

Agenda for Shareholder Executive Board Meeting

Wednesday 13 March 2013 (14.30 – 16.45)

Item	Indicative Timing	Agenda Item	Papers
1.	5 mins	Apologies for absence, Chairman's welcome and introduction, minutes from last meeting, declarations	-
2.	30 mins	Chief Executive's Report: <ul style="list-style-type: none"> Green Investment Bank Post Office Ltd Nuclear Decommissioning Authority ShEx People Survey 	(13)04
3.	30 mins	Royal Mail	(13)05
4.	30 mins	Urenco	(13)06
5.	30 mins	Business Bank	(13)07
6.	10 mins	Agenda Planning	(13)08
-		AOB and close	

[2h 15mins total]

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Commercial – In Confidence

Minutes of Shareholder Executive Board

Meeting held on Wednesday 16 January 2013 at 15.00

Members present:	Patrick O'Sullivan (Chair) (PO'S)	Attendees:	Roger Lowe (Item 2-4) (RL)
	Claudia Arney (CA)		
	Jeremy Pocklington (JP)	Secretary:	Peter Batten
	Tony Watson (TW)		
	Lord Carter (LC)	Apologies:	Gerry Grimstone (GG)
	Stephen Lovegrove (SL)		
	Anthony Odgers (AO)		
	Mark Russell (MR)		

1. Stephen's move to DECC

- 1.1. POS and SL held an unminuted session with the attending NEDs to discuss SL's recently announced promotion to DECC.

2. Apologies for absence, Chair's welcome and introduction, minutes from last meeting, declarations of interest

- 2.1. POS formally opened the meeting. Board noted GG's amendment to paragraph 2.1 of the November minutes, which will be updated.

3. Actions

- 3.1. SL provided an update to the Minister's query about perceived barriers to ShEx in Whitehall – noting that the Civil Service reform programme was helpful. TW suggested an alternative question could have been what are the areas where ShEx can assist, where it currently doesn't? The Board discussed various scenarios such as:
- OGDs outsourcing their corporate finance function to ShEx;
 - ShEx acting as an advisor to OGDs; and
 - Adopting a hub and spoke approach.
- 3.2. MR noted the need to avoid expansion to the detriment of ShEx's agility and ability, and suggested that specialist pockets of corporate finance talent across Whitehall could be more desirable than a single centralised resource.
- 3.3. SL noted that he is due to speak to Francis Maude on the topic. JP noted that HMT were conducting a review on Departments' capability and capacity. It was also noted that Lord Browne is undertaking a review of resource allocation. SL noted that it was imperative that ShEx is involved. **[action]** SL to speak to Paul Deighton regarding HMT review of Departmental capacity

4. Chief Executive's Report

- 4.1. Introducing his report, SL provided an update on **Royal Mail**, noting the company has appointed an industrial relations adviser, and appointed further advisers on the transaction strategy. SL noted that the Royal Mail Board has been strengthened by the recent appointment of John Allen as NED.
- 4.2. SL explained that following the Board's concerns expressed in the November meeting, ShEx had looked again at its advisers, and – aware of the likelihood of scrutiny – is considering the need to appoint further advisers.
- 4.3. TW asked whether the number of advisers involved risked causing confusion among potential investors. RL explained that ShEx is pushing the company to get a firm grip on their planned spend on advisers.
- 4.4. [action] The Board requested an update on employee shares strategy. SL noted that the Minister is aware of the importance of employee shares to the workforce. JP explained that HMT recognises the practical benefits of employee shares. [action] TW requested a note setting out Senior Executive share options.
- 4.5. POS noted the potential risk to the transaction strategy of the forthcoming year end figures, which are expected to show strong performance.

– RL left the meeting –



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5. Business Bank

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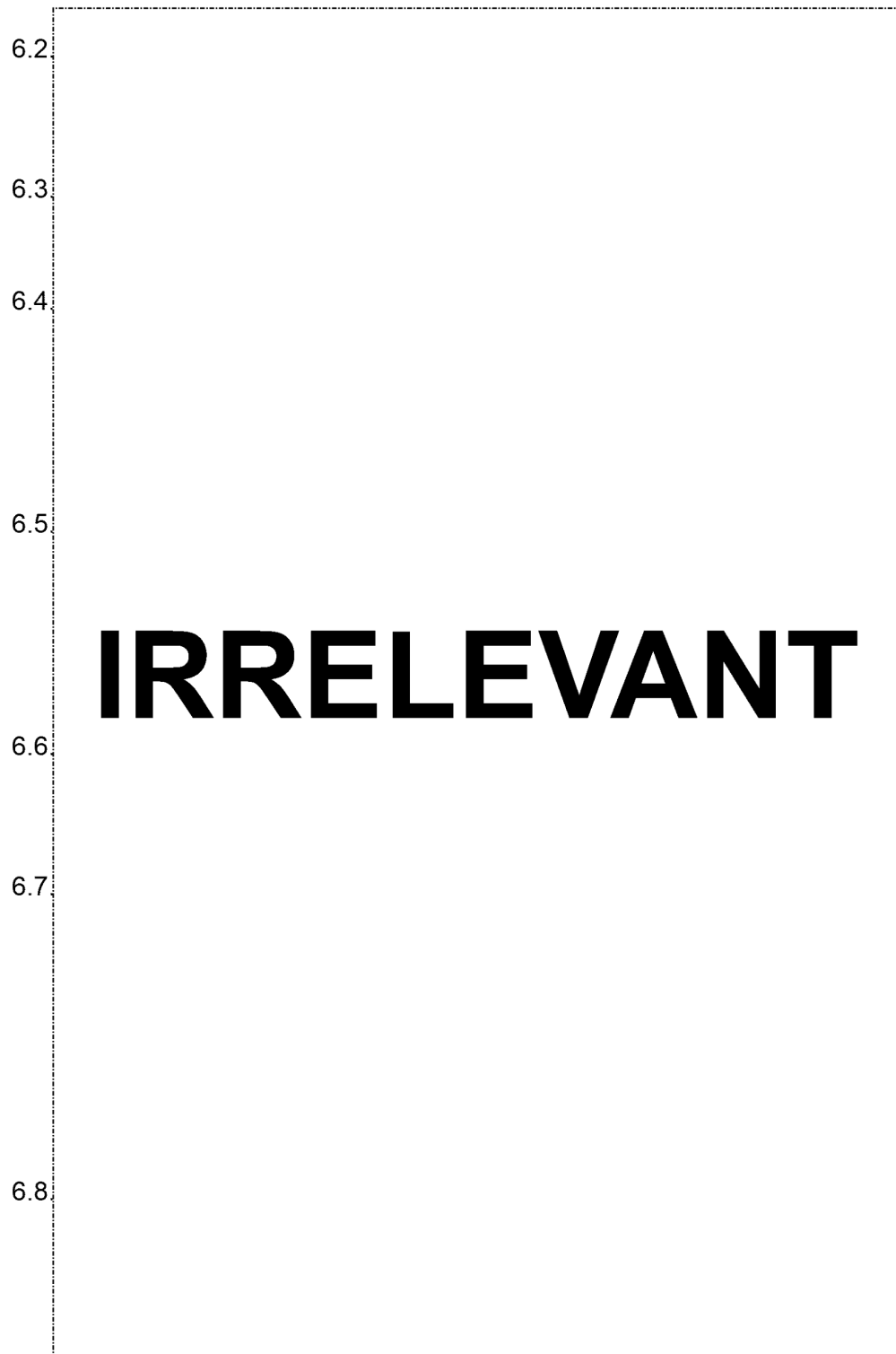
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6. PDG Assets Update

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7. Board effectiveness

- 7.1. The Board was taken through the findings of the Board self-assessment. The Board requested that future papers make clear up front what is being asked of the Board (Action/Decision/Agreement papers), that they want to [action] see the results of the ShEx staff survey next Board, and that they want to revisit the agenda setting.

ShEx Board Secretary

8. Actions

Completed actions				
Action ref.	Action point	Action officer	Due date	Status
13/01	SL to speak to Paul Deighton regarding HMT review of Departmental capacity	SL / MR	March 2013	MR to provide oral update to Board
13/02	An update on the Royal Mail employee shares strategy	RL	March 2013	See attached paper 13(05)
13/03	An update on Royal Mail senior executive share options	RL	March 2013	RL to provide oral update to Board
13/04	An update on the Postal Address File (PAF)	AO	March 2013	AO to provide oral update to Board
13/05	Update on ShEx staff survey	MR	March 2013	See attached paper 13(04)
13/06	Future Board agenda planning	PB	March 2013	See attached paper 13(08)

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Chief Executive's Report – ShEx Board 13 March 2013 (13)04

Board action: To note

This paper updates the Board on current key areas of work in ShEx. There are separate papers updating the Board on Royal Mail, Urenco, and the Business Bank.

1 Green Investment Bank

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Investment update

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Recent investments

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Enterprise and Regulatory Reform Bill

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State Aid

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Senior Independent Director

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2 Post Office Ltd

That the Board notes:

- ***Post Office Ltd's (POL) programme of branch modernisation is underway, and gathering pace after a slow start;***
- ***Recently announced proposals to franchise up to 70 Crown branches are (alongside pay restraint) key to making sure the Crown network reaches break-even by March 2015. These proposals may prompt industrial action;***
- ***Progress is being made developing mutualisation proposals; and***
- ***POL expects to exceed its profit targets in the current financial year.***

Branch modernisation

- 2.1 POL is introducing two new, 100% variable pay operating models, marking a significant departure from the historic contract that sees subpostmasters receive an element of fixed-pay regardless of the number of transactions undertaken. Adoption of the new models is wholly voluntary, but opens the door for public investment to modernise and improve the converting branch. This programme is known as 'Network Transformation', national rollout began in October 2012, and Government expects POL to convert 6,000 branches (over half the network) by March 2015. To date (Friday 1 March) there are 437 branches operating the new models, and a further 580 have signed contracts and await conversion. This is a slightly slower than expected start to the programme, but POL is concentrating on building support among subpostmasters and remains confident of meeting the target of 6,000 branches by 2015.

Crown office proposals

- 2.2 Of the 11,800 branches in the Post Office network, 373 “Crown” branches are directly owned and operated by POL. They currently lose around £40m annually and a key element of POL’s strategy is to eliminate these losses by March 2015. This must be achieved whilst also maintaining the overall size and accessibility to the network. Ensuring the Crown network breaks-even is also key to securing the continued support of the National Federation of SubPostmasters for the Network Transformation programme.
- 2.3 In early February, POL announced plans to franchise up to 70 Crown branches that it believes it is unable to operate profitably. In addition, Crown staff pay is well above comparative levels and is a key reason why the Crown network has historically incurred heavy losses. Crown office employees are directly employed by POL, and are heavily unionised – represented by the CWU and CMA unions. The CWU is calling for a consolidated 3.5% pay rise in each of the next three years. The cumulative impact would be £24m over three years, and almost certainly prevent the Crown network from reaching break-even in 2015. POL management has offered an unconsolidated award based on – and funded by – out-performance against plan. CWU leaders have rejected the offer (CMA has yet to decide) and are currently balloting members (ballot closes 8 March). POL is anticipating support for industrial action, most likely around Easter, and is preparing contingency plans. The company is confident that surrounding branches (i.e. the remaining c11,500 branches which are not directly run) would be able to absorb Crown customers on a short-term basis.

Mutualisation and future strategy

- 2.4 Having published the Government’s response to the “Building a Mutual Post Office” consultation in July 2012, POL has now commenced a number of mutualisation workstreams. A Stakeholder Forum has been established which brings together a diverse range of stakeholders to establish the definition of a public benefit purpose of a mutual. This will be the foundation on which a mutual can develop, and the forum marks the first time a number of stakeholders have worked together in a collaborative way. The process did not start smoothly but it is now advanced and we are optimistic around the progress that has been made. Other workstreams (e.g. Cultural Change, Finance and Governance) are progressing and work on these will accelerate once the work of the Stakeholder Forum has developed further. POL expects to run a public engagement process on the work of the Stakeholder Forum over the summer.
- 2.5 No mutualisation will be possible without an independently viable business. POL has recently started work on developing a new strategic plan to deliver this, covering 2014/15 to 2019/20. This work is still at a preliminary stage (having first been shared with POL’s Board at the end of February) and ShEx is working closely with management on this. We expect the network to require ongoing funding (albeit at a much lower and declining level than now) and are feeding updated thinking on likely funding levels into the Department’s spending review preparations. We expect to agree funding for at least FY15/16 (and preferably longer) by Christmas 2013. Mutualisation is only going to be a realistic prospect with long-term clarity for the business.

Financial Performance

- 2.6 This year POL has performed well with sales ahead – and operating profit materially ahead – of budget. Management now expect to deliver an operating profit of £94 million (against the original budget of £84 million and the £61 million that POL achieved in 2011/12). It should however be noted that between 2011/12 and 2012/13, the Network Subsidy Payment received by POL has increased by £30 million (from £180 million to £210 million) - this explains much of the increase in operating profit. Management acknowledge that the recent reforecast includes contingencies, and that full-year performance could be higher than £94 million.
- 2.7 Group level performance masks a potentially significant change in POL's sales mix, which is different to what was expected at the start of the year. Weaker Government Services performance (due to lower pricing and volumes in certain key contracts) has been offset by stronger results in Mails and Retail (due to higher volumes and prices in Mails, and lottery rollovers and a Jubilee/Olympics benefit in retail) and Financial Services (due mainly to a renegotiation of POL's contract with the Bank of Ireland). POL's Government Services performance (which is expected to end the year below both budget and prior year) raises questions since this segment was expected to be a key growth driver for the business over the life of the current plan to 2014/15.

3 Nuclear Decommissioning Authority

ShEx NDA team's primary focus continues to be on performance at Sellafield.

NDA review of the Sellafield contract

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Security

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4 ShEx People Survey

The 2012 ShEx survey included the Information Economy (IE) team for the first time. To enable comparison with previous years the results for IE and 'pre-existing' ShEx were analysed separately.

Portfolio and Corporate Finance units

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Information Economy

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Royal Mail – ShEx Board 13 March 2013 (13)05

ShEx Board to note that:

- A number of critical transaction “enablers” have been confirmed in the last two months: Strong Christmas trading, a business plan refresh that appears positive and no “red flags” from initial investor meetings.
- Based on our outline business case and VfM analysis, we have received BIS Permanent Secretary and indicative Treasury approval to our Outline Business Case for an IPO in autumn 2013 (whilst doing all necessary work to retain the alternative options of a later IPO (spring 2014) or a private sale).
- BIS and Treasury Ministers are being asked for approval currently to proceed on this basis.
- There are a number of key transaction structure issues that have yet to be resolved, including employee shares, the retail component and outline capital structure; further work on these issues will follow over the coming weeks, culminating in another sale strategy submission and updated business case in early May.
- It is important to reemphasise that there remain significant risks and it remains possible that a deal will not be achievable on acceptable terms; we therefore continue to work on “hold” strategies should this be the case.

Detail

1. In December 2012 ShEx officials put advice to Ministers and the ShEx Board setting out the options for a sale and our initial assessment of feasibility. In that briefing we set out our view that the only feasible sale options were IPO and private sale, and said that we would revert in Feb/March with further advice on recommended sale strategy following Christmas trading, the Business Plan refresh and initial investor feedback.
2. In addition, over the last two months we have undertaken a full VfM assessment and developed an outline business case (OBC) to support a sale of shares.
3. On the basis of this work we are now in a position to recommend that:
 - We should pursue a sale of shares.
 - We should prepare for an IPO in autumn 2013. However, given remaining uncertainty of execution we must continue to keep the private sale option open by doing all required work to enable us to change to a private sale track if necessary.
 - There are a number of key blocks of the transaction structure (such as employee shares, retail, outline capital structure and access to external borrowing) that will require decisions in the coming weeks. Advice on

these issues will come to you over the coming weeks and final decisions will feed into the next iteration of the business case for a sale of shares and will be put to ministers in early summer.

Key risks

4. The key pieces of evidence described below currently support our recommendation to pursue an IPO whilst retaining the flexibility to revert to a private sale.
5. However, as described in our December advice, there are number of key building blocks that must fall into place if we are to successfully execute a sale. Our principal risks are around:
 - Industrial relations: a new pay deal has not yet been agreed, nor has agreement been reached on the future of the RM pension scheme. The CWU has also stepped up its campaign against privatisation, and we expect this to ramp up as we approach the CWU Conference on 21st April. This is a key area of concern for investors and we are making clear to the company that we will need to have a framework agreement in place by the summer. Moya Greene has indicated that her intention is to put in place a framework by May. You now have a series of regular meetings with Moya on this issue; ShEx will also continue to monitor industrial relations and keep ministers updated. Officials are also considering an additional ESO stake as a possible HMG lever to use in the event that IR looks likely to derail a transaction
 - Financial performance: as described above, RM continues to out-perform its business plan. We therefore feel that the risk of a near-term financial shock is relatively low but will continue to monitor this and provide ministers with monthly updates on business performance. We will also have received and approved the updated RM Business Plan by the next sale strategy submission in early May.
 - Investor appetite: RM will need to refine its equity story in light of early investor feedback and continue the process of educating investors as to what a good investment proposition the company is. The next full round of investor meetings will be on the back of RM's full-year results; this is likely to be in the first week of June. There is little to gain from returning to investors before the end-year results have been published and before RM have made further progress on the industrial relations front. We will refine our assessment of this risk as we go through the investor rounds and the feedback will inform advice to you in June.
 - Market/economic conditions: we cannot predict market conditions but this will form a key part of our analysis of feasibility of a sale at the forthcoming sale strategy decision points closer to a sale (i.e. early May and in the summer).
 - Regulation: investors have raised the need for regulatory certainty, primarily on end-to-end competition but also on Ofcom's broader intentions for the regulatory framework in the future. Ofcom have put in place a seven-year framework (of "light touch" regulation) offering unprecedented certainty for a regulated sector; we therefore feel that investors will have sufficient comfort on this point once it is understood. On end-to-end, we expect Ofcom to publish their statement of approach at the end of March and will be able to assess this risk more fully at that point. On both of these issues Ofcom have signalled their willingness to engage with analysts, and potentially investors directly.

6. These risks are significant and there remains a strong possibility that one or more could materialise; we are continuing to assess contingency options should this be the case. **However, at this stage we (and UBS) remain of the view that a sale should be feasible from autumn 2013.**
7. We recently appointed an independent advisor (Lazard). We have asked them to fully review our proposed strategy (i.e. to target an autumn IPO with private sale fallback) and they will do this over the coming weeks. They have, however, noted that their initial views are in agreement with the current strategy.

Outline business case and value for money

8. The OBC has been approved by Martin Donnelly and has been considered by a Treasury Approval Point (TAP) panel. The TAP panel noted that there will be further decision points in May and late June.
9. The OBC sets out the detailed strategic and economic (VfM) case for a sale of shares. It also examines feasibility in terms of operational, legal and financial risks to HMG. The principal conclusion is that **the VfM and strategic analysis within the OBC clearly supports a sale of shares.**
10. In addition to this overall conclusion, the VfM analysis examines in detail the six key dimensions of a potential sale structure and concludes that optimal VfM will be secured by:
 - **An IPO-led strategy** with a fallback to a private sale;
 - An **'early' sale**: i.e. targeting autumn 2013;
 - A **significant minority** stake to be sold, though this conclusion will be revisited before April and is highly sensitive to further assessment of market conditions, as well as policy decisions to increase the size of the stake sold to a majority in order to further de-risk the taxpayer;
 - **GLS to be sold as part of RM** rather than sold separately;
 - **RM having access to external debt** (this conclusion is dependent on further work with HMT, focussing on public sector organisation borrowing guidance in the event that HMG retains a majority interest following the initial sale); and
 - **Employees receiving 10% of shares upfront for free** (further detail attached as annex to this paper).
11. Although the VfM analysis clearly supports these conclusions, there are number of other policy and fiscal objectives that will need to be considered for the latter four dimensions (employee shares in particular).
12. As such, at this stage the OBC (and this submission) seeks ministerial agreement that we should pursue a sale and that the preferred strategy is an IPO in the window autumn 2013 – spring 2014. The issues of stake size, access to external debt and employee shares are identified as needing resolution over the coming weeks.
13. Our next formal business case update and submission to ministers on the sale strategy will come in early May, but we will be seeking decisions on the key outstanding issues - particularly employee shares, the retail element, outline capital structure and external borrowing - over coming weeks as these issues are on the critical path for the transaction and will likely need iterative discussion and advice.

14. Size of stake: although the current VfM conclusion is that we should sell a significant minority stake, this is when compared to a full sell-down. There are strong policy arguments to support the sale of a majority stake (short of full sell-down), not least for the purposes of external borrowing (see para 16). We will refine our position on size of stake over the coming weeks, but expect that we will want to retain the flexibility to sell a majority stake if the market allows.
15. GLS: we have reached agreement at official-level (ShEx and HMT) that this should be sold as part of RM.
16. External borrowing: with employees expected to receive a minimum of 10% of shares, HMG would only need to sell 40% plus one share in order to hold less than 50% of the company. HMT have informed us that this would result in RM no longer being classified to the public sector, but we are engaging further with them on this. Recent IPOs in the UK market have tended to sell an average of 38% of shares (albeit within a range of 14%-73%), and previous privatisations having been mostly 100% sales. As a result it is quite possible (but cannot be guaranteed) that Government's holding will be less than 50% and thus RM will no longer be classified as public sector.
17. In addition, there are number of fiscal issues that will need resolution in the coming months, principally around funding cover for the employee share scheme and transaction costs. The BIS position is that we should fulfil our previous commitment to contribute £43m to employee shares and transaction costs, but that the remainder of the costs should be recovered from proceeds. The Secretary of State will shortly write to the CST setting out this position and the issue will now be resolved through ministerial channels.
18. Now that the OBC has received indicative formal approval from the TAP panel it will be submitted by HMT officials to HMT ministers in support of a formal recommendation that the project should proceed.

Pre-IPO placement option

19. We previously noted the possible option of a pre-IPO placement i.e. a small stake sale to financial investors ahead of a subsequent IPO, providing some momentum towards the core transaction. We have assessed this further, including analysis of specific options such as a straight equity investment or a convertible bond. We, and UBS, have concluded that a pre-placement deal prior to a late 2013/early 2014 IPO is neither feasible or desirable because:
 - We could not identify a structure that delivered our transaction objectives, notably VfM and a permanent sale of equity and transfer of risk. The majority of potential structures would require HMG to commit to redeem the shares (i.e. buy them back) if we didn't proceed with the full IPO in an agreed timeframe; it is therefore questionable whether this would achieve real transfer of risk. The redemption price would also likely need to include a high rate of return which would make this particularly bad VfM for HMG.
 - The timing, of only 4-5 months ahead of an IPO, is also atypical and would not fit straightforwardly with a main autumn transaction. A pre-placement would really only be feasible and appropriate with a spring '14 IPO which does not fit with our strategy of maximising our chances of success by aiming for the largest possible transaction window.
 - We do not believe RM could be ready for a pre-placement transaction in the required time frame and preparations could well negatively impact our core transaction streams for an autumn IPO.

Royal Mail financial performance & UBS analysis

20. **Business Plan Refresh:** We expect the company to share a board approved refresh of their business plan in the near future. This plan is expected to result in a similar target level of profitability (of c.7% PBIT margin) but crucially delivers the step up to this level more quickly. This is clearly an improvement on the previous plan as we will now have a stronger financial track record this year. At the same time, the company will include a number of additional investment programmes for packets which result in a moderately lower level of forward cashflow, but which appear sensible in underpinning its forward parcels growth (and do not impact the ability to pay dividends in the plan).
21. We will review the plan of the basis on earning quality, forward dividend certainty and the need for the plan to be sufficiently stretching. Initial analysis does not suggest any substantial issues for our sale strategy. UBS have advised that *“subject to clarity on the cashflow profile of the new business plan, on a profitability level (supported by this year’s Christmas trading outperformance) there are no red flags which would detract from a Q4-2013 IPO”*.
22. **Financial performance: December-& January:** Group performance in December and January, including the crucial Christmas trading period, has exceeded the refreshed plan, with PBIT ahead by +22.8% (£178m vs £145m), and revenue by +1.8% (£1,751m vs £1,720m) in this period. Within this, UKPIL has outperformed on revenue by +1.4% (£1,507m vs. £1,486) and PBIT by +34.4% (£164m vs. £122m), whilst GLS is ahead on revenue +6.6% (£244m vs. £229m) and in line at the PBIT level.
23. On a year to date basis (10 months to end-January), RM are performing strongly, with PBIT and cash flow exceeding the reforecast by +20% (£453m vs. £376m) and +48% (££471m vs. £318m) respectively. Group PBIT margins year-to-date are now at 5.8% vs. 2.5% last year (expected to decline at FY to c.5% due to seasonality) and a FY 15/16 target of 7.4% (i.e. RM continues to make significant progress towards their long term targets).
24. **Our view is that this outperformance continues to support an IPO-led strategy in Q4 2013.**

Investor Feedback

25. Royal Mail met with 29 major institutional investors between December 2012 and March 2013 in London and Edinburgh.
26. There has been positive initial feedback from investors with highlights of the investment case being the operational momentum within the business and the high quality management team.
27. Investor concerns focussed primarily on industrial relations and a new agreement with the unions, a better understanding of the Ofcom regulatory construct and clarity over pensions going forward. All of these concerns were already a key focus for HMG and we are not surprised that they have been raised by investors. **We have not seen any feedback to suggest that we should not proceed with our preferred strategy of preparing for an IPO in autumn 2013.**

28. Investor sentiment will be monitored going forward. The next set of meetings will be in the United States in late March (San Francisco, the Mid-West, New York and Boston). In addition, RM management will conduct a further round of meetings with investors following the publication of the preliminary financial results at the end of May. It is important that management can demonstrate progress in terms of addressing some of the key investor concerns (e.g. industrial relations) by these next meetings.

Next steps & forthcoming decisions

29. As described above, following this initial decision to continue preparation for a sale and to target an autumn IPO, our intention is for ministers to take sequenced decisions to refine down our sale strategy and agree the key dimensions of the transaction structure.
30. The expected timeline of formal sale strategy decisions and supporting evidence to support those decisions is as follows (noting that advice on individual issues may come up earlier in preparation for these big decision points):

(Please see following page)

	Decision	Supporting evidence
Feb '13 (this decision)	<ul style="list-style-type: none"> Reaffirm lead strategy: <ul style="list-style-type: none"> - IPO - Private sale - Hold <p><i>Retaining for now the flexibility to change from one option to the others</i></p>	<ul style="list-style-type: none"> Outline Business Case and VfM assessment Christmas trading Initial IPO investor feedback Business Plan refresh
Early May '13	<p>Validate lead sale strategy (or change to alternative option) and agree policy on:</p> <ul style="list-style-type: none"> Employee shares Retail offer Access to debt (external borrowing) Outline capital structure Likely size of stake sold Consider appointment of IPO banking syndicate 	<ul style="list-style-type: none"> Updated Business Case and VfM analysis (approved by BIS Accounting Officer and TAP panel) Full-year results Further clarity on Ofcom's end-to-end position Update on pay deal / pensions negotiations
June '13	<ul style="list-style-type: none"> Validate lead strategy Confirm intention to proceed with IPO 	<ul style="list-style-type: none"> Detailed investor feedback following full-year results Draft prospectus available Further update on market conditions
Early Sept '13	<ul style="list-style-type: none"> Confirm decision to proceed with sale Commence "pilot fishing" leading to formal announcement of Intention to Float 	<ul style="list-style-type: none"> Q1 results (to June '13) Further investor engagement , including pilot fishing Clear adviser analysis of market conditions and appetite
Oct '13	<ul style="list-style-type: none"> Decision to execute early IPO (assuming lead strategy remains early IPO) including decision on: <ul style="list-style-type: none"> - exact size of stake - pricing - allocation principles (e.g. split between institutional and retail investors) 	<ul style="list-style-type: none"> Final Business Case Full picture of IPO investor appetite Current trading update Equity market backdrop (i.e. open to IPOs?)

Annex – Employee Shares update

Current Position

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¹ Note under the IPO scenario, under current plans, 10% of shares would be transferred in to a holding vehicle on day one, with that vehicle allocating a 5% stake to employees shortly thereafter, with 2.5% being allocated on the subsequent two anniversaries. These stakes would have a 3-5 year holding period. The phasing of transfer, combined with the holding period, helps us balance longevity with financial reward in a reasonable timeframe.

Key Issues

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ShEx Board to note that:

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Summary

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Update on Dutch position

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Update on German shareholders (E&R)

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Update on market-testing and pre-sale process

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Update on German government

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12.

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Company/VDD

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Timetable

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19.

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END

Business Bank – ShEx Board 13 March 2013 (13)07

ShEx Board to note that:

- We have recommended to the SoS that he publish a document on the Business Bank around Budget time, containing further detail about the activities, design and potential name/branding of the Business Bank. The Chancellor has separately requested this, and we are currently working on this document.

Summary

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Update

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2. **IRRELEVANT**

Deloitte

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State aid

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5. **IRRELEVANT**

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Organisational design

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Product design

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a. Equity investments in SMEs themselves

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b. Provision of direct guarantees to SME loans

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- **IRRELEVANT**
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c. On-lending to SMEs

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d. Provision of funding to debt funds and P2P lenders

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e. Wholesale interventions

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f. Capital investments in lenders (suggest making this bullet 5, so leaving wholesale as the last bullet, it is arguably longer term and more risky)

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9. These potential approaches vary along different dimensions.

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Business advice

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Forward Agenda Planning – ShEx Board 13 March 2013 (13)08

DRAFT AGENDA

Thursday 16 May 2013 (15.00 – 18.00)

Item	Indicative Timing	Agenda Item	Papers
1.	10 mins	Apologies for absence, Chairman's welcome and introduction, minutes from last meeting, declarations	-
2.	40 mins	Chief Executive's Report: <ul style="list-style-type: none"> ▪ ShEx Resourcing ▪ Industrial Strategy ▪ Urenco ▪ Public Data Group 	(13)09
3.	40 mins	Royal Mail	(13)10
4.	30 mins	Business Bank	(13)11
5.	30 mins	Information Economy and Cyber Security	(13)12
6.	20 mins	ShEx Risk Register	(13)13
-		AOB and close	

[2h 50mins total]

DRAFT AGENDA
Tuesday 9 July 2013 (15.00 – 18.00)

Item	Indicative Timing	Agenda Item	Papers
1.	10 mins	Apologies for absence, Chairman's welcome and introduction, minutes from last meeting, declarations	-
2.	40 mins	Chief Executive's Report: <ul style="list-style-type: none"> ▪ Update on Executive Remuneration ▪ Green Investment Bank ▪ Working with OGDs ▪ MoD Assets 	(13)14
3.	40 mins	Royal Mail	(13)15
4.	30 mins	Urenco	(13)16
5.	30 mins	Business Bank	(13)17
6.	30 mins	<i>Unconfirmed topic</i>	(13)18
-		AOB and close	

[3h 00mins total]

DRAFT AGENDA
Wednesday 11 September 2013 (15.00 – 18.00)

Item	Indicative Timing	Agenda Item	Papers
1.	10 mins	Apologies for absence, Chairman's welcome and introduction, minutes from last meeting, declarations	-
2.	40 mins	Chief Executive's Report: <ul style="list-style-type: none"> ▪ The Corporate Finance Profession ▪ Spectrum ▪ Student Loans ▪ Post Office Ltd 	(13)19
3.	30 mins	Royal Mail	(13)20
4.	30 mins	Business Bank	(13)21
5.	30 mins	Information Economy and Cyber Security	(13)22
6.	30 mins	<i>Unconfirmed topic</i>	(13)23
-		AOB and close	

[2h 50mins total]