

---

**Royal Mail Group**

**100 Victoria Embankment**

**London, EC4Y 0HQ**

**Tuesday 8 September at 13.00**

---

Dear Shareholder,

Annual General Meeting

I am pleased to write to you with the details of the seventh Annual General Meeting (**AGM**) of Royal Mail plc which will be held at Royal Mail Group, 100 Victoria Embankment, London, EC4Y 0HQ on Tuesday 8 September 2020 at 13.00. The Notice of AGM is set out on pages 5 to 6 of this document and contains the proposed resolutions on which you are invited to vote. Notes explaining the business to be considered are set out on pages 6 to 10.

**AGM Format in light of the Coronavirus (COVID-19)**

The Board recognises the importance of the AGM to the Company's shareholders and would normally welcome the occasion as an opportunity to meet with you, present to you on the Group's strategy and performance, and listen and respond to your questions, in person. However, in light of the evolving COVID-19 outbreak, it has been necessary to make some important changes to the way in which we hold and conduct this year's meeting.

In light of the measures taken by the Government to reduce the public health risks the Board considers that it is in the Company's best interests to proceed with this year's AGM, but that the meeting will be purely functional in format, focusing on the formal business only. The Board proposes that a limited number of Company representatives will attend the AGM in person to ensure that a valid meeting is held. In doing so, they will observe all relevant social distancing guidelines.

To ensure the safety of all our stakeholders, shareholders will not be permitted to attend the AGM in person. Shareholders and guests who travel to the meeting will not be admitted. **It is, therefore, important that you do not attend the meeting in person.**

We regret that this is a necessary step but the health and wellbeing of the Company's shareholders, as well as its employees and customers, is of paramount importance.

**Voting and asking questions at the AGM**

The Board is keen to ensure that you are still able to exercise your right to vote at the meeting and that you are able to ask questions. Therefore, if you wish to vote at the AGM, you should appoint the Chairman of the meeting as your proxy and give your instructions on how you wish the Chairman to vote on the proposed resolutions. As in previous years, all proposed resolutions will be put to a vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised. On a poll, each shareholder has one vote for every share held.

Details of how to appoint a proxy are set out in the Notes to the Notice of AGM on pages 8 to 9. To be valid, your proxy appointment must be received by Equiniti by no later than 13.00 on Friday 4 September 2020.

We are committed to constructive engagement with all of our shareholders. We recognise the AGM is a key forum for our shareholders to meet with Board members and be heard. As our shareholders will not be able to attend the AGM this year, we intend to publish a pre-recorded, virtual shareholder event on [www.royalmailgroup.com](http://www.royalmailgroup.com) on 8 September at 15:00, following the formal business of the AGM.

Shareholders will hear an update from our interim Executive Chair, Keith Williams, as well as from CEO of Royal Mail, Stuart Simpson. Keith and Stuart will also answer representative questions submitted by shareholders ahead of the AGM. We hope that this approach will give our shareholders the opportunity to air their views, and for any concerns to be addressed in an appropriate manner, taking into account the limitations we face due to this unprecedented crisis.

If you have any questions for the Board on the business of the meeting, you can send them in advance of the AGM to [shareholderquestions@royalmail.com](mailto:shareholderquestions@royalmail.com). Questions should be submitted by 13.00 on Friday 4 September 2020 and we will ensure, to the extent practicable, that the answers are responded to in the pre-recorded virtual shareholder event, where this is not possible responses to questions of common interest will also be made available on our website at [www.royalmailgroup.com](http://www.royalmailgroup.com) as soon as practicable following the meeting.

In light of the developing COVID-19 situation, it may be necessary to change the arrangements for this year's AGM after the date of this Notice. We ask shareholders to watch the Company's website, regulatory news and other published notifications for any further updates in relation to the AGM. If our advice changes and we inform you that you are able to attend in person you may also be able appoint one or more proxies of your choice to attend and exercise your rights at the meeting in the usual way. If you choose now to appoint a proxy other than the Chairman of the meeting, but the social distancing measures or other restrictions on attendance in person continue to be in force, your appointment will be deemed to be an appointment of the Chairman of the meeting.

### **Re-appointment of Directors**

As in previous years and in line with best practice, all of the Company's Directors are retiring from office at the AGM and each will seek re-appointment. During the year we welcomed Sarah Hogg and Lynne Peacock as Non-Executive Directors of the Company, they were appointed to the Board with effect from 1 October 2019 and 1 November 2019 respectively. Sarah and Lynne both bring significant and relevant experience to the Board and for the first time, you are invited to re-appoint them as Directors of the Company. All of the other Directors were subject to an individual effectiveness review during the year, further details of which can be found in the 2019-20 Annual Report which is available at <https://www.royalmailgroup.com/en/investors/annual-reports/>.

As announced on 15 May 2020, Rico Back stepped down as Chief Executive Officer of Royal Mail Group and from the Group Board on that date. We would like to thank Rico for his significant contribution to the business over his 20 years' service and wish him well in the future.

As a result of Rico's departure, I have assumed the role of interim Executive Chair with immediate effect. Following this appointment, I also stood down as a member of the Remuneration Committee in line with the Code requirements. It is expected that I will remain in this executive role until a permanent CEO of Royal Mail is appointed. A comprehensive internal and external search for a permanent CEO of Royal Mail is underway.

The Board considers that each of the Directors is discharging his/her duties and responsibilities effectively and continues to make a strong contribution to the work of the Board and Royal Mail. Each Director brings valuable skills and experience to the Board and its Committees and continues to commit fully to Royal Mail in line with agreed time commitments. Further information can be found in the Directors' biographies on pages 3 to 4 of this document and on pages 90 and 91 of the 2019-20 Annual Report.

### **Final Dividend**

As announced on 27 March 2020, due to the current economic uncertainty caused by the COVID-19 pandemic, the Board has decided that it is prudent not to recommend a final dividend for the financial year 2019-20.

### **Remuneration Policy**

We were delighted that the Company received such a high level of support from shareholders for the 2019 Remuneration Policy. The Remuneration Committee believes the Policy largely remains appropriate and continues to meet best practice. However, following the Senior Management changes announced on 15 May 2020, it has become apparent that we need to make some limited, albeit important, changes to the Policy so that it can be administered effectively in these changed circumstances. As such we will be seeking shareholder approval for these changes at our AGM in early September. The Committee appreciates that it is unusual to seek shareholder support for a new Policy so soon after securing strong support for the existing one. However, the Committee believes investors will understand that the Senior Management changes, including the appointment of a CEO of Royal Mail at Board level, necessitate some minor changes to be made. The new Policy will also give the Committee flexibility in the future to appoint other Executive Directors, who may not be based in the UK. For the avoidance of doubt, it remains the Board's intention that, if in the future any Group CEO were to be reappointed, they would be based in the UK (and on a UK contract of employment). The rationale behind the Policy is set out in full in the Remuneration Committee Chair's letter (see pages 128 to 130 of the Annual Report and Financial Statements) and the Policy section of the Report (see pages 133 to 140).

### **Recommendation**

Your Directors consider that all of the proposed resolutions in the Notice of AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board unanimously recommends that shareholders vote in favour of all resolutions, as the Directors intend to do so in respect of their own beneficial holdings (save in respect of those resolutions in which they are interested).

### **Concluding remarks**

We are disappointed that our AGM has been impacted by current events and that shareholders will not be able to attend in person at this time. The Board would like to thank shareholders for their understanding in these exceptional times.

Yours faithfully,



**Keith Williams**  
Interim Executive Chair

#### **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your ordinary shares in Royal Mail plc, please give this and any accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was made for transmission to the purchaser or transferee.

## Board Biographies

### **Keith Williams** Interim Executive Chair

(N)

#### **Skills and Experience**

Keith is a highly regarded business leader with extensive industrial relations, operational and customer service experience. Keith is a chartered accountant and worked in the UK and internationally before joining British Airways plc in 1998. He worked there for 18 years, including five years as CFO, three years as CEO and two years as Executive Chairman. During that time, he led the transformation of the Company, building a leaner and more customer focused organisation with a sustainable future.

Prior to British Airways, Keith worked for companies including Reckitt and Colman, Apple Computer Inc., and Boots. He was also an Executive Board member and Chair of the Audit Committee at Transport for London until 2016. His previous non-executive roles include appointments at Aviva plc and the John Lewis Partnership.

#### **Appointed to the Board**

Non-Executive Director on 1 January 2018.

Non-Executive Deputy Chair on 7 November 2018.

Non-Executive Chair on 22 May 2019.

Interim Executive Chair on 15 May 2020.

#### **External appointments**

Chair of Halfords Group plc.

Independent Chair of a review of the British Railways on behalf of the UK Government.

### **Stuart Simpson** Interim Chief Executive Officer of Royal Mail

#### **Skills and Experience**

Stuart has significant finance, strategy and operational experience. Prior to Royal Mail, Stuart worked in the automotive industry for 15 years, where he held senior roles in both finance and strategy, primarily based outside of the UK. He joined Royal Mail Group in 2009, was appointed as Deputy Chief Operations Officer in January 2014 and was subsequently appointed as Director of Group Finance in July 2015. Stuart was appointed Chief Finance Officer in July 2017 and in November 2018, took on the additional responsibility of Chief Operating Officer. Stuart stood down from this role in April 2020 following the outbreak of COVID-19, to enable him to focus on his responsibilities as Chief Finance Officer. He was appointed interim Chief Executive Officer of Royal Mail in May 2020.

#### **Appointed to the Board**

Chief Finance Officer and Executive Director on 20 July 2017.

Chief Finance and Operating Officer on 7 November 2018.

Chief Finance Officer on 1 April 2020.

Interim Chief Executive Officer of Royal Mail on 15 May 2020.

#### **External appointments**

None

### **Maria da Cunha** Non-Executive Director

C N R

#### **Skills and Experience**

Maria has extensive experience in dealings with trade unions, transformation programmes and employee engagement. Maria is a former senior executive of British Airways plc where she worked for 18 years until 2018. Maria was BA's Head of Legal and Government and Industry Affairs for four years before becoming its Director of People and Legal in 2011, responsible for human resources, legal, risk and compliance. Prior to joining BA, Maria held various positions with Lloyds of London, Lovells LLP and the Law College of Europe.

#### **Appointed to the Board**

Non-Executive Director on 22 May 2019.

#### **External appointments**

Non-Executive Director of De La Rue plc.

Panel Member of the Competition and Markets Authority.

### **Michael Findlay**

Non-Executive Director

(A) N R

#### **Skills and Experience**

Michael has spent 27 years in investment banking working for firms including Robert Fleming & Co, UBS and most recently Bank of America Merrill Lynch. He retired from Bank of America Merrill Lynch in 2016 where he was Co-Head of Investment Banking for the UK and Ireland, having previously been the Co-Head of Corporate Broking EMEA. He was, from 2009 until 2016, a Non-Executive Director of UK Mail Group plc, where he became Senior Independent Director and Chair of the Remuneration Committee and a member of the Audit Committee. Michael is currently Non-Executive Director and Chair of the London Stock Exchange plc, Chair of Morgan Sindall Group plc and Non-Executive Director of Jarrold & Sons Limited.

#### **Appointed to the Board**

Non-Executive Director on 22 May 2019.

#### **External appointments**

Chair of Morgan Sindall Group plc.

Chair of London Stock Exchange plc

Non-Executive Director of Jarrold & Sons Limited.

**Rita Griffin**  
Non-Executive Director

C N

**Skills and Experience**

Rita has considerable experience in developing and implementing strategies and leading substantial transformation programmes, which she has gained through her career at BP Group. Rita is currently Chief Operating Officer for Global Petrochemicals at BP plc, one of three main divisions of BP's downstream business. She has held a number of leadership positions within BP plc in manufacturing, logistics, retail and functional organisations. Rita was previously Chief Marketing Officer, BP plc.

**Appointed to the Board**

Non-Executive Director on 1 December 2016.

**External appointments**

Chief Operating Officer for Global Petrochemicals, BP.  
Director of BP Chemicals Investments Limited and BP Chemicals East China Investment Limited.

**Simon Thompson**

Non-Executive Director  
Designated Non-Executive Director for engagement with the workforce

C N R

**Skills and Experience**

Simon has extensive experience as a global business leader with proven expertise in the digitisation of business and the customer experience. Simon is currently the Chief Product Officer of Ocado plc and has held senior executive positions at Apple Computer Inc., HSBC, lastminute.com, WM Morrison Supermarkets plc, Motorola Inc. and Honda Europe Ltd. In 2019, Simon was appointed as the Designated Non-Executive Director for engagement with the workforce.

**Appointed to the Board**

Non-Executive Director on 1 November 2017.

Designated Non-Executive Director for engagement with the workforce on 26 February 2019.

**External appointments**

Chief Product Officer of Ocado Group plc.  
Member of the Digital Advisory Board of Coca Cola European Partners.

**Baroness Sarah Hogg**  
Senior Independent Non-Executive Director

A N

**Skills and Experience**

Sarah has extensive business and Government experience. She was previously Chair of 3i Group plc and has been a Non-Executive Director of numerous companies including BG Group plc and GKN plc. She has served as Lead Independent Non-Executive Director of HM Treasury and Chair of the Financial Reporting Council. Sarah was Head of the Prime Minister's Policy Unit under John Major, and previously Economics Editor of several leading newspapers including The Times, The Telegraph and The Economist.

Sarah was created a Life Peer in 1995 and sits in the House of Lords as a crossbencher. She received a Lifetime Achievement award at the Non-Executive Director awards in 2017.

**Appointed to the Board**

Senior Independent Non-Executive Director on 1 October 2019.

**External appointments**

Senior Independent Director of the Financial Conduct Authority.  
Non-Executive Director of Times Newspapers Holdings Limited.

**Lynne Peacock**  
Non-Executive Director

R A N

**Skills and Experience**

Lynne has over 20 years' experience as an Executive and Non-Executive Director both in the financial services and non-financial services sectors. This includes as Chief Executive Officer of Woolwich plc and Chief Executive Officer of National Australia Bank Europe Limited (NAB). She has been involved in a variety of successful transactions including an IPO and FTSE 100 listing, the sale of the Woolwich plc to Barclays and the disinvestment of NAB's Irish operations.

Prior to moving into financial services, Lynne held positions with Unilever plc and Tate and Lyle plc. She was previously Non-Executive Director at Standard Life Aberdeen plc, Scottish Water, Jardine Lloyd Thompson Group plc and Nationwide Building Society.

**Appointed to the Board**

Non-Executive Director on 1 November 2019.

**External appointments**

Non-Executive Director of Serco Group plc.  
Non-Executive Director of TSB Banking Group plc.  
Non-Executive Director of TSB Bank plc.  
Chair of Trustees of the Westminster Society for People with Learning Disabilities.

**Notice is hereby given that the seventh Annual General Meeting of Royal Mail plc (the Company) will be held at Royal Mail Group, 100 Victoria Embankment, London, EC4Y 0HQ on Tuesday 8 September 2020 at 13.00 to consider and, if thought fit, pass the resolutions as set out below.**

Resolutions 1 to 15 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the total voting rights of members who vote must be in favour of the resolution.

Resolutions 16 to 19 (inclusive) are proposed as special resolutions. For each of these to be passed, at least three-quarters of the total voting rights of members who vote must be in favour of the resolution.

For further information on all resolutions, please refer to the Explanatory Notes which can be found on pages 7 to 9.

**Annual Report and Financial Statements**

1. To receive the Company's Accounts and the Reports of the Directors and of the Auditor for the financial year ended 29 March 2020.

**Remuneration**

2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the financial year ended 29 March 2020.
3. To approve the Directors' Remuneration Policy, as contained in the Directors' Remuneration Report for the financial year ended 29 March 2020.

**Directors**

4. To re-appoint Keith Williams as a Director of the Company.
5. To re-appoint Stuart Simpson as a Director of the Company.
6. To re-appoint Maria da Cunha as a Director of the Company.
7. To re-appoint Michael Findlay as a Director of the Company.
8. To re-appoint Rita Griffin as a Director of the Company.
9. To re-appoint Simon Thompson as a Director of the Company.
10. To re-appoint Baroness Sarah Hogg as a Director of the Company.
11. To re-appoint Lynne Peacock as a Director of the Company.

**Auditor**

12. To re-appoint KPMG LLP as Auditor of the Company.
13. To authorise the Company's Audit and Risk Committee to determine the remuneration of the Auditor.

**Political donations and expenditure**

14. That, in accordance with section 366 of the Companies Act 2006 (the Act) and from the date of this resolution until the earlier of the conclusion of the Company's annual general meeting to be held in 2021 and the close of business on 30 September 2021, the Company and any company which is a subsidiary of the Company at any time during such period are authorised:
  - (a) to make donations to political parties and/or independent election candidates;
  - (b) to make political donations to political organisations, other than political parties; and
  - (c) to incur political expenditure, up to an aggregate total amount of £50,000, with the amount authorised for each of the heads (a) to (c) above being limited to the same total. Any such amounts may comprise sums paid or incurred in one or more currencies. Any sum paid or incurred in a currency other than sterling shall be converted into sterling at

such rate as the Directors may decide is appropriate. Terms used in this resolution have, where applicable, the meanings that they have in Part 14 of the Act on 'Control of political donations and expenditure' as at the date of this notice of meeting.

**Directors' authority to allot shares**

15. That the Directors are generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (Allotment Rights):
  - (a) up to a maximum aggregate nominal amount of £3,333,333 (such amount to be reduced by the aggregate nominal amount of any equity securities (as defined in section 560(1) of the Act) allotted under paragraph (b) below in excess of £3,333,333); and
  - (b) comprising equity securities (as defined in section 560(1) of the Act) up to a maximum aggregate nominal amount of £6,666,666 (such amount to be reduced by the aggregate nominal amount of any shares allotted or Allotment Rights granted under paragraph (a) above) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities (as defined in section 560(1) of the Act), as required by the rights of those securities or, subject to such rights as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangement which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory, or practical problems in, or laws of, any territory or any matter.

The authority conferred on the Directors to allot securities and grant Allotment Rights under this resolution will expire on the earlier of the conclusion of the Company's annual general meeting to be held in 2021 and the close of business on 30 September 2021 (unless previously renewed, varied or revoked by the Company at a general meeting). The Company may before this authority expires, make an offer or enter into an agreement which would or might require shares to be allotted or Allotment Rights to be granted after it expires and the Directors may allot shares or grant Allotment Rights in pursuance of that offer or agreement as if the authority conferred by this resolution had not expired.

**Special Resolutions**

**Disapplication of pre-emption rights**

16. That, subject to the passing of Resolution 15, the Directors are empowered pursuant to section 570 of the Companies Act 2006 (the Act) to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment and/or sale, provided that such power is limited:
  - (a) to the allotment of equity securities and/or sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 15 above, by way of a rights issue only):
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities, as required by the rights of those securities or, as the Directors may otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or any matter; and

(b) to the allotment of equity securities and/or sale of treasury shares for cash (otherwise than under paragraph (a) above) up to a maximum aggregate nominal amount of £500,000.

The power conferred on the Directors to allot equity securities and/or sell treasury shares under this resolution will expire on the earlier of the conclusion of the Company's annual general meeting to be held in 2021 and the close of business on 30 September 2021 (unless previously renewed, varied or revoked by the Company at a general meeting). The Company may, before the expiry of this power, make offers or enter into agreements which would or might require securities to be allotted (and/or treasury shares to be sold) after the expiry of this power and the Directors may allot securities and/or sell treasury shares in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

17. That, subject to the passing of Resolution 15, the Directors are empowered pursuant to section 570 of the Companies Act 2006 (**the Act**), in addition to any power granted under Resolution 16, to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by Resolution 15 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment and/or sale provided that such power is:

(a) limited to the allotment of equity securities and/or sale of treasury shares up to a maximum aggregate nominal amount of £500,000; and

(b) used only for the purpose of financing (or refinancing, if the power is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

The power conferred on the Directors to allot equity securities and/or sell treasury shares under this resolution will expire on the earlier of the conclusion of the Company's annual general meeting to be held in 2021 and the close of business on 30 September 2021 (unless previously renewed, varied or revoked by the Company at a general meeting). The Company may, before the expiry of this power, make offers or enter into agreements which would or might require securities to be allotted (and/or treasury shares to be sold) after the expiry of this power and the Directors may allot securities and/or sell treasury shares in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

#### Authority to purchase own shares

18. That the Company is generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (**the Act**) to make market purchases (as defined in section 693(4) of the Act) of its ordinary shares on such terms and in such manner as the Directors may determine provided that:

(a) the maximum number of shares which may be purchased is 100,000,000;

(b) the minimum price (exclusive of expenses) which may be paid for each share is its nominal value;

(c) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not be more than the higher of:

(i) an amount equal to 105 per cent of the average middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five

business days immediately preceding the day on which the ordinary share is purchased; and

(ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System; and

(d) this authority shall expire on the earlier of the conclusion of the Company's annual general meeting to be held in 2021 and the close of business on 30 September 2021, but during this period the Company may enter into a contract to purchase ordinary shares, which would, or might, be completed or executed wholly or partly after the authority conferred by this resolution expires and the Company may purchase ordinary shares pursuant to any such contract as if the authority had not expired.

#### Notice period for general meetings, other than AGMs

19. That a General Meeting of the Company other than an AGM may be called on not less than 14 clear days' notice.

By order of the Board



#### Mark Amsden

Group General Counsel and Company Secretary  
17 July 2020

Registered Office:  
100 Victoria Embankment  
LONDON, EC4Y 0HQ  
Registered in England and Wales No. 08680755

#### Explanatory Notes to the proposed resolutions

An explanation of each of the resolutions is set out below:

#### Annual Report and Financial Statements

Resolution 1 is to receive the reports of the Directors and the auditor and the audited accounts for the financial year ended 29 March 2020 (**the Annual Report and Financial Statements**). The Directors are required to present these to the meeting.

#### Remuneration

Resolution 2 is to approve the Directors' Remuneration Report on pages 128 to 153 of the Annual Report and Financial Statements.

Section 439 of the Companies Act 2006 (**the Act**) requires that the Directors' Remuneration Report is put to a vote of shareholders at the AGM. For the purposes of Resolution 2, the Directors' Remuneration Report does not include the part of the report containing the Directors' Remuneration Policy which is, this year, the subject of a separate vote at Resolution 3. The vote on Resolution 2 is advisory and the Directors' entitlement to receive remuneration is not conditional on the resolution being passed.

Resolution 3 is to approve the Directors' Remuneration Policy (**the Policy**) which is set out in the Directors' Remuneration Report on pages 133 to 140 of the Annual Report and Financial Statements. Section 439A of the Act requires that the Policy is subject to a separate resolution for shareholder approval. The vote is binding and once the Policy is approved the Company will not be able to make a remuneration payment to a current or past director, unless that payment is consistent with the Policy or an amendment to the Policy has been approved by a resolution of the members of the Company authorising the Company to make such a payment.

## Rationale

The rationale behind the Policy is set out in full in the Remuneration Committee Chair's letter (see pages 128 to 130 of the Annual Report and Financial Statements) and the Policy section of the Report (see pages 133 to 140). Following the Senior Management changes announced in May 2020, the following limited, albeit important, changes to the Policy are required so that it can be administered effectively in these changed circumstances:

- (a) a Director based outside of the UK can be reimbursed for any reasonable travel and accommodation costs and any associated taxation thereon;
- (b) the Remuneration Committee will have the flexibility to set a minimum level of earnings of an appropriate business unit (rather than of the Group) that must be achieved before an annual bonus is payable;
- (c) the contractual terms and conditions for any Executive Director based outside the UK may be aligned to local laws in the applicable jurisdiction of employment, and the Policy may be interpreted to ensure compliance with local laws where necessary. In addition, there will be greater flexibility to offer tax equalisation to ensure a new Executive Director based outside the UK would not be subject to a greater tax burden as a result of performing duties outside their home country. There is a risk that part of a directors' remuneration will be taxed in the UK (as well as in their home country) if they travel to the UK to attend Board or other meetings; and
- (d) the pension contribution rate for existing Executive Directors will be reduced from 17.5% to 15.6%, mirroring the current rate for the majority of the workforce, effective 1 April 2021, the start of the new financial year.

The Board recognises that seeking shareholder approval again so soon is unusual given the strong level of support obtained in 2019; however, the changes are needed in light of the Senior Management changes and new reporting structures. Subject to shareholder approval, the Policy will take effect from the date of the AGM and, if approved, will apply for up to three years. The Remuneration Committee will review the Policy as and when it considers appropriate to do so, to ensure it remains appropriate in supporting the implementation of the Company strategy.

## Directors

Resolutions 4 to 11 are to approve the re-appointment of the Company's Directors.

The Company's articles of association require a Director who has been appointed by the Board during the year to retire at the next annual general meeting following his or her appointment. Such Director may offer himself or herself for re-appointment by the shareholders. Baroness Sarah Hogg and Lynne Peacock were appointed to the Board as Non-Executive Directors with effect from 1 October 2019 and 1 November 2019 respectively. Consequently, both will retire from office at the AGM and offer themselves for re-appointment by shareholders. The Board has also decided that, in accordance with the recommendations of the UK Corporate Governance Code, all of the remaining Directors of the Company should also retire from office at the AGM and offer themselves for re-appointment by shareholders at the AGM.

The Directors believe that the Board offers an appropriate balance of knowledge and skills and that, after evaluation, all the Non-Executive Directors are independent in character and judgement. The Nomination Committee, which considers the balance of the Board and the mix of skills, knowledge and experience of its members, has considered and recommended to the Board the re-appointment of all of the Directors of the Company.

The Interim Executive Chair confirms that a process of formal evaluation concluded that each Director makes an effective and valuable contribution to the Board and demonstrates commitment to his or her role, including making sufficient time available for Board and

Committee meetings and other duties as required. Further details can be found on page 103 of the Annual Report and Financial Statements.

Biographical details of each of the Directors standing for re-appointment can be found on pages 4 to 5 and on pages 90 and 91 of the Annual Report and Financial Statements.

## Auditor

The Company is required to appoint an auditor, at each general meeting at which accounts are laid before shareholders, to hold office until the end of the next such meeting. The Company's Audit and Risk Committee has recommended the re-appointment of KPMG LLP and has confirmed that such recommendation is free from influence from a third party and that no contractual terms have been imposed on the Company restricting its choice of auditor.

Resolution 12 therefore, is to approve the re-appointment of KPMG LLP as the Company's auditor. If the resolution is passed, KPMG LLP will hold office until the conclusion of the next general meeting at which the accounts are laid.

Resolution 13 is to authorise the Audit and Risk Committee to determine the remuneration of the auditor in relation to the audit.

## Political donations and expenditure

Resolution 14 is to obtain the approval of the shareholders to make donations to political parties, political organisations and independent election candidates, and to incur political expenditure, up to a maximum aggregate amount of £50,000.

The Company has a firm policy NOT to make donations to, or incur expenditure on behalf of, political parties, other political organisations or independent election candidates and the Directors have no intention of using the authority for that purpose. However, the Act contains restrictions on companies making political donations or incurring political expenditure unless authorised by shareholders in advance, and as the Act defines political donations very broadly, it is possible that normal business activities (such as sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling certain public duties, and support for bodies representing the business community in policy review or reform), which might not be thought of as political expenditure in the usual sense, could be caught. Shareholder approval is being sought on a precautionary basis only, to ensure that neither the Company nor any company, which at any time during the period for which this resolution has effect, is a subsidiary of the Company commits any technical breach that could arise from the uncertainty generated by the wide definitions contained within the Act when carrying out activities in furtherance of its legitimate business interests.

## Authority to allot Shares

Resolution 15 is proposed to authorise the Directors to allot Shares in the capital of the Company and to grant rights to subscribe for, or convert any securities into, Shares for a period expiring on the earlier of the conclusion of the next AGM of the Company and the close of business on 30 September 2021, and within the limits prescribed by The Investment Association.

Paragraph (a) of Resolution 15 will allow the Directors to allot Shares (and grant rights) up to a maximum aggregate nominal amount of £3,333,333 (representing 333,333,333 Shares). This amount represented approximately one-third of the Company's issued share capital on 24 June 2020, the latest practicable date before the publication of this Notice of AGM.

Paragraph (b) of Resolution 15 would give the Directors authority to allot Shares (and grant rights) in connection with a rights issue in favour of ordinary shareholders up to a maximum aggregate nominal amount equal to £6,666,666 (representing 666,666,666 Shares, as reduced by the nominal amount of any Shares issued under paragraph (a) of this resolution). This amount (before any reduction) represented approximately two-thirds of the Company's issued share capital on 24 June 2020, the latest practicable date before the publication of this Notice of AGM.

The Directors have no present intention to exercise the authority sought under this resolution, but the Board wishes to ensure that the Company has maximum flexibility in managing the Group's capital resources. As at 24 June 2020, the latest practicable date before the publication of this Notice of AGM, no Shares were held by the Company in treasury.

## Special Resolutions

### Disapplication of pre-emption rights

Resolutions 16 and 17 are to approve the disapplication of statutory pre-emption rights.

The passing of these resolutions would allow Directors to allot Shares for cash (and/or to sell any Shares which the Company may purchase and hold in treasury) without first offering them to existing shareholders in proportion to their existing holdings.

The power set out in Resolution 16 is limited to allotments and / or sales of treasury shares for cash on a non-pre-emptive basis: (a) in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those Shares; and (b) other than in connection with such offers, up to an aggregate nominal amount of £500,000 (representing 50,000,000 Shares). This aggregate nominal amount represented five per cent of the issued ordinary share capital of the Company as at 24 June 2020, the latest practicable date before the publication of this Notice of AGM.

The power set out in Resolution 17 is in addition to the power set out in Resolution 16 and is limited to allotments and / or sales of treasury shares for cash on a non-pre-emptive basis up to an aggregate nominal amount of £500,000 (representing 50,000,000 Shares) which are used only for the purposes of financing (or refinancing, if the power is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice of AGM. This aggregate nominal amount represented an additional five per cent of the issued ordinary share capital of the Company as at 24 June 2020, the latest practicable date before the publication of this Notice of AGM.

The Directors also confirm their intention that, in line with the Pre-Emption Group's Principles, no more than 7.5 per cent of the issued share capital of the Company (excluding any treasury shares) will be issued for cash on a non-pre-emptive basis during any rolling three-year period, except in connection with an acquisition or specified capital investment as referred to above.

This power will expire on the earlier of the conclusion of the Company's next annual general meeting and the close of business on 30 September 2021.

### Authority to purchase own Shares

Resolution 18 is to authorise the Company to purchase its own Shares in the market on similar terms to previous years' authorities. The authority limits the number of Shares that could be purchased to a maximum of 100,000,000 Shares (equivalent to 10 per cent of the Company's issued ordinary share capital as at 24 June 2020, the latest practicable date before the publication of this Notice of AGM) and sets a minimum and maximum price.

This authority will expire on the earlier of the conclusion of the Company's next annual general meeting and the close of business on 30 September 2021.

The Directors have no present intention of exercising the authority to purchase the Company's Shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The Directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the

Company. Any purchases of Shares would be by means of market purchases through the London Stock Exchange.

Listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. Any Shares that are bought by the Company under this authority may either be cancelled or held in treasury depending on which course of action is considered by the Directors to be in the best interests of the shareholders at that time. No dividends are paid on Shares whilst held in treasury and no voting rights attach to treasury shares. As at 24 June 2020, the latest practicable date before the publication of this Notice of AGM, the Company had no options to subscribe for Shares that were outstanding.

### Notice period for general meetings, other than AGMs

Resolution 19 is to approve the calling of general meetings of the Company (other than an AGM) on at least 14 clear days' notice.

The notice period required by the Act for general meetings of the Company (other than AGMs) is 21 clear days unless (i) shareholders approve a shorter notice period, which cannot however be less than 14 clear days and (ii) the Company offers the facility for all shareholders to vote by electronic means.

It is intended that the flexibility offered by this resolution will only be used for time sensitive, non-routine business and where merited in the interests of shareholders as a whole. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

### Important Notes

1. In light of measures taken by the Government to reduce the public health risks posed by the spread of COVID-19, shareholders will not be permitted to attend the AGM in person. Every eligible shareholder does however, have the right to appoint one or more proxies to exercise all or any of his or her rights on his or her behalf at the meeting, provided that if more than one proxy is appointed each proxy is appointed to exercise the rights attaching to a different share or shares held by the appointing shareholder. The appointment of a proxy in relation to this year's AGM will, however, be subject to the special arrangements in these notes or any alternative arrangements that the Board of Directors considers necessary to ensure the validity of the meeting.

Shareholders who wish to vote at the meeting should appoint the Chairman of the meeting as their proxy in order to do so. No other person(s) appointed as proxy will be permitted to attend the meeting in person. If a shareholder appoints some other person or persons as proxy, such shareholder shall be deemed to have appointed the Chairman of the meeting and not the other named person(s) as their proxy.

2. A shareholder can appoint a proxy by any of the following methods:

(a) By completing and returning the enclosed proxy form

A form which may be used to appoint, and give instructions to, a proxy accompanies this Notice of AGM. The form assumes that a shareholder will wish to vote on all of his or her Shares in the same way. To vote only part of a holding or to vote some Shares one way and some another, shareholders should contact the shareholder helpline on 0371 384 2656. All proxy forms must be signed and should be returned together in the same envelope.

To be valid, a completed proxy form (together with a certified copy of any power of attorney or other authority under which it is executed) must be delivered by post or by hand (during normal business hours only) so as to be received by Equiniti at, Aspect

House, Spencer Road, Lancing, West Sussex, BN99 6DA by no later than **13.00 on Friday 4 September 2020**.

(b) By submitting a proxy appointment online

A shareholder may appoint a proxy online by following the instructions for the electronic appointment of a proxy at [www.sharevote.co.uk](http://www.sharevote.co.uk). Shareholders will need their Voting ID, Task ID and Shareholder Reference Number, printed on the face of the proxy form provided, to register. If shareholders have already registered with Equiniti's online portfolio service, they may appoint a proxy by logging onto their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and following the instructions provided.

To be a valid proxy appointment, the shareholder's electronic message confirming the details of the appointment, completed in accordance with those instructions, must be transmitted so as to be received by no later than **13.00 on Friday 4 September 2020**.

(c) By submitting a proxy appointment via the CREST voting service Shareholders who hold their shares in uncertificated form may also use "the CREST voting service" to appoint a proxy electronically, as explained in Notes 11 to 14 below.

A certified copy of any power of attorney or other authority under which any electronic proxy appointment is made must be received at the relevant address specified in these Notes for receipt of such electronic proxy appointment (or at such other address as the Company may specify) by the latest time indicated for receipt of such electronic proxy appointment.

3. If you complete and return a paper proxy form and submit a proxy appointment electronically, in respect of the same shares, those received last by the Registrar before 13.00 on Friday 4 September 2020 will take precedence. Electronic communication facilities are available to all shareholders and those that use them will not be disadvantaged.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointments submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).
5. For Shares held in the Royal Mail Nominee Share Service or in the Royal Mail Share Incentive Plan, voting instructions must be received by the Nominee/Trustee by no later than 17.00 on Thursday 3 September 2020.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (**Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Please note that a person other than the Chairman of the meeting who is appointed as a proxy will not be permitted to attend the meeting in person. The statement of the rights of shareholders in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in Note 1 can only be exercised by the shareholders of the Company. Nominated Persons should contact the registered holder of the Shares and not the Company on matters relating to their Shares.
7. To be entitled to vote at the meeting (and for the determination by the Company of the votes they may cast), shareholders must be entered on the Register of Members of the Company by 18.30 on Friday 4 September 2020 (or, in the event of any adjournment, 18.30 on the date which is two business days prior to the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of

any person to attend and vote at the meeting. Reference in this note to the right to attend the meeting shall as regards attendance at the meeting in person be read subject to Note 1 above.

8. The following documents are available for inspection at an agreed time (please ring 020 7449 8001 during normal business hours on any weekday, excluding Saturdays, Sundays and public holidays in England & Wales), at the Company's Registered Office, 100 Victoria Embankment, London, EC4Y 0HQ:
  - (i) copies of the Executive Directors' service contracts; and
  - (ii) copies of the Non-Executive Directors' letters of appointment.A copy of the Company's Articles of Association is available on the Company's website at [www.royalmailgroup.com](http://www.royalmailgroup.com).
9. Shareholders may not use any electronic address provided either in this Notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
10. As at 24 June 2020, the latest practicable date before the publication of this Notice of AGM, the Company's issued share capital consisted of 1,000,000,000 Shares carrying one vote each. Therefore, the total voting rights in the Company as at 24 June 2020 were 1,000,000,000.
11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST proxy instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by 13.00 on Friday 4 September 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
15. Any corporation which is a shareholder can appoint one or more persons to act as its representative(s) at the meeting. Each such

representative may exercise on the corporation's behalf all of its powers as a shareholder provided that they do not do so in relation to the same Shares. Please note that a person other than the Chairman of the meeting who is appointed as a representative will not be permitted to attend the meeting in person.

16. Under section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which the annual accounts and financial reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
17. Shareholders who wish to ask questions on the business of the meeting can send them in advance of the AGM to [shareholderquestions@royalmail.com](mailto:shareholderquestions@royalmail.com) so as to be received by 13:00 on Friday 4 September 2020. The Company will ensure, to the extent practicable, that the answers are responded to in the pre-recorded virtual shareholder event, where this is not possible responses to questions of common interest will also be made available on our website [www.royalmailgroup.com](http://www.royalmailgroup.com) as soon as practicable following the meeting.
18. A copy of this Notice of AGM, and other information required by section 311A of the Act, can be found at [www.royalmailgroup.com/investors/shareholder-communications/annual-general-meetings](http://www.royalmailgroup.com/investors/shareholder-communications/annual-general-meetings).

## Key dates

Time and date	What happens?
17.00 Thursday 3 September 2020	Deadline for receipt of voting instructions in respect of shares held in the Royal Mail Nominee Share Service or in the Royal Mail Share Incentive Plan
13.00 Friday 4 September 2020	Deadline for receipt of electronic or postal proxy appointment and voting instructions by our Registrars, Equiniti
13.00 Tuesday 8 September 2020	AGM at Royal Mail Group, 100 Victoria Embankment, London, EC4Y 0HQ

## Shareholder fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

5,000 people contact the Financial Conduct Authority (FCA) about share fraud each year, with victims losing an average of £20,000. If you are approached by fraudsters please tell the FCA using the share fraud reporting form at [www.fca.org.uk/scams](http://www.fca.org.uk/scams), where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040 or online at [www.actiontravel.police.uk](http://www.actiontravel.police.uk)

Remember: if it sounds too good to be true, it probably is!



