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for Business
Innovation & Skills

The Rt Hon Sajid Javid MP

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Dear Martin,

ROYAL MAIL EMPLOYEE SHARES

Thank you for your note of 11th June 2015. This is to confirm that I am formally directing you as Accounting Officer to implement the gifting of up to one percent of Royal Mail shares to its UK employees.

I have noted your concerns about the value for money of doing so. However, in coming to this decision I have taken into account the wider benefits of this policy. Employees currently comprise an important part of Royal Mail's shareholder base. As you note in your letter, this principle of employee participation was enshrined in the Postal Services Act 2011. Furthermore I believe there is merit in rewarding the employees of Royal Mail for their hard work, which has contributed to the recent performance of the company and has been reflected in the current share price.

I therefore direct you to proceed as requested.

SAJID JAVID

Secretary of State for Business, Innovation and Skills