



Mr Neil McCausland

GRO

27 September 2011

Dear Neil

Non-Executive Director of Post Office Ltd

I am writing to confirm the terms of your appointment as Senior Independent Director of Post Office Ltd (registered no 2154540) "the Company."

1. Term of Appointment

- (a) You shall serve the Company as Senior Independent Director for a four-year period from 22nd September 2011 subject to annual review and notice. In this connection, the terms and conditions of your appointment are set out below, it being agreed that this is a contract for services and not a contract of employment.
- (b) Your appointment is subject to the provisions of the Articles of Association of the Company.

2. Remuneration

You will be paid, monthly in arrears for your services during your term of your appointment as Non executive director, fees totalling £50,000 per annum or such higher amount as the Company may from time to time determine and notify to you in writing.

3. Expenses

Subject to the Articles, the Company shall reimburse you for all reasonable travelling, hotel and incidental expenses, which you may incur in performing your duties.



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4. Powers and Duties

(a) You shall exercise such powers and perform such duties as are appropriate to your role as Senior Independent Director of the Company.

(b) You shall comply with all reasonable directions from, and all regulations of, the Company including, without limitation, regulations with respect to confidentiality, dealings in shares and notifications required to be made by a director to the Company or any other regulatory body under the Companies Acts, the Articles or any other regulations of the Company. You will also observe the terms and conditions of the City Code on Takeovers and Mergers and the rules of the UK Listing Authority.

5. Confidential Information

(A) You shall not, either during the term of your appointment as a director or thereafter:

- (i) use to the detriment or prejudice of the group of companies of which Royal Mail Holdings plc is the ultimate parent ("the Group") or divulge or communicate to any person any trade secret or any other confidential information concerning the business or affairs of the Company or the Group (except to employees or directors of the Group whose province it is to know the same) which may have come to your knowledge during the term of your appointment; or
- (ii) use for your own purpose or for any other purposes other than those of the Group any information or knowledge of a confidential nature, which you may from time to time acquire in relation to any member of the Group. This restriction shall cease to apply to any information or knowledge, which may come into the public domain (except through your default).



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(B) During the term of your appointment as a director, you shall not be or become a director or employee or agent of any enterprise, or have or acquire any material financial interest in any enterprise, which competes or is likely to compete or has a significant business relationship with any member of the Group without the prior consent of the Royal Mail Holdings plc Board in writing (such consent not to be unreasonably withheld or delayed).

6. Directors' and Officers' Insurance

Royal Mail Holdings plc has taken out insurance cover on behalf of the Group for directors' and officers' liabilities. Full details of this cover can be obtained from the Company Secretary.

7. Termination of Appointment

Your appointment shall terminate on the earliest of:-

- (a) on the date of expiry of the period specified in clause 1(a);
- (b) your ceasing to be a director for any reason pursuant to the Articles or any other applicable law.

8. Return of Papers

You shall promptly whenever requested by the Company and in any event upon your ceasing to be a director of the Company deliver up to the Company all lists of clients or customers, correspondence and all other documents, papers and records which may have been prepared by you or have come into your possession as a director of the Company. You shall not retain copies. Title and copyright therein shall vest in the Company.



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9. Conflicts of Interest

The Company acknowledges that you may have business interests other than those of the Company. The Company has agreed that there are no conflicts apparent at present.

In the event that you become aware of any potential conflicts of interest, you would need to disclose these to the Chairman and Company Secretary as soon as they become apparent; should a conflict arise during a Board discussion, you would need to declare this interest to the Board and if necessary withdraw from that discussion.

The Board has determined you to be 'independent' according to the provisions of the Combined Code.

10. Review Process

The performance of individual directors and the whole Board and its Committees is formally evaluated annually. If in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman or the Company Secretary as soon as is appropriate.

GRO

Alwen Lyons
Company Secretary

I accept the terms of appointment as set out above.

GRO

Name: Neil McCausland

Date: 3/10/11