



Post Office Limited Board Financial Services Committee Terms of Reference

Summary

The Post Office Board Committee on Financial Services is a group, established by the Post Office Limited Board, to provide guidance on, oversight of and authorisation to the development of the Post Office's financial services programmes and activities, including those of First Rate Exchange Services Limited ("FRES"), a 50% joint venture with Bank of Ireland, within the strategic framework as agreed by the Post Office Limited Board.

The Committee has the delegated authority of the Post Office Limited Board for Financial Services matters.

1. Meeting Frequency:

- At least quarterly but can meet more frequently as required to facilitate effective and timely actions and decisions

2. Chair:

- The Chair should be a non-executive director of Post Office Limited.
- Tenure should be for an initial term of 2 years
- The Chair is responsible for reporting to the Post Office Limited Board, including any escalation of issues that require full Board approval
- The Chair will not have a casting vote

3. Members:

- Members of the Committee should be non-executive and executive members of the Post Office Limited Board
- The Committee consists of three members:
 - Virginia Holmes non-executive Director (Chair)
 - Tim Franklin non-executive Director
 - Alisdair Cameron executive Director (CFO of the Post Office)
- It is expected that the Director – Financial Services and the General Counsel will both attend but will not be members.
- Operational and finance management representatives may be invited to attend as required. Any ad hoc attendees to be approved by the Chair prior to the meeting.
- Secretary

4. Secretariat:

- The secretary will be provided by the Company Secretariat.

5. Quorum:

- A minimum of 2 members
- Decisions need to be made by a majority of the members although it is not anticipated that matters will be taken to a vote.

6. Delegated Authorities:

Planned Spend	Unplanned Spend	Value of Indemnities or Potential /Contractual Liabilities	Risk or brand impact
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<u>Value</u>	<u>Value</u>	<u>Potential cost</u>	<u>Description</u>
> £20m	> £10m	> £20m	Carries significant risk (ERM score 4) Attracts public and media interest Risk of impact on brand value New product Is likely to attract the interest of the Shareholder

7. Core Responsibilities:

- Review key activities of the Financial Services strategic programme, including those activities of FRES, as presented and agreed at Post Office Limited Board
- Oversight of the Bank of Ireland (UK) plc capital and liquidity for Eagle Contract requirements
- Provide guidance to the Financial Services management team
- Consider Risk Management matters prior to consideration and decision by Audit, Risk & Compliance Committee
- Provide authorisation to proceed with contractual agreements for new products, services and suppliers and changes to existing agreements in accordance with the existing mandate and delegated authority limits of the Post Office Limited Board
- Receive a quarterly report on Financial Services, including a copy of the Risk Register – this will be noted at the Post Office Limited Board along with minutes and actions
- Annual review of the Committee's effectiveness

8. Inputs:

- Business performance reports
- Focused papers from Financial Services management on key activities requiring approval to proceed

9. Outputs:

- Key decisions and actions from the meeting
- Report to the Post Office Limited Board on decisions/actions taken
- Quarterly report on Financial Services performance to the Post Office Limited Board
- Risk Management matters to be referred to the Audit, Risk & Compliance Committee
- Issues/decisions to be referred to the Post Office Board.

Approved by the Financial Services Committee 27 January 2014 (Updated April 2015)