

Strictly Confidential

Status Report as at: 02/08/2017

Post Office Limited Board

REFERENCE	ACTION	Action Owner (GE Member)	Due Date	STATUS	Open/Closed
31 January 2017 POLB 17/11 (d)	<u>Board Effectiveness Review</u> Reconsider the proposal for an independent advisor to the Board after the IT strategy presentation at the July Board meeting.	Ken McCall	October 2017 Board		Open
28 March 2017 POLB 17/25 (g)	<u>FS Growth - Falcon</u> A number of Fintech providers were being considered and due diligence was being completed. NK would return to the Board with a concept for consideration in July 2017.	Nick Kennett	July 2017 Board	Action closed - the Falcon paper was addressed at June Board Strategy Day.	Closed
28 March 2017 POLB 17/25 (j)	<u>FS Growth - PQMS</u> As part of the long term financial services strategy, a potential future move into underwriting activities would be brought to the Board for further discussion at the appropriate time.	Nick Kennett	September 2017 Board	On-going longer term action.	Open
25 May 2017 POLB 17/36 (d)	<u>CEO Report - Identity Services</u> The CEO explained the enhanced Verify product which would be launched in June and was likely to include a digital driving licence product. The new product would be helpful for vehicle rental companies and Ken McCall offered advice in accessing this market. Post Office as the Verify market leader had been chosen to launch this new service in advance of other suppliers and this would help cement the position in the market.	Martin Edwards / Ken McCall	September 2017 Board	Action originally assigned to Kevin Gilliland but this falls within Martin Edward's remit and has been reassigned accordingly.	Open
25 May 2017 POLB 17/36 (h)	<u>CEO Report - Industrial Relations</u> The CEO reported that the Company was still in dispute with the CWU and UNITE unions although the UNITE dispute was closer to resolution. The Board discussed the reduction in number of CWU reps paid for by the Business which had reduced from nineteen to six. The Board challenged the practice of paying for any union reps and asked the CEO to check why the union were not paying for their reps.	Martin Kirke	September 2017 Board	Union reps have the statutory right to time off with pay to carry out union duties (section 168 TULRCA). The amount of paid time off must be " <i>reasonable in all the circumstances</i> ". We are ceasing full-time paid release for 16 CWU IR reps. The current number of hours for FT paid release will reduce from 35,580 to 5,450hrs pa.	Closed

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25 May 2017 POLB 17/39 (l)	<u>Chief Executive Retail Performance Report</u> The Board asked the Executive to consider an adequate sample of large branches measuring queue times to give more rigour to measurement of initiatives.	Kevin Gilliland	September 2017 Board		Open
25 May 2017 POLB 17/40 (e) (f)	<u>Mails Strategy Update</u> The Board asked KG and MS to continue to develop the next best alternative work in parallel with an emphasis on the technical integration, and to return to the Board with a view on how quickly they could be implemented if the negotiation do not deliver what is needed. The Board asked the CEO to ensure she had the strongest negotiation team possible.	Kevin Gilliland / Mark Siviter	September 2017 Board		Open
25 July 2017 POLB 17/52 (c)	<u>Funding Update - The ARA</u> The CFOO explained that once the detail of the funding was known a cash flow forecast would be produced to prove sustainability, at which point the Annual Report and Accounts (ARA) could be finalised with the External Auditors including a subsequent events review. If a letter was received before the summer recess the ARA could be presented at an ARC in September, although an additional meeting might be needed.	Company Secretary	September 2017 ARC		Open
25 July 2017 POLB 17/54 (b)	<u>Board Status Report</u> The Board asked the Company Secretary to ensure that Identity Services and IT Strategy were included on the September agenda.	Company Secretary	September 2017 Board		Open
25 July 2017 POLB 17/54 (d)	<u>Board Status Report</u> The Board noted the paper on Health and Safety Directors' duties and recognised that the paper covered the duties to employees The Board asked for a separate paper setting out any Directors' duties which apply to agents.	Jane MacLeod, General Counsel	September 2017 Board		Open

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25 July 2017 POLB 17/56 (f)	<p><u>Financial Report - Agent's Debt</u> The CEO explained that the decision not to prosecute agents if they could use the Horizon system as a defence would be reconsidered once Deloitte had completed their work on Horizon and could be used in court as an expert witness.</p> <p>The Board asked that the lessons learned on agent's losses, including recruitment processes, be presented at the ARC.</p>	AI Cameron, CFOO	September 2017 ARC		Open
25 July 2017 POLB 17/58 (e)	<p><u>Peregrine Update</u> NK was expecting a proposal from BoI in early September, which if it was good enough, would be discussed at the September Board, when NK would return with the options for 2023.</p>	Nick Kennett	September 2017 Board		Open
25 July 2017 POLB 17/61 (d)	<p><u>Post Office Card Account - LIBOR Interest Rate SWAP</u> The Board discussed the LIBOR position and the consideration being given to a 3 year interest rate SWAP. RC was unsure how the Shareholder would respond to the proposed SWAP. The CFOO reminded the Board that the Business already uses hedging for FOREX and fuel, and that there was no governance requirement to obtain Shareholder approval.</p> <p>The CFOO stressed that no decision on the use of SWAPs would be taken without approval by the ARC, and offered to take the Shareholder through the rationale if it would be helpful.</p>	AI Cameron, CFOO	September 2017 Board		Open