

## **Briefing for annual meeting between Robert Swannell and Tim Parker, 29 April 2021**

### Tim Parker - background

Tim took up his post on 1 October 2015 and his second term will expire on 30 September 2022. He replaced Alice Perkins CB, who stepped down on 31 July 2015.

Tim has enjoyed a long business career managing large businesses. In 1989 he led the management buy-out of Kenwood, the kitchen appliances company. Subsequently Tim has been CEO of Clarks (the shoe company), Kwik-Fit, the AA, and until recently, Samsonite, where he remains Chairman.

Tim has been Chairman of the National Trust since November 2014 and Chairman of HM Courts & Tribunals Service on 27 April 2018. He is also a director and owner of the British Pathé film archive.

### Challenges and opportunities

*REDACTION*

### **Historical Shortfall Scheme (HSS).**

*REDACTION*

### **Public Inquiry.**

Work in preparation for the Inquiry's public hearings in May/June continues at pace and there has been renewed focused on its work given the Court of Appeal judgment. POL must continue to engage constructively with the Inquiry and prepare individuals as appropriate so that they can contribute effectively when the time comes.

*REDACTION*

*REDACTION*

REDACTION

REDACTION

### **Financial sustainability.**

POL had been increasingly profitable pre-Covid-19, generating £83m of trading profit for 2019/20. In 2020/21 POL performed well above expectations, now forecasting trading profit of £34m (budget of £9m), mainly due to a particularly good year for its mails business from the increase of home delivery and parcels. Travel restrictions meant POL's travel insurance and foreign currency businesses were hit hard. POL sold its Telecoms business to Shell in 2020/21 for strategic reasons.

POL originally budgeted £36m trading profit for 2021/22. Further to UKGI and POL Board challenge, a higher budget of £52m has been set with more positive views on labels volume for parcels and a likely improvement in POL's travel-related businesses.

POL will receive funding of £227m from BEIS in 2021/22 (per the one-year Autumn 2020 Spending Review) comprising £125m investment funding, a £52m loan and a continued £50m subsidy for the uncommercial network. POL's future commercial sustainability will again be a key consideration in the next Spending Review.

REDACTION

REDACTION

### **Governance.**

POL's leadership turnover is stabilising under the new CEO who is making a positive impact. Two Postmaster NEDs have just been appointed to the Board following a successful election that concluded on April 12. POL will be seeking to appoint a new NED with legal expertise to oversee a sub-committee on legal settlements. With respect to the 2 NEDs whose terms expire in January 2022 - POL will be seeking to extend Carla Stent's tenure for a third term, whilst seeking to replace Ken McCall.

The CEO is seeking to replace the current CFO. POL is proposing that the current CFO stay on till end August to ensure full cooperation with the Horizon Inquiry before a new permanent CFO is appointed. Ministerial Approval will be required with respect to the exit terms, as well as approval for the proposed remuneration package for the new permanent.

REDACTION

REDACTION