WITN11410101

RE: 2022-11-11 POL CEO remuneration_HENRY NOTES v1 Grant Shapps v1.docx - CONFIDENTIAL - Message (HTML)

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RE: 2022-11-11 POL CEO remuneration_HENRY NOTES v1 Grant Shapps v1.docx - CONFIDENTIAL

Reply Reply All Forw

Jane Davies
To Nick Read

From: Nick Read [redacted] GRO
Sent: 16 December 2022 11:44
To: Jane Davies [redacted] GRO
Subject: RE: 2022-11-11 POL CEO remuneration_HENRY NOTES v1 Grant Shapps v1.docx - CONFIDENTIAL

Thank you Jane. Well done, you have made good progress.
I think your comment about Lexington is a good one. Henry (and you too) should meet with them before he meets the SoS. Perhaps use Richard to arrange, but obviously not share content and approach.
I think you positioning makes good sense and the letter that Tim is finishing today for Sarah Munby will have all the detail around the Funding request that Henry needs. I will be sharing this with Henry befo
business, but it should be an addendum to these notes.

A couple of other details that might be worthy of mentioning;

I think credibility and confidence with the wider stakeholder group is what BEIS will lose/miss going into the Inquiry year;
Fixing the past and taking the situation seriously, addressing compensation issues, fronting at Select Committees/APPG and providing visible leadership through the Inquiry. My departure would undermine
position...
My relationship with CWU, Inquiry, Postmasters...as well as suppliers, partners and customers – this includes banks (I know all the CEO's, having worked with a number of them. This was important in Bank
Framework negotiations),and the regulators - the FCA, UK Finance, Ofgem etc..

I think the SoS needs to understand this **NOT** business as usual– the dramatic collapse in trade, Industrial Action, Public Inquiry, Compensation, migration off Horizon, desperate Postmasters...can the busi
to be rudderless ?

Finally, the current bonus situation is intolerable.
19/20 – 50% reduction in STIP because the Remco said the 'optics' weren't good...
20/21 – 100% removal of STIP **AND** LTIP
21/22 – Bonus paid out
22/23 – currently no bonus scheme in place...9 months into the year. Nothing short, medium nor long term.
No reward, no incentive nor retention scheme...frankly, this feels reckless.

Nick

Nick Read
Group CEO

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RE: 2022-11-11 POL CEO remuneration_HENRY NOTES v1 Grant Shapps v1.docx - CONFIDENTIAL

Reply Reply All Forward Fri 16/12/202

JD Jane Davies
To: [redacted]

From: Jane Davies [redacted] GRO
Sent: 16 Dec[redacted]
To: Nick Read [redacted] GRO
Subject: 2022-11-11 POL CEO remuneration_HENRY NOTES v1 Grant Shapps v1.docx - CONFIDENTIAL

Morning Nick,

Apologies this is later than expected, I didn't finish up until at 7pm last night on PLT matters (as updated).

In the document, I have tried to set out how Henry needs to position this request. Whilst Henry is asking for an increase, I am concerned that other matters might get raised, and so have tried to include information to support Henr
and any possible questions. I have also centred this more on Henry's view on you as a strong CEO, your commitment and value to the business etc. Specifically, highlighted in yellow on the attached, are areas for your attention su
as:

1. I have indicated that we not only need to give you recognition in the form of remuneration, but also to support your decisions in relation to your leadership team. This will need to be dealt with at a later point, but I feel it is important as context (and highlights that you are hamstrung by the current capability)
2. The second point and last highlighted points addresses the bonus position; I would anticipate this being asked, and Henry needs to have this positioned clearly.
3. The third highlighted area is the funding. Tim contributed, so it has helped, but it feel it lacks specific numbers and forecasts. I am also concerned we might be inadvertently scoring an own goal if we don't explain the positi
more fully. It would be great to get a forecast of funding v profitability over 3 to 5 years, so we can demonstrate the balance moving from funding today, to profit in the future (and hence why retaining your leadership is critical). Who can help with this? I am looking at this with fresh eyes, so forgive me if I am barking up the wrong tree, but it feels we are presenting a dichotomy to the Shareholder
4. I have indicated the two year fixed remuneration as discussed, but wondered if we should add something in around retention (for Henry to say, he will introduce a retention mechanism that ensures your ongoing commitme and certainty for the next 2 years). Again, please let me know if you wish to amend.

I am not sure what else could come up on the agenda. It would be good to discuss the latter and above points with you..

Also, I wondered how much experience Henry has in dealing with Parliamentary Ministers and whether a meeting with Lexington might help (I would really like to meet with them too). Shall I arrange this with Henry?

I would like to get this to Henry over the weekend, and I would suggest we set up a call with him on Monday to walk through. He will also have time to mull over the details over the festive period so we might want to review again in the NY before he goes to meet the SoS.

Hope the above/attached is satisfactory. Happy to jump on a call later.

Best regards,

Jane

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