

**POST OFFICE LIMITED**  
**(“the Company”)**  
**Terms of Reference of the Investment Committee**

The Investment 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 oversight of the Company’s investment activity. For the purposes of the Committee’s work investment activity is considered to include all *project* based operating costs, exceptional spend and capital expenditure, where a project is defined as a new, one-off or otherwise non-recurring activity. It does not include *business as usual* operating costs, exceptional spend and capital expenditure.

**B. DUTIES AND RESPONSIBILITIES**

**Oversight**

2. **Review and challenge** management’s plans for investment activity that form part of the Company’s three-year plan forecasts and funding submissions provided to the Department for Business and Trade (**DBT**), to ensure alignment with *inter alia* Group priorities, Managing Public Money and any wider guidance provided by DBT including on affordability.
3. **Review and challenge** management’s plans for investment activity that form part of the Company’s annual budget, to ensure alignment with *inter alia* Group priorities, Managing Public Money and the affordability of the proposed activity within relevant period.
4. **Review and challenge** the Company’s integrated investment activity plan to oversee all in-flight change activity, to include *inter alia* cross-portfolio dependency management, risk assessment and mitigation as well as change capacity planning and management.
5. **Review and challenge** delivery performance of investment activity, including performance against cost forecasts (e.g. project spend and forecasting), plan milestones (e.g. relevant key performance indicators and benefits realisation).
6. **Raise** any material risks and issues with the Board.

**Investment Activity Approval Process**

7. **Review and approve** the schedule for investment activity approvals going to Board and provide guidance on what materials, including externally commissioned materials, should be provided to support Board discussion.

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8. **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.
9. **Recommend** to the Board a pipeline of upcoming proposals for spend above £50,000,000. In making recommendations, the Committee should take into account how any investment request aligns with Shareholder objectives.

**C. REPORTING RESPONSIBILITIES**

6. 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.
7. **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 available for Board discussion when necessary.
8. **Report** on its activities in the Company’s annual report.

**D. AUTHORITY**

9. The Committee is authorised by the Board to obtain, at the Company’s expense, external professional advice on any matters within its terms of reference.
10. 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***

11. 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.
12. The Committee Chair should seek engagement with the Shareholder on significant matters related to the Committee’s areas of responsibility.
13. In the absence of the Committee Chair at any meeting, the Committee members present shall determine who shall chair the Committee.

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***Quorum***

14. Quorum shall be two members.

***Committee Secretary***

15. The Group 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***

16. The Committee shall meet as often as required but at least three times per year.

***Governance***

17. Meetings may be held in person or by telephone or other electronic means, so long as all participants can contribute to the meeting simultaneously.
18. Notice of each meeting shall be given to all those entitled to participate at least three working days before the meeting.
19. 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.
20. 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.
21. The Secretary shall provide current and new Committee members with any training, briefings or induction required under the supervision of the Chair.
22. Only members of the Committee have the right to attend Committee meetings. The Group Chief Executive Officer, the Deputy Chief Executive Officer, the Group Chief Financial Officer, the Group Chief Commercial Officer, the Group Chief Transformation Officer and the Strategy and Transformation Director (as well as any external advisers) 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.
23. 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.
24. If there should be disagreement between the Investment Committee and the full Board, the Chair of the Board shall make time available for discussion of the issue so

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that the matter may be resolved. Where any such disagreement cannot be resolved, the Investment Committee may report the issue as part of any annual report on its activities.

**F. ANNUAL REVIEW AND APPROVAL**

25. 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).

<b>Approved by:</b>	<b>Date:</b>	<b>Version:</b>	<b>Effective from:</b>
Post Office Limited Board	26/09/2023	1.1	26/09/2023