

WITN11030200

Witness Name: Darren Heilig
Statement No: WITN11030200
Dated: 22 April 2024

POST OFFICE HORIZON IT INQUIRY

SECOND WITNESS STATEMENT OF DARREN HEILIG

1. I, Darren Heilig, of 185 Farringdon Road, London, EC1A 1AA, am a solicitor and the Assistant General Counsel, Group Corporate and Finance and Deputy Company Secretary employed by Royal Mail Group Limited ("**RMGL**").
2. I make this statement on behalf of RMGL in response to a Request for Information received from the Post Office Horizon IT Inquiry (the "**Inquiry**") dated 1 February 2024 (the "**Request**").

INTRODUCTION

3. As set out in my First Witness Statement [WITN11030100] I was not employed within the Royal Mail group of companies (the "**Royal Mail Group**") during the period which the Inquiry or the Request relates to. In providing the information contained in this witness statement, I have therefore relied on information that is publicly available or which I have ascertained from the Royal Mail Group's corporate records that are now available to me.
4. Some of the historic information provided with this statement has been derived from Microsoft Word versions of documents (i.e. not final, signed copies), from which it is difficult to ascertain whether they are in final form and/or were approved and implemented. Other information has been derived from scanned copies of

WITN11030200

documents, and as a result, sometimes the quality of the scanned versions mean that it is similarly unclear whether those documents represent the final versions, or are only drafts. Wherever possible I have indicated where I am unsure of the credibility of any information, and provide the best available copies of relevant documents to assist the Inquiry.

5. The Inquiry has requested a written statement that explains any written arrangements and specifications of procedures and outcomes for RMG's evaluation of the performance of the Post Office Limited Board (the "**POL Board**") as a whole; individual members of the POL Board; the Royal Mail Group Board as a whole; and individual members of the Royal Mail Group Board and any written procedures and policies specifying how whistleblowing arising in Post Office Limited ("**POL**") or about POL was to be treated by RMG, including the required escalation and reporting processes.
6. I have taken the terms below, as used in the Request, to mean as follows:
 - 6.1 "RMG" – the entire Royal Mail Group at the relevant time; therefore, in the context of the Royal Mail Group undertaking a performance evaluation of its Boards of Directors, it would be the holding company of the Royal Mail Group, Royal Mail Holdings plc (as it was named between November 2002 and September 2013), with Company Number 04074919 (the "**Holding Company**") that would undertake those evaluations; and
 - 6.2 "Royal Mail Group Board" – the Board of Directors of RMGL, which I will refer to in the remainder of this statement as the "**RMGL Board**". In any case, as I set out below, I have only found information relating to performance evaluations of the Board of the Holding Company.

Performance Evaluation

WITN11030200

7. I have reviewed reports and accounts for the Holding Company as filed at Companies House from its first financial year, 2000/01, through to 2011/12 (the "**Reports and Accounts**"). The Reports and Accounts contain descriptions of performance evaluations undertaken in relation to the Board of the Holding Company itself. Whilst these performance reviews did not explicitly evaluate the performance of the POL Board or the RMGL Board, the Holding Company Board consisted of the key executive members of those subsidiary Boards. The performance of the key executives of the POL Board and the RMGL Board would therefore have been assessed as part of these reported evaluations due to their membership of the Holding Company Board.
8. It is apparent from the Reports and Accounts that, in each financial year, the Holding Company sought to comply with the provisions of the prevailing UK Corporate Governance Code (the "**Code**") and largely reported compliance in so far as the provisions were appropriate to a public company with a single shareholder. Part of complying with the Code appeared, from financial year 2004/05 onwards, to include a board evaluation process. I have extracted summaries of that board evaluation process contained in the Reports and Accounts into Document RMG00000338. The full Reports and Accounts are also available in Documents RMG00000319, RMG00000316, RMG00000314, RMG00000312, RMG00000315, RMG00000313, RMG00000310, RMG00000309, RMG00000311, RMG00000344, RMG00000343 and RMG00000342.
9. In summary, in most years, it is recorded in the Reports and Accounts that an internal process was undertaken to enable Directors' perspectives on the effectiveness of the Board and its Committees to be fed back to the Chairman and the full Board. It appears from the Reports and Accounts that:

WITN11030200

- 9.1 these internal reviews were undertaken by either the Chairman or the Senior Independent Director with the support of the Company Secretary;
- 9.2 performance reviews of Board Committees would be undertaken by the Committee Chairs;
- 9.3 the Non-Executive Directors, led by the Senior Independent Director, would review the performance of the Chairman and the Executive Directors;
- 9.4 from financial year 2007/8, the Executive Directors, led by the Group Chief Executive, would review the performance of the Non-Executive Directors;
and
- 9.5 in two financial years – 2009/10 and 2011/12 – the review was facilitated externally by Professor Rob Goffee of the London Business School.

10. The outcomes of the evaluations were not reported in the Reports and Accounts.

I have however located a number of internal documents that appear to be outputs of the performance evaluations of the Board of the Holding Company and its Committees and these are at [Documents RMG00000334, RMG00000340, RMG00000336, RMG00000341, RMG00000337, RMG00000333, RMG00000335, RMG00000339, RMG00000332, RMG00000331], although I cannot be certain that these are final versions, and they are not a complete set; I have not located such documentation for each year in which a performance evaluation was disclosed in the Reports and Accounts.

11. The following statements regularly appear in the Reports and Accounts to describe the governance arrangements in relation to remuneration:

"The Board retains overall accountability for the framework and costs of executive remuneration and the terms of the service contracts offered to all Executive Directors, which require the consent of the Secretary of State for Trade and

WITN11030200

Industry. The Secretary of State also approves the remuneration of Non-Executive Directors. The Remuneration Committee's role is to develop the remuneration policy for Executive Directors and their immediate reports and specifically to make recommendations on their salary, benefits, bonuses and other terms and conditions of employment".

12. It is also apparent from the Directors' Remuneration Reports within the Reports and Accounts that individual performance-related bonuses were also part of the Holding Company Executive Directors' remuneration packages. Again, since the key executives of the POL Board and the RMGL Board were also members of the Holding Company Board, their performance-related remuneration is disclosed in the Reports and Accounts. Those targets tended to be measurable indicators of business performance, including financial and customer or quality of service thresholds and, in the later years, personal objectives are also referred to.
13. I have located a number of other internal documents, including minutes and papers for the Remuneration Committee of the Holding Company that appear to relate to the performance-related bonus proposals for the Holding Company Executive Directors, including personal objectives and outcomes, and these are at [Documents RMG00000330, RMG00000324, RMG00000325, RMG00000323, RMG00000326, RMG00000322, RMG00000328 and RMG00000327], although I cannot be certain that these are final versions, and they do not appear to be a complete set.

Whistleblowing

Code of Business Standards

14. The earliest copy of a policy relating to whistleblowing that I have identified is a policy document titled "Code of Business Standards" dated 2003 ("**2003 Code**")

WITN11030200

[Document RMG00000329]. Within that document an earlier version is referred to that was published in 1998.

15. It appears that the 2003 Code applied to employees of POL as well as of RMGL.

16. The 2003 Code provided that: *"If you discover that the company's standards and reputation are being put at risk by unethical or even criminal behaviour, you should report the facts to a manager. Ignoring bad behaviour is wrong and will damage the reputation not only of the company but of everyone else who works for it. If you feel that you can't talk to your own manager, you should talk to a senior manager, or your personnel manager. If you think that you may suffer intimidation at work because you have made a report, you have a right to ask your Personnel Manager to take steps to ensure that you can work without harassment or intimidation of any kind."*

17. The 2003 Code also set out internal helplines which included telephone numbers for: Bullying & Harassment helpline; and the Corporate Security Helpdesk.

Employee Disclosure (Whistleblowing) policy

18. The earliest copy of a standalone whistleblowing policy that I have identified is a policy document titled "Employee Disclosure (Whistleblowing) (G7)" dated October 2006 ("**2006 ED Policy**") [Document RMG00000317]. Within that document an earlier version is referred to dated 28 July 2006. I understand from other documents I have reviewed that there were whistleblowing helplines, both internal and external, and that there may have been a standalone whistleblowing policy before this date, but I have not identified any copies of any such policy.

19. It appears that the 2006 ED Policy applied to POL as a member of the Royal Mail Group.

20. The 2006 ED Policy provided that it was: *“the Royal Mail Group Policy for enabling employees to disclose information (“whistleblowing”) about breaches of its policies and standards of conduct. This policy will be supported by each of the Royal Mail Group businesses, which will maintain arrangements for giving confidential and fair consideration to such disclosures, and for taking appropriate and effective remedial action”*.
21. It further provided that each Business Unit (including POL) would nominate a Senior Manager to be the contact point for dealing with employee disclosures and these managers will ensure that any disclosures are investigated fully and fairly.
22. The 2006 ED Policy also set out various internal helplines which included telephone numbers for: Post Office Security; Bullying & Harassment helpline; and Public Concern at Work.
23. In 2010, the Audit & Risk Committee decided to appoint an external third party to provide a new whistleblowing helpline. InTouch Management Communication Systems Limited (“**InTouch**”) was appointed to provide this service pursuant to an agreement dated 2 August 2010 (the “**InTouch Agreement**”) [Document RMG00000318]. Under the InTouch Agreement, InTouch provided a telephone service and secure web reporting facility for Royal Mail Group personnel which was expressly stated to include employees, staff, agents, subcontractors and advisors of RMG and its subsidiaries (which would have included POL). It was also expressly stated to include POL sub-postmasters. The InTouch Agreement states that the service is intended to be used for the recording of concerns of a “whistleblowing” nature and other malpractice issues, including fraud, financial irregularities and HR concerns.

Employee Confidential Disclosures Policy

WITN11030200

24.I have also identified a policy document titled "G07 Employee Confidential Disclosures", stated to be effective from 2 August 2010 ("**2010 ECD Policy**") [Document RMG00000321], which appears to have replaced the 2006 ED Policy. The scope of the 2010 ECD Policy was stated to apply to "...all business units within RMG including...Post Office Ltd...". It also sets out various key responsibilities under the Policy being:

"Group Executive Committee (GET)

- *Approval of the Employee Confidential Disclosures Policy;*
- *Ensuring that resources are made available within RMG as required;*

Internal Audit & Risk Management (IA&RM)

- *The development and maintenance of the Employee Confidential Disclosures policy;*
- *The development and maintenance of the framework and associated high level processes;*
- *Co-ordinating the receipt of cases from RMG's hotline provider and reporting back on progress and outcomes;*
- *Reporting incidents and outcomes to the Audit & Risk Committee and to GET;*
- *Chairing a working group consisting of the subject matter experts, to ensure that serious claims are effectively investigated; and*
- *Contractual management of the 3rd party hotline provider.*

Group Functional Heads

- *Facilitating a consistent approach to investigations that cover multiple business units /group functions, and for developing any cross-unit plans that are required.*

WITN11030200

Business Unit / Group Function Heads

- *Deploying the resources to ensure that the applicable business unit / group function develops and maintains its disclosure investigation capabilities so it complies with this policy and associated procedures.”*

25. The 2010 ECD Policy set out a number of ways in which personnel could raise concerns, including through line managers; through the confidential hotline provided by InTouch via phone or online web service; via email and telephone numbers for the “Security Helpdesk” or the “Corporate & Social Responsibility Helpdesk”; a telephone contact number for the “Bullying & Harassment Helpline”; and a contact email for “Ask Adam”.

Speak Up Policy

26. I have also identified a policy document titled “Speak Up (Whistleblowing) Policy”, stated to be effective from 28 April 2012 (“**2012 Speak Up Policy**”) [Document RMG00000320]. POL ceased to be a subsidiary of RMGL in April 2012 and the 2012 Speak Up Policy expressly provides that “*This policy applies to all employees of Royal Mail Group Ltd.....Employees working for Post Office Ltd should refer to their own Speak Up Policy*”.

Statement of Truth

I believe the content of this statement to be true.

Signed:

GRO

Dated:

22/04/24

Index to Second Witness Statement of Darren Heilig

No.	URN	Document Description	Control Number
1.	RMG00000319	001 Consignia Holdings plc Accounts 2000-1	VIS00014171
2.	RMG00000316	002 Consignia Holdings plc Accounts 2001-2	VIS00014168
3.	RMG00000314	003 Royal Mail Holdings plc Accounts 2002-3	VIS00014166
4.	RMG00000312	004 Royal Mail Holdings plc Report and Accounts 2003-4	VIS00014164
5.	RMG00000315	005 Royal Mail Holdings plc Report and Accounts 2004-5	VIS00014167
6.	RMG00000313	006 Royal Mail Holdings plc Report and Accounts 2005-6	VIS00014165
7.	RMG00000310	007 Royal Mail Holdings plc Report and Accounts 2006-7	VIS00014162
8.	RMG00000309	008 Royal Mail Holdings plc Report and Accounts 2007-8	VIS00014161
9.	RMG00000311	009 Royal Mail Holdings plc Report and Accounts 2008-9	VIS00014163
10.	RMG00000344	010 Royal Mail Holdings plc Annual Report and Financial Statements 2009-10	VIS00014195
11.	RMG00000343	011 Royal Mail Holdings plc Annual Report and Financial Statements 2010-11	VIS00014195
12.	RMG00000342	012 Royal Mail Holdings plc Annual Report and Financial Statements 2011-12	VIS00014194
13.	RMG00000338	013 Extracted text from Corporate Governance sections of Annual Report and Accounts relation to Board Evaluation	VIS00014190
14.	RMG00000334	014 Royal Mail Holdings plc Board Performance Evaluation Questionnaire - 2005	VIS00014186
15.	RMG00000340	015 Royal Mail Holdings plc - Board Performance Evaluation Questionnaire - 2006	VIS00014192

WITN11030200

16.	RMG00000336	016 Royal Mail Holdings plc Board Performance Evaluation Questionnaire - 2007	VIS00014188
17.	RMG00000341	017 Royal Mail Holdings plc Board Performance Evaluation Questionnaire Results – 2007	VIS00014193
18.	RMG00000337	018 Royal Mail Holdings plc - Board Performance Evaluation 2007 – actions agreed	VIS00014189
19.	RMG00000333	019 Royal Mail Holdings plc - Board Performance Evaluation Questionnaire - 2008	VIS00014185
20.	RMG00000335	020 Royal Mail Holdings plc - Board Performance Evaluation - Results - 2008	VIS00014187
21.	RMG00000339	021 Report to the Royal Mail Group – Board Governance Assessment 2009	VIS00014191
22.	RMG00000332	022 Royal Mail Holdings plc - Board Performance Evaluation Questionnaire - 2011	VIS00014184
23.	RMG00000331	023 Report to the Royal Mail Group – Board Governance Assessment 2012	VIS00014183
24.	RMG00000330	024 Royal Mail Holdings plc Remuneration Committee 2005-06 Annual Bonus proposals	VIS00014182
25.	RMG00000324	025 2005-06 Annual Bonus proposals - Appendix 1	VIS00014176
26.	RMG00000325	026 2005-06 Annual Bonus proposals - Appendix 2	VIS00014177
27.	RMG00000323	027 Royal Mail Holdings plc Remuneration Committee minutes dated 2 May 2007	VIS00014175
28.	RMG00000326	028 Royal Mail Holdings plc Remuneration Committee – Bonus and LTIP Outturns 2009-10	VIS00014178
29.	RMG00000322	029 Royal Mail Holdings plc Remuneration Committee Executive Director Bonuses 2010-11	VIS00014174

WITN11030200

30.	RMG00000328	030 Royal Mail Holdings plc Remuneration Committee Moya Green personal objectives proposal - 2010-11	VIS00014180
31.	RMG00000327	031 Royal Mail Holdings plc Remuneration Committee minutes dated 3 June 2011	VIS00014179
32.	RMG00000329	032 Code of Business Standards 2003	VIS00014181
33.	RMG00000317	033 Employee Disclosure (Whistleblowing)(G7)	VIS00014169
34.	RMG00000318	034 InTouch Agreement dated 2 August 2010	VIS00014170
35.	RMG00000321	035 G07 Employee Confidential Disclosures	VIS00014173
36.	RMG00000320	036 Speak Up (Whistleblowing) Policy	VIS00014172