

**POST OFFICE LIMITED  
MUTUALISATION SUB-COMMITTEE  
TERMS OF REFERENCE**

**PURPOSE**

The Mutualisation Sub-Committee is responsible to the Board for ensuring that the work to develop proposals for the mutualisation of Post Office Limited is provided with strategic direction, involves the appropriate level of stakeholder involvement and has adequate support, and that mutualisation proposals are presented to the Post Office Board and Government in line with agreed requirements.

**A. COMPOSITION AND GOVERNANCE**

1. The Mutualisation Sub-Committee is constituted as a sub-committee of the Board.
2. The members of the Committee are the Chairman of the Board in the Chair and all of the Directors of the Board.
3. Only members of the Committee have the right to attend Committee meetings. The Strategy Director, Mutualisation Programme Manager and HR and Corporate Services Director 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.
4. 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.
5. Minutes of each meeting will be circulated to the Board for information.
6. The Committee shall report regularly to the Board on progress towards mutualisation.
7. The Committee shall have access to sufficient executive time and resources in order to carry on its duties,
8. The Committee shall be authorised to seek any information it requires from any employee of the Company in order to perform its duties.
9. The Committee may request reports from the Executive Committee or from any sub-committee of that body involved in operational decisions which could have an impact on proposed mutualisation.
10. Decisions with Cash or Profit & Loss impact will be in line with existing delegated authorities: decisions with an impact of up to £0.5 million on a cumulative basis in each financial year will reside with the Committee; those with an impact over £0.5 million in any financial year will require Board approval.
11. Commitments which may have an impact of a non-cash or non Profit & Loss nature may be entered into by the Committee, again in line with existing delegated authorities, up to an estimated value of £10 million. Commitments above this level and all final decisions concerning a structural change of the business to permit greater stakeholder involvement will

require POL Board approval and, where relevant, notification to and consent from the Shareholder Executive, as set out in the Articles of Association.

## **B. MEETINGS**

1. The Committee shall meet monthly initially, moving to quarterly once the mutualisation programme is fully established.
2. The quorum necessary for the transaction of business shall be 2 members.

## **C. DUTIES AND RESPONSIBILITIES**

The main duties and responsibilities of the Committee are:

1. to provide strategic direction for the POL mutualisation programme and its workstreams;
2. to ensure that plans are in place for engagement with all key stakeholders including, but not limited to, Government, sub-postmasters, independent agents and POL employees;
3. to ensure that appropriate resources have been provided for the programme and workstreams, with due consideration for the balance between costs and benefits;
4. to report to the Board of POL, and liaise between the Board, Government and external advisers on progress towards mutualisation; and
5. to recommend to the Board and Government the framework and optimal arrangements for mutualisation.

## **D. REVIEW**

1. These terms of reference were last reviewed in July 2012.