

Chris Hodge
FRC
5th Floor
Aldwych House
71-91 Aldwych
London WC2B 4HN

16 July 2012

Dear Mr Hodge

Consultation Document: Draft Revised UK Stewardship Code

Please find enclosed the response of Royal Mail Pensions Trustees Limited to the above consultation. Royal Mail Pensions Trustees Limited is the corporate trustee of the Royal Mail Pension Plan. The Board of Trustee Directors consists of eleven individuals with a broad range of pensions knowledge and experience, including both professionals and independent trustees.

Yours sincerely

Peter Metcalfe
Head of Membership and Finance
Royal Mail Pensions Trustees Limited

FORMAL RESPONSE TO THE CONSULTATION DOCUMENT ON REVISIONS TO THE FRC UK STEWARDSHIP CODE

Views are invited on whether the proposed revisions correctly describe stewardship and its purpose.

We are satisfied that the proposed revisions correctly describe stewardship and its purpose.

Views are invited on whether the respective responsibilities of asset owners and asset managers have been correctly described.

We agree that the respective responsibilities of asset owners and asset managers have been correctly described.

The one significant issue for RMPP as an asset owner is that resource restrictions prevent us from fulfilling the monitoring requirements of Principle 3. However, we would fully expect our asset managers to diligently monitor investee companies along the proposed guidelines and report to us as appropriate.

Views are invited on all of the proposed revisions to the Code summarised.

We are in general agreement with the proposed revisions but we are not convinced that disclosing our policy with regard to stock lending and whether or not we recall stock for voting purposes adds value. (Most of our securities available for lending are not equities and therefore would not be eligible for voting).

As well as commenting on the detail of the individual changes summarised on the remainder of this consultation document, views are invited on whether those changes meet these tests, and whether the Code as a whole is well structured, balanced and clear.

In conclusion, we are generally satisfied that the changes to the Code meets the test of understanding better what stewardship is, the aim of stewardship, the purpose of the Code and how the Code is implemented. Adding new guidance does have some impact on our stewardship activity without undue prescription with the exception of the monitoring requirements outlined in Principle 3 for the reasons described above.