



Postal Services Act 2011

2011 CHAPTER 5

PART 1

RESTRUCTURING OF ROYAL MAIL GROUP

Ownership of the Royal Mail

2 Report on decision to dispose of shares in a Royal Mail company etc

- (1) This section applies where the Secretary of State—
 - (a) has decided to undertake a particular kind of relevant disposal, or
 - (b) has decided that another person may undertake a particular kind of relevant disposal.
- (2) As soon as reasonably practicable after making the decision, the Secretary of State must lay before Parliament a report on the proposed disposal.
- (3) The report must state—
 - (a) the kind of relevant disposal intended to be undertaken,
 - (b) the expected time-scale for undertaking it, and
 - (c) the objective intended to be achieved by the undertaking of it.
- (4) The report must—
 - (a) contain information about the expected commercial relationship, after the proposed disposal, between the Royal Mail company in question and any Post Office company, and
 - (b) if the proposed disposal would result in shares or share rights being owned by or on behalf of an employee share scheme for the first time, give details of the scheme.

In paragraph (b) “employee share scheme” has the meaning given by section 3.

- (5) In this Part “relevant disposal” means—

Status: This is the original version (as it was originally enacted).

- (a) the issue or transfer of shares in a company the effect of which is to reduce the proportion of a Royal Mail company owned by the Crown, or
 - (b) the issue or transfer of share rights to a person the effect of which would be, if the shares to which the share rights relate were issued or transferred to the person, to reduce the proportion of a Royal Mail company owned by the Crown.
- (6) In this Part “Royal Mail company” means a company that—
- (a) provides a universal postal service, and
 - (b) is or has at any time been in the same group as—
 - (i) the original holding company, or
 - (ii) another company that is or has at any time been a Royal Mail company.

3 Employee share scheme

- (1) The Secretary of State must ensure that arrangements are made, before the time at which the first relevant disposal is made in relation to a Royal Mail company, for the establishment of an employee share scheme.
- (2) Those arrangements must secure that if at any time the proportion of the company owned by the Crown is reduced to nil, the proportion of the company owned by or on behalf of the employee share scheme is at that time (or has before that time been) at least 10%.
- (3) If any shares or shares rights have been transferred under the employee share scheme to beneficiaries of the scheme, the shares or share rights are to be regarded for the purposes of subsection (2) as if they are still owned by or on behalf of the scheme.
- (4) “Employee share scheme” means a scheme for encouraging or facilitating the holding of shares or share rights in the company (or companies in the same group as the company) by or for the benefit of persons who are or include employees of the company.