

Annex E

ROYAL MAIL GROUP LTD BOARD

MATTERS RESERVED TO THE BOARD

- 1 Since February 2003, the main plc Board of the whole company has been Royal Mail Holdings plc, with the Board of Royal Mail Group Ltd meeting only for statutory purposes. It is now proposed to reverse this arrangement.
- 2 To enact this change, the Royal Mail Group Ltd Board needs to agree the matters that are reserved to it. The proposed Matters Reserved is at Annex A. These are based on the existing Matters Reserved to the Royal Mail Holdings plc Board which, if the Holdings Board agrees, would be revoked.
- 3 The Royal Mail Group Board are also asked to approve the Terms of Reference for the various Board committees. These are attached at Annex B.
- 4 The current Delegated authorities are attached for noting by the Board. Annex C.
- 5 The Board is asked to:
 - agree the Matters Reserved to the Royal Mail Group Ltd Board
 - note that these revoke the existing Matters Reserved to the Board of Royal Mail Holdings plc;
 - agree the Terms of Reference for the Audit & Risk Committee, Nomination, Remuneration and Pension Committee. The Remuneration Committee Terms of Reference will be subject to their approval by the Committee on the 23rd March;
 - Note the Delegated authorities for Royal Mail Group Ltd including GLS.

Jon Millidge
March 2012

ANNEX A ROYAL MAIL GROUP LTD BOARD

Matters reserved to the Board

STATUTORY REQUIREMENTS

- Approval of half year and full year accounts
- Approval of financial forecasts to BIS
- Approval of any significant change in accounting policies or practices on the recommendation of the Audit Committee
- Appointment or removal of the Company Secretary
- Appointment or removal of auditors on the recommendation of the Audit Committee

MANAGEMENT MATTERS

- Approval of major capital projects (with costs in excess of £20m)
- Approval of material contracts of the company in the ordinary course of business (the acquisition and disposal of assets in excess of £20m)
- Approval of contracts of the company not in the ordinary course of business (including all strategic acquisitions or joint ventures where the transaction total is in excess of £10m)
- Approval of major investments, including the acquisition or disposal of interests of more than 5% in the voting shares of any company or the making of any takeover bid
- Approval of risk management strategy including internal control arrangements
- Approval of the Company's commercial strategy
- Approval of the Company's strategic plan and annual operating plan
- Approval of plans for senior management development and succession
- Approval of changes to the Group's management and control structure, including major restructurings
- Approval of overall pay policy for staff
- Establishment of Board committees, their terms of reference and membership
- Approval of the health and safety policy
- Approval of the environmental policy
- Approval of the equal opportunities policy

MISCELLANEOUS

- Appointment of specified individuals to authenticate the Royal Mail Holdings seal
- Adoption of a new company seal