

### 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

Prese	nt:	Other attendees:				
Tim Parker (Chairman) (by telephone)		Jane MacLeod (Group Director Legal, Risk and Governance and Company Secretary)				
Ken M	IcCall (Chairman for the meeting)	Mark Davies (Group Director Communications)				
Tom Cooper						
Shirine	e Khoury-Haq	(Norton Rose Fulbright)				
Carla S	Stent	(Norton Rose Fulbright)				
Alisda	ir Cameron					
Apolo	gies:					
Tim Fr	ranklin, Paula Vennells.					
1.	Conflicts of Interest	Actions				
	of the HM Courts and Tribunal Service.  A conflict of interest was noted in relability of the Judiciary.  Article 82 of PO Limited's Articles of authorise a director in relation to any modetermined that Tim Parker and Tom discussions but should not participate if the Judge's recusal.  Ken McCall reported that had spoken to that he and Jane MacLeod had received.	of Association permitted the Board to eatter the subject of a conflict. The Board Cooper could be involved in the Board in any decision on whether or not to seek to Tim Franklin the previous evening and				
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2.						



а	cquisitions. He	corporate la had worked				e in merger	's and
n	spe early 20 years.	cialised in co	ommercial	litigation a	nd had be	en at the fir	m for
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•	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
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Executive

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#### 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

Executive

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- 3. A summary of previous investigations into Horizon and the related issues would be made available.
  - To do: TC/
    e Executive
- 4. TC would like to discuss the figures included in the paper with the **Executive** executive.

Executive

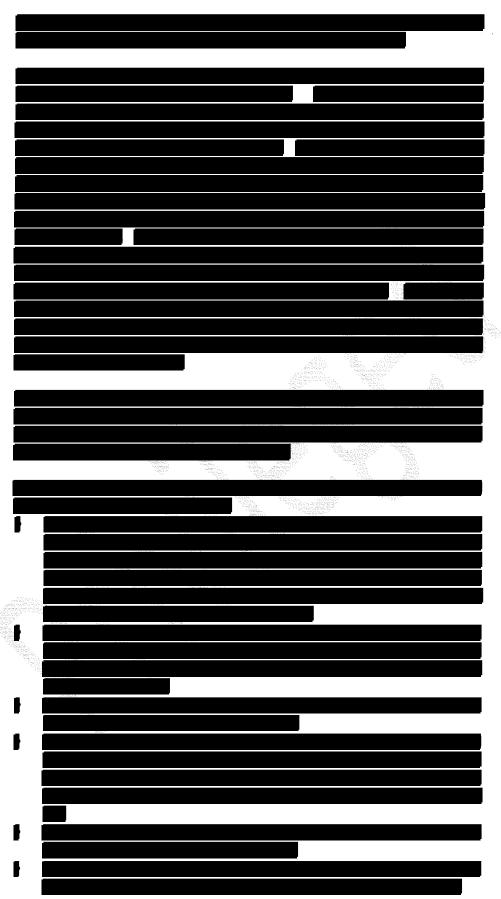
- 6. We needed to carry out a critical analysis of ourselves. For example, what JM did we need to do to be the right partner for Postmasters?
- 7.

5.

6. Decisions









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Date

