



POST OFFICE LIMITED BOARD MEETING  
*Strictly Confidential and Subject to Legal Privilege*

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON 20 MARCH 2019 AT 20 FINSBURY STREET, LONDON EC2Y 9AQ AT 12.30 PM

**Present:**

Tim Parker (Chairman) (by telephone)

Ken McCall (Chairman for the meeting)

Tom Cooper

Shirine Khoury-Haq

Carla Stent

Alisdair Cameron

**Other attendees:**

Jane MacLeod (Group Director Legal, Risk and Governance and Company Secretary)

Mark Davies (Group Director Communications)

[REDACTED]

[REDACTED] (Norton Rose Fulbright)

[REDACTED] (Norton Rose Fulbright)

**Apologies:**

Tim Franklin, Paula Vennells.

**1. Conflicts of Interest**

**Actions**

A conflict of interest was noted in relation to Tim Parker in his role as Chairman of the HM Courts and Tribunal Service.

A conflict of interest was noted in relation to Tom Cooper in his role as UKGI Director, which as an executive part of government, should not be involved in a decision which related to the judiciary.

Article 82 of PO Limited's Articles of Association permitted the Board to authorise a director in relation to any matter the subject of a conflict. The Board determined that Tim Parker and Tom Cooper could be involved in the Board discussions but should not participate in any decision on whether or not to seek the Judge's recusal.

Ken McCall reported that had spoken to Tim Franklin the previous evening and that he and Jane MacLeod had received his views in writing.

It was reported that Paula Vennells could not participate in the call but had been updated on the discussions.

**2.**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

JM

3.

[REDACTED]

[REDACTED]

[REDACTED] was a corporate lawyer with significant experience in mergers and acquisitions. He had worked for the firm for 20 years [REDACTED]

[REDACTED]

[REDACTED] specialised in commercial litigation and had been at the firm for nearly 20 years.

4.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- irrespective of whether the Judgment was in our favour we wanted to make sure that any individuals who were found to have been treated unfairly had restitution

[REDACTED]

[REDACTED]

- [REDACTED]
- a follow on question to whether the Horizon System was reliable was how we treated discrepancies in the System and if we were treating Postmasters fairly where this happened today. It was noted that the system had changed substantially in last 10 years. It was reported that most discrepancies were due to human error, such as incorrect cash counting or putting a decimal point in the wrong place. There was a team in Chesterfield which helped to identify these errors and liaised with Postmasters and the banks. It was recognised that we could improve our processes and be more transparent. However, if we were getting banking transactions wrong routinely, we would know this because the banks and their customers would be complaining. This was accepted to be the case but it was **AGREED** that the Board should have the facts and figures to be able to verify that position

Executive

[REDACTED]

## 5. Information and discussions requested

1. To provide a phased plan (e.g. over 30/60/90 days) covering the operational, financial and reputational issues we would be addressing. It was reported that this work was underway and that a paper covering these issues should be circulated by the end of the week. The executive would need to make proposals on any operational changes, such as the liability clause in NCT contract
2. We needed a clear view on whether the Horizon System worked properly today. We had to be able to defend against others' doubts of the reliability of the System. This meant that we needed to be able to validate the system error rate and what was acceptable in other industries with transaction volumes of similar scale e.g. banks. It was reported that we could provide sensible information about today's system but it was much more challenging to go back in time
3. A summary of previous investigations into Horizon and the related issues would be made available.
4. TC would like to discuss the figures included in the paper with the executive.
5. [REDACTED]
6. We needed to carry out a critical analysis of ourselves. For example, what did we need to do to be the right partner for Postmasters?
7. [REDACTED]

Executive

Executive

To do: TC/  
Executive

Executive

JM

## 6. Decisions

[REDACTED]



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[REDACTED]

[REDACTED]

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Chairman

02/07/2019

Date

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