

**ROYAL MAIL HOLDINGS PLC  
BOARD PERFORMANCE EVALUATION QUESTIONNAIRE - 2005**

**How satisfied are you.....**

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

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
4	7		

*Additional Comments:*

1. Broadly OK.
2. There is some ambiguity with respect to the authority delegated to the Group Management Board and the various Business Units. (POL, Parcelforce, GLS).
3. As we increase capex significantly, 'standardised' project papers need to be pre-circulated to Board for consideration.
4. I feel that there is too much control as an Executive Director and have too little freedom to act.

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

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
1	8	2	

*Additional Comments:*

1. There is too little delegation.
2. Levels of delegated authority need to be increased. £10m capital too low for a company of this size.
3. Good input from both Executive and non-Executive Directors.

**Q3 that risks are adequately managed?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
2	9		

*Additional Comments:*

1. Apart from large projects in Letters Ops.
2. This appears to be improving and better.
3. Broadly OK.
4. Thorough debate and detailed information at Audit & Risk Committee.
5. Improving significantly.

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**How satisfied are you.....**

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

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
	10	1	

*Additional Comments:*

1. Not tackled the key issues of Parcelforce – viability of business model and letters – viability of business model in competitive market place, pensions and IR strategy in competitive environment – these debates whilst recognised remain outstanding.
2. Agenda needs 'pruning' for Board meetings to have more time on very complex issues e.g. regulation.
3. We need to think more about the effect of competition, globalisation and technology change on the business.
4. Sometimes seem rushed but most big issues have more than one airing.
5. Improving, Post Office is now centre stage plus GLS future role.
6. Although discussion is often rushed.

**Q5 that sufficient time is devoted to current business performance?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
4	7		

*Additional Comments:*

1. Today – more than adequate.
2. However we need to spend more time on understanding what is going on with our People.

**Q6 that the Board meets sufficiently frequently?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
5	6		

*Additional Comments:*

1. OK.
2. Would prefer not to meet in August.

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**How satisfied are you.....**

**Q7 that Board agendas are tackling the right issues?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
	10	1	

*Additional Comments:*

1. See No. 1 in Q4 above. Also not enough time spent on senior management capability
2. The agenda content will need to change as move ahead as a company. More time will need to be spent on Royal Mail Letters investment and productivity and POL new products.
3. Generally satisfied.
4. And more 3 P's - Products  
Productivity (Strategic)  
People Pipeline (Senior)
5. Other than on the People agenda.

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

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
4	6	1	

*Additional Comments:*

1. Broadly OK.
2. Still think as last year that financial information and legal analysis supporting Board papers is weak by comparison with FTSE100 companies.

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

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
3	7	1	

*Additional Comments:*

1. Only just satisfied here. Regretfully the future of the company is entirely dependent on regulation! You can't avoid the regulator. A good positive relationship is essential.
2. These are issues which need to be constantly in the plane as things to develop and change.
3. Don't think we spend enough time focussing on the Competition and what precisely they are doing – we used to have a monthly review of a competitor but never looked at it, now we don't ever put it in.
4. Could however spend more time understanding the Competition.

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**How satisfied are you.....**

**Q10 with the standard of board papers?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
3	8		

*Additional Comments:*

1. Generally very good.
2. Very much improved.
3. See 3 above in Question 10/see 2 below in Question 11
4. However still a lot of paper.

**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
5	5	1	

*Additional Comments:*

1. Good – another day to read Board papers would be helpful. Should the meetings be one week later so that we have up-to-date financial performance?
2. Would still like papers to be guaranteed to arrive in time to take home Friday night.

**Q12 with the quality of debate at board meetings?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
5	5	1	

*Additional Comments:*

1. Only issue here is time and length of agendas.
2. Executive directors do not contribute enough.
3. Excellent.

**Q13 with the chairmanship of board meetings?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
8	2		

*Additional Comments:*

1. Good.

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**How satisfied are you.....**

**Q14 with the role, composition and performance of board committees?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
2	7	2	

*Additional Comments:*

1. Too much executive intervention.
2. Seem to work well.
3. We are getting more financial experience which will be a good addition.
4. Nominations Committee and Remuneration Committee support much improved.
5. Think one member of the Audit Committee should be on the Remuneration Committee. Need one further qualified member of the Audit Committee.
6. Remuneration Committee and Nominations Committee are improving however still too much data needed for Remuneration Committee.

**Q15 with communication from the board and its committees about their activities to the Management Team, Company employees and others?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
1	7	3	

*Additional Comments:*

1. Don't really get much output from Remuneration Committee and Nominations Committee discussions or issues – Board and Audit & Risk Committee fine.
2. Don't really have enough information to make a clear judgement.
3. We need a more structured process of disseminating Board decisions and general thinking.

**Q16 that directors are sufficiently knowledgeable of their statutory duties and developments in corporate governance best practice?**

Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
5	6		

*Additional Comments:*

1. OK.
2. Good assistance given.

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**How satisfied are you.....**

**Q17 any other comments?**

*Any other general comments:*

1. Need to build in more time to debate longer term strategic issues.
2. Board papers should have a clear executive recommendation – with why alternatives were rejected. This could 'speed up' approving items, giving more time for debate elsewhere.
3. The Board works well but gets a bit too involved in detail that should be handled by the Executives. There is not enough broad strategic discussion.
4. Key issues will be:
  - (i) New Products
  - (ii) Role of Post Office
  - (iii) Effective spend of large amounts of capex and people-ex to drive significant required increases in productivity. We will need new and additional resources to make this happen.
  - (iv) Succession – 'people production line'.
5. Without question the Board performance and interaction is improving.