



Commercial – In Confidence

Minutes of Shareholder Executive Board

Tuesday 8 May 2012 at 15.00

Members present: Patrick O'Sullivan (Chair)
Claudia Arney
Lord Carter
Gerry Grimstone
Jeremy Pocklington
Tony Watson
Stephen Lovegrove
Anthony Odgers
Mark Russell

Attendees: Roger Lowe (Items 4 and 5)
Declan Burke (Item 5)

Secretary: Deeya Sawhney

Agenda Item	Action point	Action officer	Due date	Status
2	Bring thoughts on Private Investment for PDG to the Board.	Anthony Odgers	July 2012	Done
2	Director of Information Economy, when appointed, to talk through strategy with the Board.	Deeya Sawhney	2012	Pending

Item 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 accepted and there were no new declarations of interest from Board members. Jeremy Pocklington, Director of Enterprise and Growth in HMT, was introduced as a new Board member. Patrick also mentioned that non-executive members of the Board would meet once a year.

Item 2 Chief Executive's Report

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IRRELEVANT

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IRRELEVANT

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Action

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IRRELEVANT

Item 3 ShEx Deliverables 2012/13

- 3.1 Patrick felt it was a good idea and it was important for the Board to be aware of ShEx deliverables and outcomes. Stephen asked the Board to note that this updates the 3 year plan that had previously been approved by the Board and ran through the objectives. Mark added that this list only covers main activity, there is a long list of others.
- 3.2 Board members felt this was a good overview of the key objectives. Patrick added that that it would be useful to see financial outcomes if possible. Claudia mentioned maintaining the ShEx brand as potential objective. Lord Carter commented on maintaining adequate resources in ShEx to achieve these objectives. The Board signed off the ShEx deliverables.

Item 4 Royal Mail

- 4.1 Roger Lowe joined the meeting to update the Board on Royal Mail. The

team have recently achieved a number of milestones including State Aid approval for the Pensions transfer; a new framework for handling pensions; State Aid approval for POL funding; and a new Ofcom framework. The business was performing well and was ahead of budget targets. We are expecting a refreshed business plan at the end of June.

- 4.2 Board members discussed a transaction, specifically points around a trade sale vs. IPO; employee shares and the mutualisation consultation for the Post Office; and union interest.

Item 5 Royal Mail Pension wind-down

- 5.1 Declan Burke joined the meeting to discuss the Royal Mail Pension fund wind-down. A new Government pension scheme has been set up with around £38bn worth of liabilities. ShEx are managing the sale of the assets transferred to government which are spilt into the following categories: cash and gilts (these have been cancelled); liquid assets; illiquid assets and liability driven assets.
- 5.2 Ministers have set out their objectives for the sale which are to manage and realise the assets down; not distort the market; and operate with post investment transparency. The team have considered vfm for each of the asset classes and how to manage down in a sensible way. A detailed realisation plan has gone to BIS and HMT Ministers. Independent advisors (Inalytics) have been appointed, as well as a panel of transition managers (Blackrock, Goldman Sachs and Russell).

Item 6 Green Investment Bank

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IRRELEVANT

IRRELEVANT

Item 7 Any other business

- 7.1 Board members commented on the Land Registry Investment Review example that had been circulated and felt this was a good and useful piece of work.

Deeya Sawhney
ShEx Board Secretary