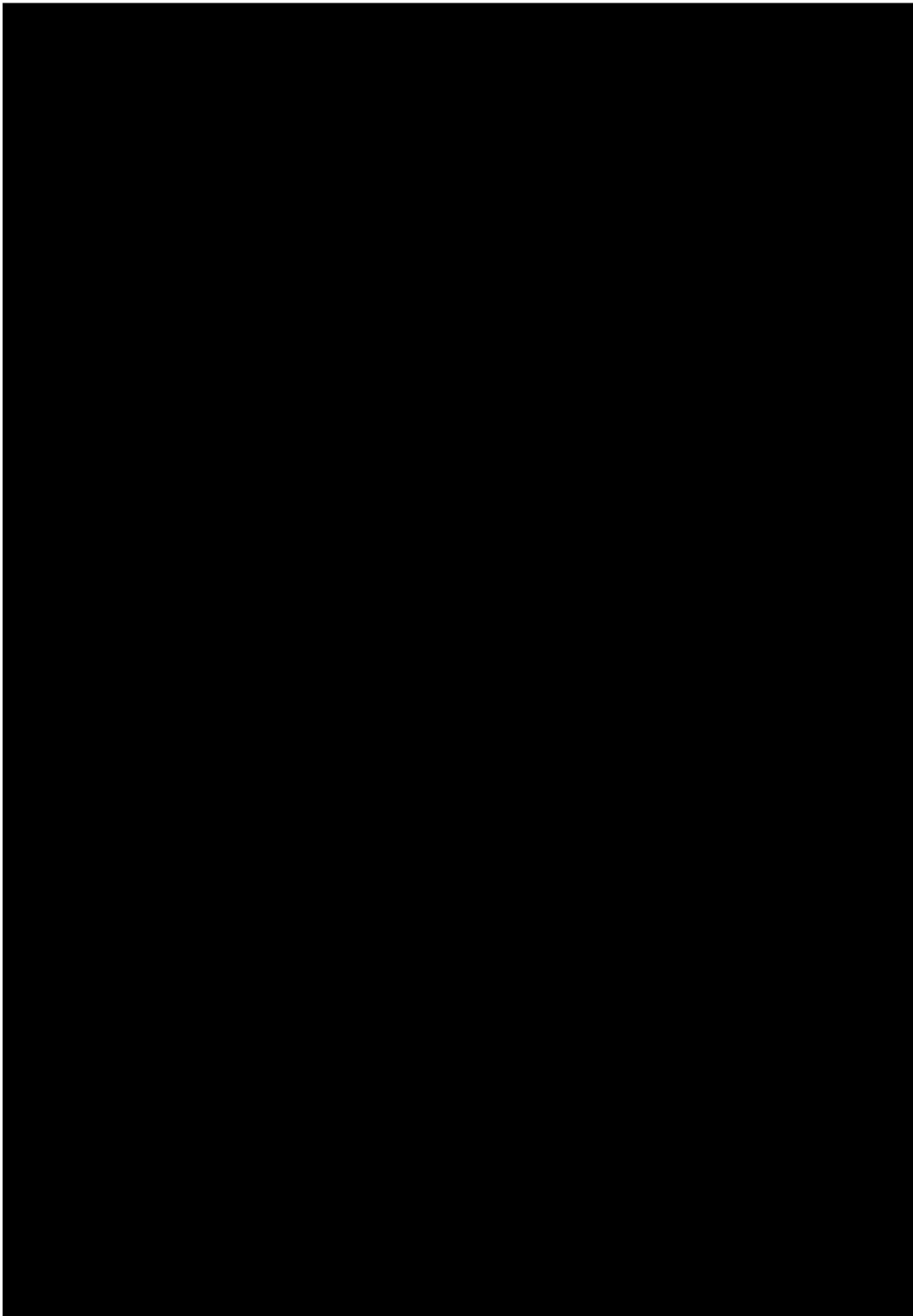
3.

¹ Participation in the meeting was entirely via Microsoft Teams from participants' personal addresses. In such circumstances the Company's Articles of Association (Article 64) require that the location of the meeting be deemed as the chairman's location. However, it was not deemed appropriate to record personal addresses on the Company record. As such, the Registered Office is recorded as the meeting location.



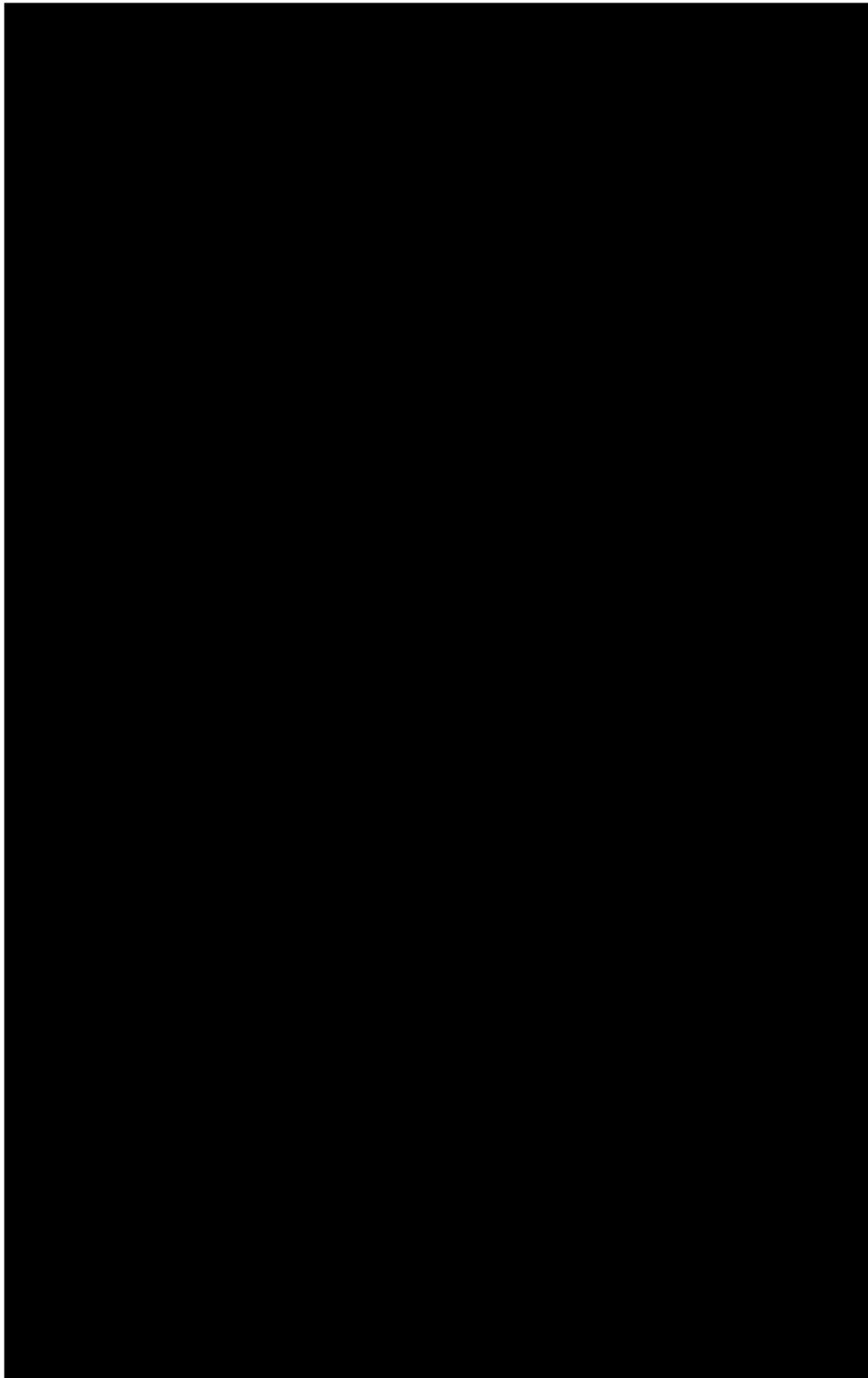
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4.

5.

Action:
Legal
Team/ VB
to include
on a future
agenda

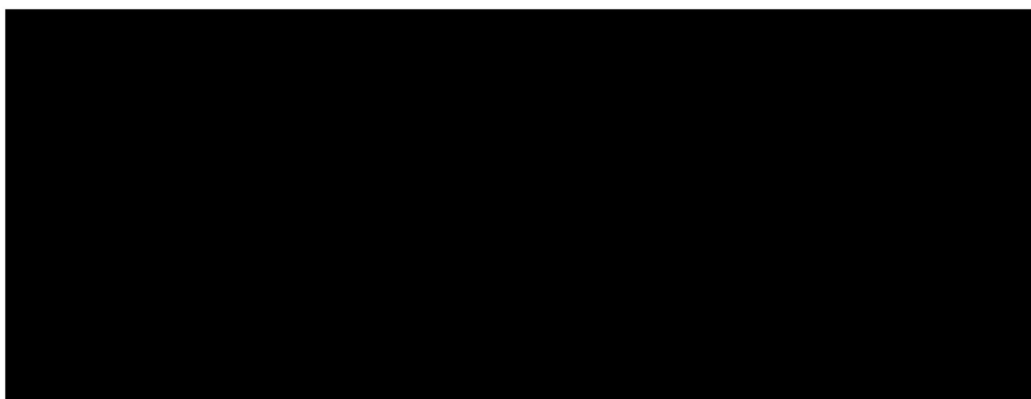
Action:
counsel



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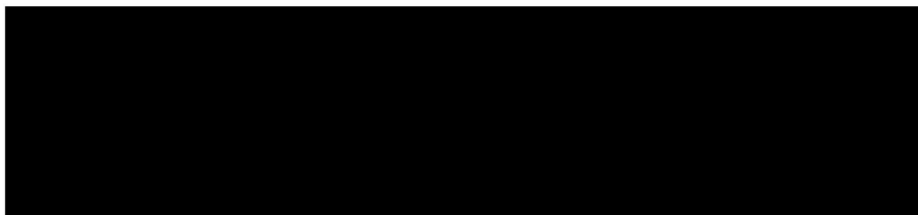
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A number of points were raised, including:

- [REDACTED] The Shareholder had been absolutely clear that POL should not be making de minimis payments for the HSS at this juncture
- Tom Cooper reported that [REDACTED], BEIS approval would be required to make HSS payments because of the requirements of Managing Public Money with its approval requirements for any items which were novel or contentious. POL would face funding uncertainty for some time. We had to consider commitments to BAU funding items. BEIS could not commit to anything beyond the current financial year so we would need to take assurance from the comfort letter. Carla Stent noted that there was a danger of conflating two matters. We had commitments on a multi-year basis but this was an issue we would face notwithstanding the HSS because we only had a one-year funding settlement. Tom Cooper noted that this affected other bodies in the public sector. Al Cameron reported that POL did not have many multi-year commitments, although the SPM work was a clear exception to this but would need BEIS approval in any case because the costs would exceed £50m. We would need to determine whether any other work fell into this category. The letter of comfort would need to be very different if we were not a Government owned company. Ken McCall shared Carla Stent's concerns and would like a paper on forecasted spend and what fell in one-year increments to be provided for the 26th January 2021 Board meeting. KM noted that as a point of principle we should be clear that POL was not an arm's length body. POL's directors sat on other boards so we had to understand the consequences of approving multi-year spend when we only had a one-year funding settlement. We could not sit on a board where we were in a grey area as to whether we had funding for critical projects. We needed this resolved at least by the end of Q1 at the latest. Lisa Harrington noted that she shared Carla Stent and Ken McCall's concerns
- [REDACTED] TP was concerned that we could end up harming the Post Office by deferring spending that should be happening now and thought that we might be imagining a problem that was greater than it actually was given Government's support for POL. Tom Cooper noted that some parts of the public sector obtained multi-year settlements and while we had not been successful in this year's funding request we could revisit our request in next autumn's spending round. [REDACTED]

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- Lisa Harrington noted that the conversation had been triggered by HSS payments and we now knew that we would not be able to make these payments at this juncture. Tom Cooper explained that while we should get funding in place for the HSS in February 2021 there would still be the overhang of the funding for the criminal cases. We then had the issue of multi-year spend commitments. LH noted that in a private company we would not be committing to spending money for which funding had not been confirmed.

Tim Parker summed up the position. POL would not obtain decisions on the longer-term funding position for POL for some time. There would be some decisions to take on multi-year spend in the meantime. We might be required to adopt a pragmatic view that we would receive Government funding in due course. Zarin Patel noted that she could accept some commitments to multi-year funding but we had to have certainty on the settlement of the HSS claims by Government. The Board had not been sighted recently on work on ringfencing the funding for the claims for the criminal cases. Tom Cooper reported that the UKGI/ BEIS focus was on obtaining funding for the HSS claims at the moment but they would be open to having the discussion on the funding for the criminal cases. Al Cameron noted that if we said to BEIS that we were not going to invest in the development of business we would not receive the next round of funding payments. We needed to work collaboratively with BEIS and had in any case to get their approval for spend in excess of £50m as well as continuing to work with them on the security headroom position.

Tim Parker noted that the directors would continue to proceed with caution and monitor the solvency position. We hoped to receive approval from Government for the HSS payments in February 2021 but should continue to engage with Government to obtain greater certainty on future funding.

Action: AC

Carla Stent suggested that the directors progress the actions [REDACTED] and Al Cameron agreed to include these as part of the paper on funding commitments for the 26th January 2021 Board meeting.

7. Any Other Business

There being no further business the Chairman declared the meeting closed at 5.00 pm.

GRO

01/02/2021 19:19

CHAIRMAN