

**ROYAL MAIL HOLDINGS PLC
BOARD PERFORMANCE EVALUATION QUESTIONNAIRE - 2008**

How satisfied are you.....

Q1 that the matters reserved for the Board's decision are appropriate?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
4	4		

Additional Comments:

1. Must talk more about customers and product innovation and growth.
2. Generally matters are OK, but levels too low (see below – Q2 (2)).

Q2 that adequate management controls are in place – eg financial authority levels?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
2	6		

Additional Comments:

1. Improving all the time.
2. Except levels for Executive authority are in general too low.

Q3 that risks are adequately managed?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
1	7		

Additional Comments:

1. People Risks can be underestimated. Damage to reputation via (a) tribunal cases or (b) bad employee behaviour is always possible.
2. VAT? Improving.
3. Improved.
4. The board, in particular through its Audit Committee, has good visibility of the risk management process.
5. I'm pleased that the risk map is a regular item on the Exec agenda.

Q4 that sufficient time is devoted to testing and developing future business strategy?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
	7	1	

Additional Comments:

1. Good idea of 'awayday' covering internal dream strategy.
2. ... but still not talking about customers!
3. More strategic discussion would be beneficial.
4. I'd like more regular updates and reporting on the progress we are making on the transformation programme.
5. As usual, sometimes too much emphasis on day to day not enough on strategy / policy.
6. Will be more clear after my first awayday.

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How satisfied are you.....

Q5 that sufficient time is devoted to current business performance?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
2	6		

Additional Comments:

1. The board is very focussed on current performance and projects for year.
2. If the board – including non Execs – are going to agree forecasts, and a representation is going to be made to our shareholder on this basis, then we need to ensure that we have enough time to review and challenge them.
3. As usual, sometimes too much emphasis on day to day not enough on strategy / policy.

Q6 that the Board meets sufficiently or too frequently?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
3	3	2	

Additional Comments:

1. Do we need August?
2. Maybe we have one Board meeting too many. Do we need one in August?
3. Too frequently.
4. Right number of meetings.
5. Suspect we should enshrine the fact that we don't need an August Board.
6. Could consider less frequently - perhaps 8-10 time per year.

Q7 that Board agendas are tackling the right issues?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
1	7		

Additional Comments:

1. More time on people issues would help.
2. See question 1 (1) answer.
3. On the whole, the board addresses the strategic issues in balance with current performance. However I would endorse the view that we need to spend more time on customer and products for the future and the strategies we need for meeting their future needs.
4. Bit more emphasis on longer term Commercial / customer strategy would be helpful.

Q8 that the Board is given sufficient information to take sound decisions?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
2	6		

Additional Comments:

1. On the whole, yes, but there are occasions when we are asked to make decisions on project papers that are not good enough, or are dropped in at the last minute.
2. - often too much detail on financials
- too little on strategic rationale.

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How satisfied are you.....

Q9 that the Board is sufficiently aware of developments in the regulatory environment and Postal markets?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
4	4		

Additional Comments:

1. Yes, need to be aware that this can lead to 'auto focus' and away from our customers.
2. Yes, definitely.
3. High quality updates.

Q10 with the standard of board papers?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
1	7		

Additional Comments:

1. A bit like the curate's egg, 'good in parts'. It is variable, but on an improving trend.
2. - too much detail on investments paper
- financial rather than strategic details.
3. Finance pack is perhaps too long – and out of date by the time we get it.

Q11 with the administration of the Board – minutes, circulation of papers, performance of the company secretary's office, etc?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
7	1		

Additional Comments:

1. Excellent.
2. This works well, and late papers are rarely due to the C.S. Board papers arrive the weekend before the board. Good.

Q12 with the quality of debate at board meetings?

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
1 d/k	2	3	2	

Additional Comments:

1. Good.
2. Excellent quality of debate, at the board. Conducted in a open and positive way, with everyone encouraged to contribute.
3. - non-execs dominate discussion
- execs have to fight to contribute.
4. Varying quality. Have seen a wide spectrum in my first 6 months.

Q13 with the chairmanship of board meetings?

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
5	3		

Additional Comments:

1. Excellent.
2. Allan is an excellent Chairman, and has a natural ability to balance formality with humour and informality. He gets the best out of people. I hope he can continue to deliver during the next critical months, with the increasing pressure on his time.
3. Except for as noted in Q12 (3).

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How satisfied are you.....

**Q14 with the role, composition and performance
of the Audit & Risk Committee?**

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
1 d/k	3	3	1	

Additional Comments:

1. Much improved – can never be too rigorous – ‘forecasting’ importance and accuracy improving.
2. Through no fault of the Chairman of A&R, we do not have a sufficiently professional and robust committee. We are in the process of trying to add weight to support Helen.
3. Never attended.
4. Chairman presides over professional meetings.
5. Ideally need another Audit Committee member.

**Q15 with the role, composition and performance
of the Nomination Committee?**

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
	1	3	4	

Additional Comments:

1. Satisfied with the composition. As Chairman, I am less satisfied with the performance of the Committee and the role it performs. The issue is being addressed now.
2. Little evidence so far of the resolutions made last year actually changing any behaviours.
3. Too many roles have to go to NomCo.
4. Too few non execs to cover the committees.
5. Recent clarification of process here helped.

**Q16 with the role, composition and performance
of the Remuneration Committee?**

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
	1	4	2	1

Additional Comments:

1. Doing a difficult job well.
2. I do not feel I have had sufficient input into the bonus structure for POL staff for the coming year. This may be more due to Group HR ‘consolidating and recommending’ than individual NED action. I would like to have been present (not even sure I know what has been recommended).
3. - too much focus on HMG’s concerns
- lack of backing for correct pay for role
- too many levels of management assessed.
4. Too few non-execs to cover the committees.

**Q17 that directors are sufficiently knowledgeable
of their statutory duties and developments in
corporate governance best practice?**

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
	4	4		

Additional Comments:

1. Yes.

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How satisfied are you.....

**Q18 that relationships and communications with
the Shareholder are well managed?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
1	5	2	

Additional Comments:

1. Does anyone ever meet when there is no problem?
2. Still a lot of opportunities to improve this area.
3. I have no visibility of this but suspect still not good. The 'dinner' with Ministers never materialised. I always had such a dinner when I was at NS&I i.e. Board and Minister.
4. Non-execs can be too engaged with wide-ranging topics promoted by shareholder representatives.

Q19 any other comments?

1. Insufficient discussion at the board about people and succession. This needs to be addressed. Beating an old drum for D.F. - still not enough talk about product.
2. It would be great to time Board meetings so that the financial info is more up to date.