

ROYAL MAIL HOLDINGS plc
(Company no. 4074919)
Minutes of the meeting of the Board of Directors
held at 148 Old Street, London, on 8 October 2008

Present:

Allan Leighton	Chairman
Andrew Carr-Locke	Non-Executive Director
Alan Cook	Managing Director, Post Office Ltd
Adam Crozier	Group Chief Executive
Ian Duncan	Group Finance Director
Richard Handover	Non-Executive Director
Mark Higson	Managing Director, Royal Mail Letters
Baroness Prosser	Non-Executive Director
Helen Weir	Non-Executive Director (for RMH08/139-150)

In attendance:

Jonathan Evans	Company Secretary
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Also present:

Rico Back	Chief Executive, GLS
Brian Goggin	Group Chief Executive, Bank of Ireland, for RMH08/138
Des Crowley	Chief Executive UK Financial Services, Bank of Ireland, for RMH08/138
Martin Gafsen	Group Property Director, for RMH08/142
Jane Newell	Chair, Royal Mail Pensions Trustees Ltd, for RMH08/143
Gerry Degaute	Chief Executive, Royal Mail Pensions Trustees Ltd, for RMH08/143
Alex Smith	Commercial Director, Royal Mail Letters, for RMH08/144
Stephen Agar	Managing Director, Wholesale, for RMH08/144
Luisa Fulci	Director of Marketing Services, Royal Mail Letters, for RMH08/144
Frank Schinella	Finance Director, Royal Mail Letters, for RMH08/145

RMH08/133

MINUTES OF PREVIOUS MEETING – RMH(08)8TH

- (a) The Board approved the minutes of the meeting held on 11 September 2008.

RMH08/134

MATTERS ARISING – RMH(08)77

- (a) The Board noted the status report.

RMH08/135

OTHER MINUTES

- (a) The Board noted the minutes of the meetings of:
- the Group Executive Team on 17 July 2008
 - the Audit and Risk Committee on 3 September 2008.

RMH08/136

REPORTS OF CHAIRS OF BOARD COMMITTEES

- (a) Nomination Committee: *[Information Removed]*
- (b) the search for a new Group HR director continued, and a short list was being compiled for Adam Crozier and the Committee to interview;
- (c) Remuneration Committee: *[Information Removed]*

RMH08/137

INDEPENDENT REVIEW OF THE POSTAL SECTOR

- (a) Adam Crozier updated the Board on the current state of the Review. *[Information Removed]*

RMH08/138

BANK OF IRELAND – RMH(08)78

- (a) *Secretary's note: the minutes of this item have been recorded separately.*

RMH08/139

FINANCE DIRECTOR'S REPORT – RMH(08)79

- (a) The Board noted the report for period 5, and the flash results for period 6.

[Information Removed]

RMH08/140

HALF-YEAR TRADING STATEMENT – RMH(08)80

- (a) The Board noted Ian Duncan's paper, which sought approval for the proposed process for approving the 2008-09 half year results;
- (b) the Board:
 - noted the draft results as set out earlier in the Finance Director's report to the meeting;
 - agreed the proposed process and timetable for approving the final results;
 - delegated authority to the Board Accounts Sub Committee, comprising any three of Allan Leighton, Adam Crozier, Ian Duncan and Helen Weir, to approve the Ernst & Young engagement letter and to finalise, approve and publish the Trading Statement for 2008-09.

RMH08/141

PROJECT ARCHER: CONSOLIDATION OF DELIVERY UNITS IN WEST LONDON – RMH(08)81

- (a) The Board noted Mark Higson's paper, which sought approval for a two-phased consolidation of six Delivery Offices (DOs) in West London into a single modern and efficient facility at Premier Park, NW10. The full project was driven by the need to vacate some existing sites and the opportunity to release disposal value of some £34million from other sites, whilst providing a fit-for-purpose new facility. The project also provided the opportunity to trial different delivery methods including zero emission vehicles;

[Information Removed]

RMH08/142

**PROJECT NOBLE: ADMINISTRATIVE OFFICES
STRATEGY – RMH(08)88**

- (a) The Board noted Adam Crozier's paper, which updated the strategy agreed in principle at the September Board to a rationalisation of the administrative estate, to provide separate accommodation for each of the Group companies and Group head office, thereby facilitating their own individual ways of working. The paper sought agreement to a revised proposal that took into account the Board's views at the September meeting, and to acquiring space for a new Group head office in premises at 100 Victoria Embankment in London;
- (b) Adam Crozier explained the analysis that had been carried out since the previous meeting. A further rigorous examination had been carried out of the numbers of head office personnel it was necessary to be located in the new building, and by using space in other buildings to house people who worked predominantly with business units, it had proved possible to reduce the required new floor space. This also considerably lowered the incremental cost of the project compared with the base option;
- (c) the Board accepted that the concerns raised at the previous meeting had all been addressed, and therefore:
- agreed the revised administrative office strategy set out in the paper
 - agreed the proposed move of the head office to 100 Victoria Embankment; and

[Information Removed]

RMH08/143

**ROYAL MAIL PENSIONS PLAN ANNUAL REPORT 2007/08
– RMH(08)82**

- (a) The Board noted the RMPP annual report from Jane Newell, and invited her and Gerry Degaute to make their presentation to the Board;

[Information Removed]

