



Commercial – In Confidence

Minutes of Shareholder Executive Board

Wednesday 11 July 2012 at 15.00

Members present:	Patrick O’Sullivan (Chair) (PO’S) Claudia Arney (CA) Lord Carter (LC) Gerry Grimstone (GG) Jeremy Pocklington (JP) Tony Watson (TW) Stephen Lovegrove (SL) Anthony Odgers (AO)	Attendees:	Roger Lowe (Item 6) (RL)
		Secretary:	Peter Batten

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

- 1.1. The minutes of the previous meeting were discussed. PO’S noted an additional action from the previous meeting, TW observed that the Board NEDs had met following the May Board meeting, and that there were no matters arising.
- 1.2. There was a brief discussion about the impact of the recent Libor rate-fixing scandal. It was felt that there may be an expectation for ShEx to become more involved. SL noted that ShEx resource, particularly those with corporate finance expertise, could be reallocated in a supportive capacity to HMT if required.
- 1.3. JP and TW voiced concern over the impact that low growth could have on ShEx businesses. However, GG suggested that the market may be prepared to pay a premium for low volatility assets, such as ShEx businesses.

2. Chief Executive’s Report

2.1.

IRRELEVANT

2.2

2.3

2.4 **IRRELEVANT**

2.5

2.6

3. Government Lead NEDs Annual Report

3.1

IRRELEVANT

3.2

Government ~~is~~ not ~~the~~ the ~~support~~ for ~~the~~ the ~~budget~~ from.

3.3.

IRRELEVANT

4. Green Investment Bank

4.1.

4.2.

IRRELEVANT

4.3.

5. Public Data Group

5.1.

5.2.

IRRELEVANT

5.3.

5.4

5.5

IRRELEVANT

6. Royal Mail

- 6.1. RL joined the meeting, noting key developments including end year results that showed the business had performed ahead of budget. RL explained that this was largely due to a slower decline in volume levels than forecast. RL also noted that the business had largely completed the modernisation of its sorting offices, with efficiencies being achieved through greater automation.
- 6.2. RL noted that ShEx had received the company's revised business plan and was seeking clarity over the figures and whether the plan was stretching enough, particularly in meeting targets to modernise the delivery office network. Discussing pensions, RL noted that the transition and subsequent asset realisation had been executed very professionally.
- 6.3. The Board noted that the Royal Mail Chairman had recently been appointed Chairman of Sage. **[action]** The Board expressed its desire for SL to discuss the importance of taking the business through its continued modernisation, and preparations for a sale with the Chairman, and to rationalise his Chair portfolio.

7. Any other business

- 7.1. Board members noted the Chairman's recent letter to SoS on ShEx businesses remuneration processes, commenting on its sensible purpose but questioning whether it would be politically palatable. SL explained that the purpose was to secure a mandate to further explore options.

8. Actions

Completed actions				
Agenda Item	Action point	Action officer	Due date	Status
	IRRELEVANT			
3.3				
5.5				

Outstanding actions				
Agenda Item	Action point	Action officer	Due date	Status
	IRRELEVANT			
3.2				
4.2				
6.3				

ShEx Board Secretary