



Post Office Limited
ARC Committee Meeting

MINUTES OF A MEETING OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE (THE "COMMITTEE") OF POST OFFICE LIMITED (THE "COMPANY") HELD ON TUESDAY, 27 MARCH 2018 AT 20 FINSBURY SREET, LONDON EC2Y 9AQ AT 09.00AM

Present:	Carla Stent	Committee Chairman
	Richard Callard (RC)	Non-Executive Director
	Tim Franklin (TF)	Independent Non-Executive Director
	Ken McCall (KM)	Senior Independent Director

In Attendance:	Tim Parker (TP)	Group Chairman
	Tom Cooper (TC)	UKGI, Incoming Non-Executive Director
	Paula Vennells (PV)	Group Chief Executive (CEO)
	Alisdair Cameron (AC)	Chief Finance and Operations Officer (CFOO)
	Jane MacLeod (JM)	Director, Legal Risk and Governance
	Sarah Konarski (SK)	Assistant Company Secretary
	Ashish Singh (AS)	Head of Risk
	Johann Appel (JA)	Senior Manager Internal Audit
	Peter McIver (PM)	Ernst & Young
	Claire Johnson (CJ)	Ernst & Young
	Jonathan Hill (JH)	Head if FS&T Risk and Regulation
	Steve Ashton (SA)	Chairman, Post Office Management Services Limited

Rob Houghton **(RH)** Group Chief Information Officer (CIO)

Sally Smith (SS)	Head of Financial Crime
Martin Kearsley (MK)	Banking Director
Richard Williams (RW)	Senior Risk Manager
Deana Herley (DH)	Senior Assurance Manager
David Gemmell (DG)	GDPR Programme Manager
Chris Russell (CR)	Senior Data Protection Officer
Nicholas Spicer (NS)	Payments Acceptance and Industry Relations Manager

Jules Harris (**JH**) Head of Information Protection & Assurance

Apologies:	Amanda Bowe	Chairman, Post Office Management Services Limited ARC Committee
------------	-------------	--

1. WELCOME AND CONFLICTS OF INTEREST

A quorum being present, the Chair opened the meeting. The Directors declared that they had no conflicts of interest in the matters to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 and the Company's Articles of Association.

SA joined the meeting by telephone.



Post Office Limited
ARC Committee Meeting

2. MINUTES, MATTERS ARISING AND ACTIONS LIST

The minutes of the meeting held on 29 January 2018 were approved and authorised for signature by the Chairman subject to an amendment to record a supplementary discussion under the Annual Legal Risk Report relating to State Aid and the relationship with the shareholder.

The actions status report was noted as accurate. There were no actions due which had not been addressed in advance of the meeting or through the meeting papers.

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

7. EXTERNAL AUDIT

7.1 External Audit Update

Irrelevant

PM provided an update on the audit work relating to the postmaster litigation and Horizon. PM explained that he had met with JM and AC to discuss the status of the court proceedings. PM was also due to meet with JM and Andrew Parsons (Womble Bond Dickinson) in late April to receive a further update and review the need for a disclosure note. PM explained that to date, the claimants' had not indicated the amount of damages being sought and a formal state of claim was awaited. If a statement of claim was received prior to the signing of the annual report and accounts for the year ended March 2018, the Company would be required to disclose the figure as a contingent liability. This disclosure would be accompanied by a narrative to be drafted by JM and Womble Bond Dickinson for agreement by the Company. PM clarified that the figure disclosed would not need to be provided for because the Company would be making clear its intention to defend the matter. The Committee understood that EY would also assess whether the statement of claim affected its audit opinion and would prepare an emphasis of matter referencing the contingent liability. At present, the amount of damages sought was unquantified and PM would monitor the situation. JM added that there was a possibility that no indication of damages would be given until the forthcoming court hearings had considered the construction of the contract and the operation of Horizon.

DG and CR joined the meeting.

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant



Post Office Limited
ARC Committee Meeting

Irrelevant

There being no further business the Chairman declared the meeting closed at 11:04am.

Carla Stent

Chair

Date

31/7/18

Strictly Confidential