

Post Office Limited – Strictly Confidential

POLB 16(6<sup>th</sup>)  
POLB 16/40 – 16/42

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

Minutes of a Board meeting held at 8am on 11 July 2016  
by telephone conference call

**Present:**

Tim Parker	Chairman
Ken McCall	Senior Independent Director
Carla Stent	Non-Executive Director
Richard Callard	Non-Executive Director
Tim Franklin	Non-Executive Director
Virginia Holmes	Non-Executive Director
Paula Vennells	Chief Executive
Alisdair Cameron	Chief Financial Officer

**In Attendance:**

Alwen Lyons	Company Secretary
Martin George	Commercial Director
Chris Doutney	Head of Government Services
Christian Muir	Client Director

**POLB 16/40**

**INTRODUCTION**

- (a) A quorum being present, the Chairman opened the meeting.
- (b) 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

**POLB 16/41**

**POST OFFICE CARD ACCOUNT (POca) PROCUREMENT DECISION**

- (a) Martin George (MG) thanked the Board for their time explaining why the POca procurement decision had fallen outside the regular Board meeting timetable.
- (b) Chris Doutney (CD) explained the history of the POca and the background to the procurement. The preferred, and only remaining bidder, Hewlett Packard Enterprises and TSB (HPE/TSB) had offered an improvement in the commercial terms and the capability of providing innovation for future POca developments.
- (c) CD reported that the proposed HPE/TSB bid would improve the POca direct product contribution by c.£25m over the five years of the contract compared with the existing terms.

## Post Office Limited – Strictly Confidential

- ACTION: CD
- (d) HPE propose to work with Post Office to develop a digital wallet/bill pay service (POcaPlus) to provide customers with a 'jam jarring' facility, to help with bill payment, which could generate a commission to HPE and Post Office from the customers' service providers.
  - (e) The Board asked for more detail about Sabadell the Spanish banking group who have bought TSB from Lloyds Bank.  
**The CEO suggested that CD provide a note on Sabadell for the Board.**
  - (f) The Board discussed the IT systems used for the banking transactions and CD assured the Board that HPE would acquire the current banking engine IT system from the current bank, JPM, so they would be working with proven technology that had worked effectively for a number of years. This would in effect de-risk the technology aspects of the transition.
  - (g) The Board asked for reassurance that the single remaining bidders would agree to the required service level agreements (SLAs). CD explained that the majority of the MSA SLAs had been finalised with further caveats in the preferred bidder letter to build in additional protections. Christian Muir reported that the SLAs had been agreed and were, as good as, if not better than those in the existing contract.  
  
**The Board asked CD to ensure that all legal risks were closed down before the contract was signed, and that HPE did not try to dilute the terms once they received the preferred bidder letter.**
- ACTION: CD
- ACTION: MG
- (h) The Board asked for assurance that the work on digital wallet would be accelerated and aligned with the wider digital strategy.  
**MG assured the Board that the work would be accelerated and promised to keep the Board updated.**
- ACTION: Carla Stent
- (i) The Board discussed CYSC8 banking requirements and asked the **ARC to pick up the risks concerned with the transfer of POca accounts (Court Order part 7) and CYSC8.**
  - (j) The Board approved the selection on HPE/TSB as the preferred bidder for the POca.  
  
The Board approved the delegation of authority to the CEO and CFO for final approval and signature of the contract.

Post Office Limited – Strictly Confidential

POLB 16/42

CLOSE

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

**GRO**

Chairman

Date

25/7/16

