



**POST OFFICE LIMITED BOARD MEETING**  
*Strictly Confidential*

**MINUTES OF AN ADDITIONAL MEETING OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON WEDNESDAY 5 JULY 2023 AT 100 WOOD STREET, LONDON, EC2V 7ER AT 11:45 AM<sup>1</sup>**

<b>Present:</b>	Henry Staunton	Chairman ( <b>Chairman</b> )
	Lorna Gratton	Non-Executive Director ( <b>LG</b> )
	Elliot Jacobs	Non-Executive Director ( <b>EJ</b> )
	Saf Ismail	Non-Executive Director ( <b>SI</b> )
	Ben Tidswell	Senior Independent Director ( <b>BT</b> )
	Brian Gaunt	Non-Executive Director ( <b>BG</b> )
	Simon Jeffreys	Non-Executive Director ( <b>SJ</b> )
	Amanda Burton	Non-Executive Director ( <b>AB</b> )
	Andrew Darfoor	Non-Executive Director ( <b>AD</b> )
	Nick Read	Group Chief Executive Officer ( <b>NR</b> )
<b>In attendance:</b>	Rachel Scarrabelotti	Company Secretary ( <b>RS</b> )
	Ben Foat	Group General Counsel ( <b>BF</b> )
	John Bartlett	Head of Central Investigations Unit ( <b>JB</b> )
<b>Apologies:</b>	Alisdair Cameron	Group Chief Finance Officer

**Action**

**1. Welcome and Conflicts of Interest, Inquiry Undertakings**

**Welcome and Conflicts of Interest**

A quorum being present, the Chairman opened the meeting and thanked Board members for being available to join the meeting at short notice. The Chairman called for the Directors to disclose any conflicts of interest. NR noted his conflict of interest in the matters to be considered at the meeting and that he would not participate in any voting in respect of any decisions taken. The Directors otherwise 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.

**Inquiry Undertakings**

The Board noted that all attendees had a confidentiality undertaking to the Inquiry in place.

**2. Speak-Up**

**TABLED** and **NOTED** were the following **confidential and legally privileged** materials:

- (i) 'Email from John Bartlett dated 30<sup>th</sup> June 2023'; and
- (ii) 'Email from Ben Foat dated 30<sup>th</sup> June 2023'.

Key discussion points were as follows:

- The Chairman spoke to the above materials, noting the advice provided by BF and JB and advised that he had replied to the whistle-blower. The Chairman shared his view that some of the allegations raised did not appear to be strictly whistleblowing issues and that it may be in order for the Board to consider a different approach to address allegations of this nature;

<sup>1</sup> This meeting is an addition to the scheduled meetings so standard items such as minutes and matters arising have been carried over to the meeting on 11 July 2023.



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- NR advised that he was of a similar view and set out his perspective on the allegations and proposed steps to address these:
  - February 2023 was the first-time management became aware that R2 was going to be delayed beyond its planned delivery for March 2023;
  - The Board had been advised of the establishment of the RTP in March 2023 with K Secretan leading this. Whilst the RTP had been purposefully established as a separate programme to NBIT, this did mean that there was a degree of challenge and combativeness due to this structure;
  - As March 2023 progressed it became apparent that the revised release date for R2 of June 2023 was going to be July 2023. NR advised that he became uncomfortable at this point as to the progress that was being made on NBIT;
  - NR advised the Board in June that he was planning to commission an independent review into the status of the NBIT project. After considering 4 different options and in consultation with Chair, NR had asked KPMG and Accenture to do a review of the programme. The scope of the review would include reviewing the delay and articulating the reasons for this and also to definitively understand the status in relation to bugs, errors and defects in the system. KPMG and Accenture would be engaged under separate contracts however carry out the review as 2 integrated pieces of work;
  - There was the need to engage a Chief Transformation Officer ('CTO') to join the Executive to bring together NBIT, RTP and path clearing. NR had a preferred candidate who was available to commence 1 August 2023. The candidate was very experienced, and NR would propose that the individual on arrival take over the review exercise. NR advised that he had a second preferred candidate and outlined this candidate's experience and the potential applicability of this to the NBIT programme;
  - The external review was estimated to take 8 – 12 weeks, although KPMG and Accenture had indicated that this could be reduced to 6 weeks. Whilst the external review was being conducted the programme would pause however no regret activity would continue;
  - Additional issues to be included in the scope for the external review included the tech build or buy question, the optimal location for conducting the programme, governance, the capabilities required to deliver the programme and fundamentally whether delivery of the NBIT programme would ultimately meet the needs of our business. NR would request K Secretan, Z Mladenov and G Clark to step back from the review exercise;
  - NR proposed to ask O Woodley to step up as Deputy CEO to manage the review of the NBIT programme and the NBIT programme itself, with the expectation that the CTO would have day to day responsibility for these programmes;
  - Whilst NR thought that Z Mladenov had done a good job with BAU aspects of the business, overseeing NBIT as well had proved too stretching and challenging for Z Mladenov. It was proposed that Z Mladenov be invited to remain with the business to manage BAU IT, however if Z Mladenov did not wish to do this, then the second preferred candidate for the CTO role could be offered the BAU IT position;
  - The other critical aspect was establishing better governance across the NBIT programme. NR was Chair of RTP, AC had been Chair of the NBIT Steering Committee which had been disbanded earlier in the year, however reinstated as the NBIT Technical Steering Committee in May 2023. The Chairman had discussed with A Darfoor, A Darfoor chairing a new Board Committee which would include in its ambit responsibility for overseeing the NBIT programme;



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- In relation to the Executive, the CFO remained absent, and NR was looking to appoint an interim CPO. Consideration was being given to appointing C Pispinis as Chief of Staff given the anticipated intensity of activity in the business over the next 18 months. The Chief of Staff would be charged to devise the correct operating model to covers the past, present and future as well as assisting with the optimal governance arrangements required for this;
- AB advised that she thought the proposed changes all sounded very sensible, however noted the significant amount of activity going on in the business and that for employees it was not always clear as to what the priorities were. AB queried who would have responsibility for this. NR advised that whilst historically this had been T McInnes, this would be part of the Chief of Staff's role, and that the Chief of Staff would work with the business to undertake a governance and meeting cadence overview to ensure alignment with accountability and decision-making processes;
- SJ expressed his support for the proposed changes, however noted that he had received mixed reviews on the performance of O Woodley. SJ also noted some confusion as to lines of accountability and queried whether NR was proposing any changes in this respect. NR replied that it would be part of the Chief of Staff's role to put in place a very precise RACI. In relation to O Woodley, NR reiterated the comments he had made at the Remuneration Committee meeting earlier in the week in respect of O Woodley's very positive performance for FY22/23. In addition, O Woodley was anticipated to retire in March 2024; by having O Woodley step up into the position of Deputy CEO, this would allow others from the Commercial team to step up so the Board could evaluate their ability to take on the CIO when O Woodley departed. In his role as Deputy CEO O Woodley would be asked to focus on culture as well as the NBIT programme. The Chairman shared his view that O Woodley had displayed a high degree of leadership, was visible, and that OW had indicated that he may be open to staying in the Deputy CEO role beyond the period of his proposed retirement;
- EJ noted concerns in respect of O Woodley's speed of delivery. If O Woodley and C Pispinis stepped away from the commercial team it would seem that the most valuable team members were moving at a critical time. EJ queried how these roles would be back filled and shared his view that O Woodley's appointment to the role of Deputy CEO for a 9-month period could be problematic in terms of short termism. EJ also queried whether management had considered the impact on the NBIT team when the proposed changes were implemented. NR advised that in his role as Deputy CEO O Woodley would still retain oversight of the Commercial function and would be responsible for the delivery of Banking Framework 4 and the online aggregator. Whilst NR took EJ's points, he did not think there was a profound strategic risk at present due to the proposed changes and thought it was more pressing to allocate talent and resource to serve business needs;
- BG raised issues in respect of O Woodley also, noting the progress in the mails business however BG was not sure if O Woodley had driven the strategy as opposed to O Woodley being driven to conclude the strategy. Also, headcount in the mails team has been at around 50% for a sustained period before additional resource was recruited. BG queried whether there was an inclination in O Woodley not to address conflicts and issues and also queried the plans to incentivise O Woodley given he was due to retire. BG further queried whether was there an ability to bring in an interim for the new role proposed for O Woodley. NR advised that in the role proposed, O Woodley would be responsible for running the NBIT Technical Steering Committee and assisting with the external NBIT review; someone who knew their way around the business was required for



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these activities. NR had been on a COO search however had not identified a candidate the Company could afford and who NR thought would be worth making the changing for. NR noted the proposed changes to the executive already advised that he was not certain that the business could sustain further change;

- AD advised that he was very supportive and not taking action was not an option. AD asked whether KPMG and Accenture would be providing recommendation as part of their scope. NR replied that they would and advised that the approach to the review would be very much on the ground and a 'drains up' in order to understand the state of R2 in reality along with NBIT governance and behaviour. AD shared his view that concluding the review in 6-8 weeks was not feasible. NR took the point and advised it would be preferable to sacrifice some speed for depth in the review;
- **ACTION** SI echoed BG's comments in respect of O Woodley and advised that if O Woodley was promoted to Deputy CEO, then there would need to be some very clear objectives set for OW. SI asked NR to share these. SI shared his view that the Commercial team did need some fresh impetus and that this juncture provided that opportunity. SI queried how the pause of NBIT would be communicated within the business, and whether the pause could be construed negatively. NR stressed the importance of not losing momentum or capability during the pause. In relation to incentivisation, NR shared his view that there was a need to be more creative and that there needed to be more delivery incentive. NR was not certain as yet on if/ how the pause would be communicated. Employees knew that R2 had been delayed and that significant funding had been requested from the government;
- LG advised that she was generally very supportive and thought it was sensible to pause on NBIT with no regret activity continuing. LG shared her view that the Shareholder would find comfort in the establishment of a Board level Committee overseeing NBIT. In relation to O Woodley, LG reiterated the need for clear objectives and for O Woodley to take ownership quickly to provide NR with space. LG queried whether it was planned to keep K Secretan and G Clark in the business. NR replied that it was not thought that GC would remain in the business, however NR would like K Secretan to stay on if we could find an alternate role for K Secretan within the business;
- EJ shared his views on K Secretan's performance and that K Secretan leaving the business would be a loss. EJ referenced the allegations and queried whether there was a culture at the Company of not calling out when people were not performing. If this was the case, how could the Board make sure that the recruits to the Executive were all attuned to this and addressed this issue. EJ also noted that there had not been any discussion in relation to the allegations in respect of M Roberts. BT contributed that he thought that the Board and Executive needed to be direct and keep an eye on Executive members who came into the business;
- The Chair returned to the allegations in the whistle-blowing letter and shared his view that a lot of these were criticisms of the calibre of Executive members and were for the Board to deal with. AB noted that the proposals discussed in the meeting addressed a lot of these types of allegations in the letter. AB queried how the Chairman was going to reply substantively to the letter however given that the proposals discussed had not been announced as yet. AB pointed out that there were alleged behaviours mentioned in the letter – for example – M Roberts and his behaviours with female employees – and that the Board needed to determine how these would be considered. The Chairman agreed with this, if the allegations in respect of the abilities of the Executive were put to one side, the Board would be left with the issues that needed to be investigated and the Board could agree

NR



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that these issues were pressed forward for investigation. BT summarised the point - the whistle-blowing allegations seemed to be divisible into allegations about conduct versus competence. The whistle-blowing allegations in respect of conduct where it was alleged that people had behaved in ways that were inconsistent with the Company's values were of the utmost concern to the Board and needed to be fully investigated in a conventional whistle-blowing way by referral to the Central Investigations Unit. On the competence side, these allegations needed to be investigated internally and were not of a nature where the Company could sub-contract to anyone else. The piece in the middle around whether NBIT had operated properly and followed governance would come out from the KPMG and Accenture reviews. All Board members agreed with the distinction in the allegations as set out by BT and the proposed approach;

- BG queried whether the outcome of the investigations would come back to the Board. The Chair advised that they would;
- AD advised that when he had read the whistleblowing letter that his take was that the allegations around NBIT did not relate to conduct. AD's impression was that there were people who were very stressed and that there were behavioural issues that needed to be remediated and that this would be surfaced in the KPMG and Accenture reviews. The Chairman advised he was of the same view. BT shared his view that he thought it was both conduct and competence in relation to the NBIT allegations, although the conduct piece was very narrow in this it still needed to be fully investigated. The Chairman needed accepted this;
- **ACTION** SJ advised that the Board also needed to appoint a whistleblowing champion. The Chairman invited Board members to express their interest in this role by way of to the Chairman. SJ emphasised the need for the Board to make sure an individual with the right profile was appointed for this position.

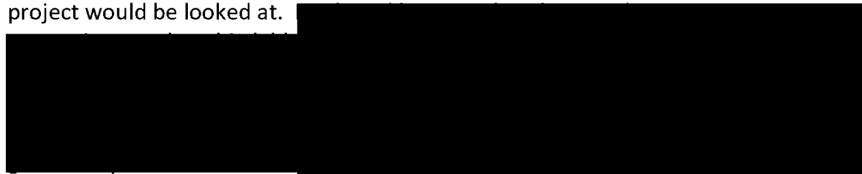
**Board  
Members**

EJ, SJ, SI and BG left the meeting around 12:45. BF and JB joined the meeting at 12:48.

**Confidential and legally privileged**

Key points of the discussion were as follows:

- The Chairman provided a summary of the Board's view into the demarcation between the allegations in relation of conduct as against competence. It was proposed that the allegations in relation to competence be investigated internally and the Board would take decisions based on the findings. The issue the Board was looking at was in relation to the NBIT allegations, which could come out in the KPMG and Accenture review. JB advised that any conduct allegations around NBIT would be judged against the Company's Ways of Working, policies and procedures, and that the reliability of information as it flowed out from the NBIT project would be looked at.



- There was discussion as to the depth of the investigations required for the NBIT allegations, as the external KPMG and Accenture reviews would draw out these issues. AB noted that the depth of the investigations would partly depend on who was instructed externally to undertake the conduct investigations. AB suggested that an internal review be carried out on the conduct allegations to assess whether and where a deep dive was required. BT agreed that the approach could be a review of the NBIT allegations to work out which parts were conduct and warranted further investigation. **ACTION** [REDACTED]

**BF/ JB**



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JB agreed with this also and advised that he would commence preparing a Terms of Reference;

- LG queried how confident JB was of carrying out the conduct allegation investigations internally. JB advised that he was confident, however specialist external support would be provided to assist the Central Investigations Unit.

- The status and approach to the 2 other whistleblowing investigations mentioned in the emails from BF and JB of 30 June were discussed with JB noting that a revised approach to investigations 1 and 2 would be taken. AB queried whether the whistle-blowers were anonymous in respect of the other 2 cases. The Chairman replied that one whistle-blower was anonymous and the other was not; the known whistle-blower was providing assistance with the investigation. In relation to the whistle-blowing allegation in respect of NBIT testing, AB queried whether this could be covered in KPMG and Accenture’s scope. NR agreed that this could be added, and AB noted that there may be different skill sets required for the review and that KMPG and Accenture may be a better route. JB advised that he was comfortable to supply some of the information to the teams undertaking the technical review.

NR

**3. Any Other Business**

There being no other business the Chairman declared the meeting closed at 13:10.

**4. Date of next scheduled meeting**

11 July 9:30 – 15:00 hrs.

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Chairman

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Date



**POST OFFICE LIMITED BOARD MEETING**  
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**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON TUESDAY 11 JULY 2023 AT 100 WOOD STREET, LONDON, EC2V 7ER AT 09:30 AM**

<b>Present:</b>	Henry Staunton Lorna Gratton Saf Ismail Elliot Jacobs Ben Tidswell Brian Gaunt Simon Jeffreys Amanda Burton Andrew Darfoor Nick Read	Chairman ( <b>Chairman</b> ) Non-Executive Director ( <b>LG</b> ) Non-Executive Director ( <b>SI</b> ) Non-Executive Director ( <b>EJ</b> ) Senior Independent Director ( <b>BT</b> ) Non-Executive Director ( <b>BG</b> ) Non-Executive Director ( <b>SJ</b> ) Non-Executive Director ( <b>AB</b> ) Non-Executive Director ( <b>AD</b> ) Group Chief Executive Officer ( <b>NR</b> )
<b>In attendance:</b>	Rachel Scarrabelotti Max Jacobi David Bickerton Charles Donald Ben Foat Diane Wills  Gemma Ludgate Simon Recaldin Zdravko Mladenov Tim McInnes Liam Carroll	Company Secretary ( <b>RS</b> ) Finance Director ( <b>MJ</b> ) Director General, Business Sectors, DBT ( <b>DB</b> ) CEO, UKGI ( <b>CD</b> ) Group General Counsel ( <b>BF</b> ) Historical Matters Legal Services and Public Inquiry Director ( <b>DW</b> ) Inquiry Operations Director ( <b>GL</b> ) Historical Matters Director ( <b>SR</b> ) Group Chief Digital and Information Officer ( <b>ZM</b> ) Strategy and Transformation Director ( <b>TM</b> ) Procurement Director ( <b>LC</b> )
<b>Apologies:</b>	Alisdair Cameron	Group Chief Finance Officer ( <b>AC</b> )

**Action****1. Welcome and Conflicts of Interest, Inquiry Undertakings****Welcome and Conflicts of Interest**

A quorum being present, the Chairman opened the meeting. The Chairman called for the Directors to disclose any conflicts of interest. EJ reminded the Board of his ongoing conflict in being a practising Postmaster. The Directors otherwise 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.

**Inquiry Confidentiality Undertakings**

The Board noted that MJ, LC, CD and DB did not have confidentiality undertakings accepted by the Inquiry in place, and that these individuals would need to be excused from the meeting should the need to discuss information confidential to the Inquiry arise.

**2. Role of the Shareholder Representative**

The Chair welcomed DB and CD. Key points advised by DB were as follows:

- The Shareholder's priority was to arrive at a situation where the Company could move on. The view of the Minister for Postal Affairs was that this could only be achieved once the Inquiry was completed, and compensation schemes fully administered. Once the Company could move on however, it remained to be