



**Kevin Hollinrake MP**  
Parliamentary Under Secretary of State

**Department for Business and Trade**  
Old Admiralty Building  
Admiralty Place  
Whitehall  
London  
SW1A 2DY

Henry Staunton  
Chair, Post Office Limited  
H B Markets Plc  
20 Finsbury St  
London  
EC2Y 9AQ

21 April 2023

Dear Henry,

**POST OFFICE: CEO REMUNERATION**

Thank you for your letter of 14 November 2022 to Secretary of State Grant Shapps, and your subsequent meeting with him in January to discuss your early priorities in your role as Chair.

The Government continues to be grateful for Nick Read's work in leading POL since his appointment as Chief Executive Officer in September 2019, and I recognise the significant commitment and effort that he is putting in to tackle the multiple challenges that the company is facing.

There has been a fair amount of discussion and correspondence in recent months on the question of Nick's remuneration, including a decision by Secretary of State Shapps in January to retrospectively approve the bonus that was paid to Nick for FY21/22 and to approve an increase to his base pay in line with the rest of POL employees from 1 April 2023 (up to a maximum of 5%).

I understand that officials were clear with POL that the approval being sought was for a pay increase to take effect from 1 April 2023 but the Remuneration Committee feels strongly that the pay increase should be backdated to 1 April 2022.

As you will be aware, this is an extremely challenging climate for significant pay increases in the public sector, especially in the context of the Budget, cost-of-living pressures and widespread disquiet around postmaster remuneration.

Notwithstanding the above, I note that Nick has had no annual uplifts in pay since starting in 2019. In recognition of Nick's continued public service, I am content to approve your subsequent request that the 5% pay rise be backdated to 1 April 2022 in line with the backdating agreed with unions to apply to the wider POL workforce. However, I am clear that this replaces (and is not in addition to) the 1 April 2023 pay rise which Secretary of State Shapps had approved, and no further pay rise for FY23/24 will be considered. Going forward, appropriate steps need to be taken to ensure there is no further miscommunication between POL and Government, as your shareholder, regarding pay requests and approvals.

I hope my personal support of these measures in the context of this difficult pay environment will reassure you of the high regard in which we hold Nick and his stewardship of this nationally important institution. I understand from discussion with the Permanent Secretary that you are also pursuing various changes that are intended to reduce the pressure on Nick, such as recruiting a new Chief Operating Officer, and we are keen to support you on these as much as we can.

I am copying Lisa Harrington, Chair of Post Office Limited Remuneration Committee to this letter.

Yours sincerely,

A large, bold, black 'GRO' signature is enclosed within a dashed rectangular box.

**KEVIN HOLLINRAKE MP**

Parliamentary Under Secretary of State – Department for Business and Trade