

POST OFFICE LIMITED
("the Company")
Terms of Reference of the Transformation Committee

The Transformation Committee (the "Committee") is a Committee of the Company Board ("the Board") from which it derives its authority, and to which it reports after each meeting. Its authority is always subject to the powers and duties of the Board, as set out in the Articles of Association.

A. PURPOSE

1. The purpose of the Committee is to provide Board level strategic oversight of the Company's transformation roadmap and plan, ensuring continued alignment to the Company's strategic priorities and pillars, its annual plan and budget, as well as against the longer-term strategic outlook. The Committee's oversight will not extend to *business as usual* projects not included in the transformation plan and their associated operating costs, exceptional spend and capital expenditure.

B. DUTIES AND RESPONSIBILITIES

2. **Review** status updates across the strategic pillars of the Company's transformation roadmap and plan and **scrutinise** delivery against key performance measures.
3. **Review** progress against the Company's Roadmap and plan with focus on dependency management, risk assessment and mitigation as well as change capacity planning and management.
4. **Approve** project funding drawdown requests for spend over £15m and up to £50m¹.
5. **Undertake** periodic risk-based programme and/or project deep dive reviews.
6. **Consider** any implications that arise under the Funding Agreement, including the prospect of any additional funding requests, for consideration by the Board and recommendation to the Shareholder, where appropriate.
7. **Raise** any material risks and issues with the Board.

C. REPORTING RESPONSIBILITIES

8. The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
9. The Committee shall report on its activities in the Company's annual report.

¹ Project costs include all project based operating costs, exceptional spend and capital expenditure. Change requests for projects approved by the Committee will require further Committee approval. The entry into or implementation of a Relevant Transaction involving actual or likely spend or liability in excess of £50m requires the consent of the Shareholder. A Relevant Transaction is any transaction which is not (i) in the ordinary course of business, (ii) intra-group; or (iii) approved in the Group Strategic Plan.

POST OFFICE LIMITED
("the Company")
Terms of Reference of the Transformation Committee

D. AUTHORITY

10. The Board has delegated authority to the Committee to approve in-budget change spend requests up to £50m.
11. The Committee shall be authorised to seek any information it requires from any employee of the Company in order to perform its duties.

E. COMPOSITION AND GOVERNANCE

Membership

12. The Committee Chair and members of the Committee will be appointed by the Board, acting on the recommendation of the Nominations Committee, and shall be appointed for a period coinciding with their term of appointment as directors of the Company, which may be extended for an additional three-year period, provided the director still meets the criteria for membership of the Committee and is otherwise approved for re-appointment as a director of the Company.
13. The Committee shall comprise at least 3 directors including the Shareholder NED.
14. The Committee Chair should seek engagement with the Shareholder on significant matters related to the Committee's areas of responsibility.
15. In the absence of the Committee Chair at any meeting, the Committee members present shall determine who shall chair the Committee.
16. All Non-Executive Directors shall be a standing invitees and may attend as observers at their discretion. The Group Chief Executive Officer, the Group Chief Financial Officer and the Chief Transformation Officer shall be informed of the date of each meeting and may be invited by the Chair to attend all or part of any meeting, as and when appropriate.

Quorum

17. Quorum shall be two members.

Committee Secretary

18. The Group Deputy Company Secretary, or his or her nominee, shall act as Secretary to the Committee and shall attend all meetings to keep minutes and record actions.

Frequency

19. The Committee shall meet as often as required but at least quarterly.

POST OFFICE LIMITED
("the Company")
Terms of Reference of the Transformation Committee

Governance

20. Meetings may be held in person or by telephone or other electronic means, so long as all participants can contribute to the meeting simultaneously.
21. Notice of each meeting shall be given to all those entitled to participate at least three working days before the meeting.
22. Meetings for the Committee may be convened by the Secretary in consultation with the Chair, or by any member of the Committee, at any time. The Secretary will be responsible for setting the venue date and time of meetings in conjunction with the Chair. All papers supporting the meeting will be issued in good time, one week in advance of the meeting date.
23. The Chair will report regularly to the Board. Minutes of each Committee meeting will be circulated to all members of the Committee and, once agreed, to those members of the Board who have no personal interest in the matters discussed. Where a conflict of interest exists, the Company Secretary will provide sufficient information to the full Board to provide an understanding of the matter(s) considered.
24. The Secretary shall provide current and new Committee members with any training, briefings or induction required under the supervision of the Chair.
25. The Committee shall have access to sufficient executive time and resources in order to carry on its duties, including access to the Company Secretary and members of relevant teams within the Company.
26. If there should be disagreement between the Committee and the full Board, the Chair of the Board shall make time available for discussion of the issue so that the matter may be resolved. Where any such disagreement cannot be resolved, the Transformation Committee may report the issue as part of any annual report on its activities.

ANNUAL REVIEW AND APPROVAL

27. The Committee will undertake an annual review of its performance and the Terms of Reference. The outcome of these review will be recommended to the Board for approval (notwithstanding amendments approved by the Committee whenever so required).

Approved by:	Date:	Version:	Effective from:
Post Office Board	26/09/2023	1.1	26/09/2023
Post Office Board	24/09/2024	2.0	24/09/2024
Post Office Board	03/06/2025	3.0	04/06/2025