

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

The Nominations 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:
  - i. Recommend the process for the appointment, re-appointment or removal of individuals to/ from the Board (aside from the Company Chair and the shareholder appointed non-executive Director) to the shareholder;
  - ii. Recommend to the Board the appointment of individuals to the Board Committees;
  - iii. Approve the appointment of individuals to the Group Company Boards<sup>1</sup>;
  - iv. Approve the nomination for appointment and reappointment of individuals employed by the Company to the First Rate Exchange Services Holdings Limited ("FRESH") Board, and approve the proposal for removal of individuals employed by the Company from the FRESH Board;
  - v. Approve the appointment or removal of executives who report directly to the Group Chief Executive Officer;
  - vi. Recommend to the Board the appointment or removal of the Group Company Secretary; and
  - vii. Oversee succession planning for Board and at Group Executive level.
2. The consent of the Shareholder is required for Company Board appointments and removals<sup>2</sup>.

**B. DUTIES AND RESPONSIBILITIES WITH REGARDS TO THE COMPANY**

***Board and Senior Executive appointments***

3. **Review** the structure, size and composition of the Board (taking account of the skills, experience, knowledge and diversity of its members), to ensure that the roles of Group Chief Executive, Group Chief Financial Officer, Senior Independent Director and Non-Executive Directors are filled and to recommend changes in Board's composition to the Shareholder as necessary.

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<sup>1</sup> Group Companies are Post Office Management Services Limited and Payzone Bill Payments Limited. Shareholder approval would be required for

(i) the appointment of Non-Executive Directors to non FCA regulated subsidiaries; and  
(ii) the appointment of director's to FCA regulated subsidiaries.

(Company's Articles of Association Article 8S(a) and BEIS (now DBT): Shareholder Relationship Framework Document Provision 7.8)..

<sup>2</sup> Companies Articles of Association Article 8.1(A)(i).

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4. In the case of proposed appointments aside from the Shareholder Representative the Committee Members shall:
  - (i) determine for recommendation to the Shareholder:
    - (a) the members of an interview panel, which may comprise the Committee Chair and Board members with expertise relevant to the role being recruited; and
    - (b) the remit of the interview panel which may include preparing a short list of candidates, conducting interviews, and recommending to the Shareholder suitable candidates;
  - (ii) consult with the Shareholder on the process for appointing Directors to the Board and participate in the appointment process as agreed by the Shareholder including joining the interview panel.
5. **Monitor** the independence, and process for evaluation, of the Committee and the skills and experience available within the Board, in order to recommend new appointments to Committees, or the replacement of individuals on those Committees, as required from time to time.
6. **Review** the results of any Board and Committee evaluation process which relate to the composition of the Board, any of its Committees or the Group Executive and succession planning.
7. **Review and approve for recommendation to the Shareholder** the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required.
8. **Approve for recommendation to the Shareholder** appropriate role descriptions and specifications for candidates for appointment to the Board, aside from the Shareholder representative, considering candidates from a wide range of backgrounds.
9. **Approve for recommendation to the Shareholder**, the re-appointment or removal from office of any Director including the Group Chief Executive of the Company, Chief Financial Officer, interim directors and alternate directors who are not already directors of the Company<sup>3</sup>.
10. For each proposed appointment, open advertising/and or the use of specialist advisers to facilitate the search for appropriately qualified candidates should be used and **advised to the Shareholder**.
11. **Approve**, where agreed with the Shareholder that external search agents should be employed by the Company, the engagement terms of such search agents.

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<sup>3</sup> Such appointments, reappointments or removals require Shareholder approval. The Shareholder shall appoint one senior UK Government official as the representative director to the POL Board (FD section 7.3 (ii)).

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12. **Approve** recommendations made by the Group Chief Executive on appointments or removal of executives who report directly to him or her.

***Succession planning***

13. **Ensure** that the business puts in place succession plans for the Board and the Group Executive, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company and the skills and expertise needed for leadership of the Post Office in the future.
14. **Review**, on behalf of the Board, succession planning for Board and senior leadership at executive level. Recommend to the Board any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
15. **Ensure** that any proposed appointee to the Board discloses other business interests and any potential conflict of interest, in line with the recommendations of the UK Corporate Governance Code ("the Code") and the precepts of the Nolan Committee on Standards in Public Life.
16. **Engage** with the Remuneration Committee in respect of new hires, to ensure that the proposed package for new senior appointments reflects the responsibilities of the role and is designed to attract talent but is not excessive.
17. **Review** on behalf of the Board any matters relating to the continuation in office of any director or Group Executive Member and the Group Company Secretary, including the suspension or termination of any contract of employment or contract for services, subject to the provisions of the law.

***Corporate Governance***

18. **Review** and **approve** the processes for Board and Committee evaluations.
19. **Approve** the appointment of external facilitators for Board and Committee evaluations.
20. **Ensure** that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
21. **Note** the appointment of any director to executive or other office in accordance with the Conflicts of Interest Policy and letter of appointment for Non-Executive Directors.

**C. DUTIES AND RESPONSIBILITIES WITH REGARDS TO GROUP COMPANY BOARDS**

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***Board and senior executive appointments***

22. **Review** the structure, size and composition of the boards (taking account of the skills, experience, knowledge and diversity of its members), to ensure that the key roles are filled and to recommend changes to the board composition as thought necessary.
23. **Approve** the process for the Company's Group Executive to identify and nominate candidates for appointment to the Boards, including considering candidates from a wide range of backgrounds, on merit and against a range of objective criteria and with due regard for the benefits of diversity on the boards, including gender, and which seek to attract a wide range of talent and promote diversity within the organisation. Such deliberations should also assess whether appointees have enough time available to devote to the position.
24. **Approve** the appointment, reappointment and removal of statutory directors from any Group Company (or where applicable, approve such appointments for recommendation to the Shareholder where Shareholder Consent is required)<sup>4</sup>.
25. **Review and approve** the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the boards in the light of knowledge, skills and experience required.
26. **Review** on behalf of the Board any matters relating to the continuation in office of any board director, including the suspension or termination of any contract of employment or contract for services, subject to the provisions of the law.
27. **Approve** the recruitment and appointment process for a director (who is not an employee of a member of the Group) to a Group Company including formation of interview panel.

**Approve** the nomination for appointment and reappointment of individuals employed by the Company to the First Rate Exchange Services Holdings Limited ("FRESH") Board, and approve the proposal for removal of individuals employed by the Company from the FRESH Board.

28. **Approve** the appointment of the Company's Shareholder Representative for the Joint Venture Agreement between the Company, Bank of Ireland (UK) plc and FRESH on recommendation from the Group Chief Commercial Director and Group Chief Executive Officer.

**D. REPORTING RESPONSIBILITIES**

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<sup>4</sup> Where Shareholder consent is required for the appointment of any person who is not an employee of a member of the Group as a director of any Group Company (unless that company is regulated by the FCA) (Article 8.1(S) (a)), the Committee shall approve for recommendation to the Board who will seek Shareholder Consent. Statutory Director appointments to Post Office Insurance do not require Shareholder consent.

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29. 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.
30. **Report** to the Board whatever recommendations it deems appropriate on any area within its remit where action or improvement is needed and adequate time should be made available for Board discussion when necessary.
31. **Report** on its activities in the Company's annual report describing the work of the Committee, including:
  - i. The process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
  - ii. How Board evaluation has been conducted, the nature and extent of an external facilitator's contact with the Board and individual directors, the outcomes and actions taken, and how it has influenced or will influence board composition;
  - iii. The policy on equality, diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives; and
  - iv. The gender balance of those in the Group Executive and their direct reports

32. If an external search consultancy has been engaged for the appointment of Non-Executive Directors or the Group Chief Executive or the Group Chief Financial Officer, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.

**E. AUTHORITY**

33. The Committee shall have authority to appoint executive search consultants and to obtain, at the Company's expense, legal or other professional advice on matters within its terms of reference as required, up to a financial limit determined by the Board.

**F. COMPOSITION AND GOVERNANCE**

***Membership***

34. The Committee Chair and members of the Committee will be appointed by the Board, acting on the recommendation of the Nominations Committee and in consultation with the Chair of the Remuneration 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.

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35. In the absence of the Chair of the Committee at any meeting, the Committee members present shall determine who shall chair the meeting.
36. The Committee shall comprise at least 3 directors including the Shareholder NED. A majority of members of the Committee shall be independent non-executive directors.
37. The Chair of the Company shall chair the Committee<sup>5</sup>.

***Quorum***

38. The quorum necessary for the transaction of business shall be two members.

***Committee Secretary***

39. The 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***

40. The Committee shall meet as often as required but at least two times per year.

***Governance***

41. Meetings may be held in person or by telephone or other electronic means, so long as all participants can contribute to the meeting simultaneously.
42. Notice of each meeting shall be given to all those entitled to participate at least three working days before the meeting.
43. 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.
44. Minutes of each 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.

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<sup>5</sup> The Chair of the Company should not chair the Committee when dealing with the appointment of his/her successor.

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45. The Committee Secretary shall provide current and new Committee members with any training, briefings or induction required under the supervision of the Chair.
46. Only members of the Committee have the right to attend Committee meetings. The Group Chief Executive and the Group Chief People Officer (or the holder of any equivalent position) and external advisors 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.
47. The Committee shall have access to sufficient executive time and resources in order to carry on its duties, including access to the Group Company Secretary and members of the Human Resources team.
48. 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.

**ANNUAL REVIEW AND APPROVAL**

49. 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 Board whenever so required).

<b>Approved by:</b>	<b>Date:</b>	<b>Version:</b>	<b>Effective from:</b>
Post Office Limited Board	25/11/2015	1.1	25/11/2015
Post Office Limited Board	08/04/2020	2.0	09/04/2020
Post Office Limited Board	03/06/2021	2.1	04/06/2021
Post Office Limited Board	12/07/2022	2.2	13/07/2022
Post Office Limited Board	28/03/2023	2.2 (no changes)	29/03/2023