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POLARC14 (1st)
14/1 - 14/3

POST OFFICE LIMITED
(Company no. 2154540)
(the **Company**)

**Minutes of a meeting of the AUDIT, RISK AND COMPLIANCE SUB-COMMITTEE held
on Tuesday 11 February 2014 by conference call**

Present:

Alasdair Marnoch	Chairman of Committee
Neil McCausland	Senior Independent Director
Tim Franklin	Non-Executive Director

In attendance:

Alice Perkins	Company Chairman
Paula Vennells	CEO
Chris Day	CFO
Chris Aujard	General Counsel (GC)
Belinda Crowe	Project Sparrow Programme Director
Angela Van-Den-Bogerd	Head of Partnerships
David Oliver	Legal Consultant
Alwen Lyons	Company Secretary

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INTRODUCTION

A quorum being present, the Chairman of the Committee opened the meeting and welcomed all those present.

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PROSECUTIONS POLICY

- (a) The Committee received a report which outlined the proposed changes to the prosecutions policy and the way in which Post Office would prosecute criminal cases in the future. The GC explained that the recommended policy would limit criminal prosecutions to cases of egregious misconduct taking into account the factors laid out in the paper.

ACTION:
Company
Secretary

- (b) The ARC discussed the three options as laid out in the paper and supported the recommended option, asking for a review in a year's time.
- (c) Angela Van-Den-Bogerd explained her work on Business Improvement and the effect this had on reducing cases coming to prosecution. The ARC asked if this had increased the risk in the business, but it was explained that earlier detection of possible problems along with a more pragmatic approach to suspensions was having a positive effect.

ACTION:
Angela VDB

- (d) Angela Van-Den-Bogerd clarified that this would not stop criminal prosecutions through the civil courts. A detailed paper on Business Improvement would be provided for the next Board meeting.

ACTION:
Mark Davies

- (e) The ARC asked for a paper to explain the most appropriate way to communicate the prosecutions policy to be provided for the next Board.

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- (f) The Committee approved the recommendations outlined the paper.

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CLOSE

There being no further business, the meeting was declared closed.