

Post Office Limited – Strictly Confidential

POLB 13(8th)
POLB 13/56-13/58

POST OFFICE LIMITED
(Company no. 2154540)
(the 'Company')

Minutes of a Board meeting held on 9th July 2013
held by conference call

Present:

Alice Perkins	Chairman
Neil McCausland	Senior Independent Director
Tim Franklin	Non-Executive Director
Virginia Holmes	Non-Executive Director
Alasdair Marnoch	Non-Executive Director
Susannah Storey	Non-Executive Director
Paula Vennells	Chief Executive Officer

In Attendance:

Alwen Lyons	Company Secretary
Mark Davies	Communications Director
Sue Barton	Strategy Director
Kevin Gilliland	Network and Sales Director

POLB 13/56

INTRODUCTION

- (a) A quorum being present, the Chairman opened the meeting.

POLB 13/57

2013/20 STRATEGIC PLAN – CURRENT STATUS

- (a) Sue Barton reported to the Board that after further negotiations it was clear that the NFSP would not support a mandated approach to conversion. She explained the current discussions taking place, which sought to secure NFSP support for a mandated exit approach.
- (b) This scenario, a semi-compulsory approach could deliver the same outcome as the strategic plan albeit at a higher cost. The Mandated Exit comprised, incentive conversion with enhanced compensation and short term protection of Core Tier Payment, but with a 'cliff' where conversion becomes mandatory towards the end of 15/16
- (c) Sue Barton explained that comparing the profile of the two options, highlights a small shortfall in the number of conversions through to April 2018, however the Business believed this could be addressed through network expansion activity.

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ACTION:
Sue Barton

- (d) The Board asked for a summary page to explain the mandated exit approach and its effect on investment cost and timing. This summary is shows as An appendix to these minutes.
- (e) The Board agreed that the Business should present two alternatives to the Secretary of State and the Minister, at their meeting on the 11th July.
 - 1. The preferred Board option as laid out in the strategic plan, with enhanced compensation.
 - 2. A second approach of mandatory exit including the 'carrot and cliff' for conversion as discussed.

The presentation should be as short as possible but with two slides articulating the different outcome for cost and timing and stressing the need for a solution which enables the Transformation to be completed at pace, because of the rapid changes in the market.

POLB 13/58

CLOSE

There being no further business the meeting was closed

GRO