

**POST OFFICE LIMITED
BOARD SUBCOMMITTEE –PROJECT SPARROW
TERMS OF REFERENCE**

PURPOSE

The purpose of the Committee is to make recommendations to the Board in respect of Project Sparrow and provide strategic oversight of the delivery of the project and the development of the Initial Complaints Review and Mediation Scheme (the Scheme).

A. COMPOSITION AND GOVERNANCE

1. The Committee is constituted as a sub-committee of the Board.
2. The Chairman and members of the Committee shall be appointed by the Board.
3. The Committee shall be made up of three members, including at least one independent non-executive director and the Chairman.
4. In the absence of the Chairman of the Committee at any meeting, the Committee members present shall determine who shall chair the meeting.
5. Only members of the committee have the right to attend Committee meetings. The Post Office General Counsel and the nominated member of the Project Sparrow Team shall be informed of the date of each meeting and may be invited by the Committee Chairman to attend all or part of any meeting, as and when appropriate..
6. The Company Secretary shall not be a member of the Committee but shall act as Secretary to the Committee (or shall nominate an appropriate substitute) and shall keep minutes and records of each meeting and ensure regular reporting by the Committee to the full Board.
7. Minutes of each meeting will be circulated to all members of the Committee and, once agreed, to members of the Board.
8. Members of the Committee shall conduct an annual review of the Committee's performance.

B. MEETINGS

1. The Committee shall meet as often as required. The Committee may meet in person, by telephone or by other electronic means, so long as each member can contribute to the business of the meeting simultaneously.
2. The quorum necessary for the transaction of business shall be 2 members.
3. Meetings may be convened by the Secretary to the Committee, at the request of the Committee Chairman, or by any member of the Committee, at any time.
4. Notice of each meeting shall be given to all members of the Committee and any other person required to attend, at least 3 working days before each meeting.

C. DUTIES AND RESPONSIBILITIES

The main duties and responsibilities of the Committee are to:

1. Keep under review the progress of Project Sparrow, in particular the development of plans to restructure the Scheme.
2. Undertake any other oversight function delegated to the Committee by the full Board.

D. QUARTERLY REVIEW

1. The Committee will undertake a quarterly review of the Terms of Reference and recommend to the Board any necessary changes.
2. These Terms of Reference were last reviewed in March 2014.