

# PostNL Group Policy on Fraud Prevention

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PostNL Group Policy  
on Fraud Prevention

Date  
4 May 2011  
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Version  
1.0  
Telephone number  
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## Document history

### 1. Approvals

Approved by	Date of approval	Version
Board of Management	20-05-2011	1.0

### 2. Revisions

Name and title	Date of revision	Summary of changes
Shirley Felix (Risk Management Specialist)	30-03-2011	Adoption of the TNT Group Policy on Fraud Prevention, 25 June 2007, adjusted for use by PostNL
Fanneke Bertens	03-05-2011	Reviewed and updated

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# 1 Objective of this group policy

PostNL recognises the need to have detailed **Fraud** prevention policies, procedures and reporting mechanisms to protect our business and the integrity of our financial reporting, to comply with all applicable laws and regulations including the US Sarbanes-Oxley Act 2002 and the rules and regulations of the US Securities and Exchange Commission.

Pursuant to clause 1.1 of the Terms of Reference of the Audit Committee, the Audit Committee assists the Supervisory Board in advising on and monitoring the integrity of PostNL's financial statements and system of internal business controls.

## Policy Statement

PostNL seeks to ensure that:

- a culture is instilled where **Fraud** is not tolerated and is pro-actively discouraged,
- the risk of **Fraud** for the company is minimised,
- **Fraud** or suspected **Fraud** is promptly reported and effectively investigated,
- PostNL is supported by an effective internal control structure which is designed to prevent **Fraud**,
- losses caused by **Fraud** are prevented or recovered,
- consistent and effective action is taken against those persons proven to have committed **Fraud**,
- no employee or organisation is charged with **Fraud** until and unless conclusive evidence of such wrongdoing has been established through an adequate investigative process.

## 2 Scope

This group policy applies to all **PostNL Group Companies**.

### 3 Definitions

Terms defined in this group policy are presented in **bold** type.

**PostNL Group Companies** is defined as:

Any subsidiary, associate or joint venture in which PostNL N.V., directly or indirectly, has a controlling interest and/or control.

A **subsidiary** is an entity controlled, directly or indirectly, by PostNL N.V. Control is regarded as the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. A **joint venture** is a contractual arrangement whereby PostNL N.V. (in)directly and one or more parties undertake an economic activity that is subject to joint control. An **associate** is an entity that is neither a subsidiary nor an interest in a joint venture and over whose commercial and financial policy decisions PostNL N.V. (in)directly has the power to exert significant influence.

**Acts of Fraud** are:

- a. a deception deliberately practiced against our company or a third party, e.g., a customer or other stakeholder, in order to secure personal benefit and/or unfair or unlawful gain, and/or
- b. false accounting, intentional misapplication of accounting principles and the omission, falsification or alteration of accounting records, books, reports, tax records, other documentation or authorisation, and/or
- c. the deliberate misuse or misapplication of company resources and/or assets or resources and/or assets in our care.
- d. Assets include, but are not limited to buildings, equipment, vehicles, cash, documents, supplies, services, goods, stock, software and intellectual property.

**Acts of Fraud** or suspected **Acts of Fraud** are hereinafter referred to as "**Fraud**".

**Fraud** is considered potentially serious when:

- the estimated value of the **Fraud** exceeds Euro 10.000 (Euro ten-thousand) or
- the suspected persons:
  - hold positions at middle management level or higher, and/or
  - are responsible for establishing and maintaining internal controls and security standards (for example within an internal control, finance, security, audit or HR department), and/or

- hold a financial position which involves making, approving or deciding entries into financial records of any local entity, subsidiary or affiliate of PostNL or the PostNL group.

## 4 Policy provisions and responsibilities

### 4.1 Fraud Prevention controls

PostNL is committed to sound business conduct and therefore manages its business according to the PostNL Standards and the PostNL Business Principles, which require an ethical and transparent way of conducting business.

PostNL has established the PostNL Integrity Programme with the aim of instilling a culture where integrity is stimulated and enhanced and **Fraud** is deterred by the promotion of strong internal business and financial controls. The Standards of Internal Control Manual is the foundation of all internal controls within PostNL.

Relevant in the context of the PostNL Integrity Programme are the PostNL Business Principles, the PostNL Standards, the PostNL Group Policy on Whistleblowing and Procedure, the Integrity Helplines, the Standard of Internal Control Manual and the development of other relevant policies and procedures. In addition, awareness training, risk-assessment and investigations are ongoing. Monitoring, testing and certification are also part of the PostNL Integrity Programme.

### 4.2 Reporting

At shortest notice, line managers should report each (alleged) breach of PostNL's Business Principles to the Director Audit & Security by means of a filing of the incident into the PostNL "IRIS" system.

### 4.3 Whistleblowing

All employees are encouraged to report any **Fraud** they reasonably believe has taken place, is taking place or will take place, to their line manager, management, or the Director Audit & Security under the PostNL Group Policy on Whistleblowing and the PostNL Group Procedure on Whistleblowing. The rights and obligations of employees, management and PostNL as stated in PostNL Policy on Whistleblowing and the PostNL Procedure on Whistleblowing will be applicable to such reporting.

The PostNL Policy on Whistleblowing and the PostNL Procedure on Whistleblowing are available on PostNL's corporate website and on the Connect PostNL intranet (About / Audit & Security).

#### **4.4 Anonymity**

PostNL encourages employees to report any **Fraud** directly and openly to their line manager, management or the Director Audit & Security. It is possible to file a report anonymously. However, please note that anonymous reporting may hinder or complicate any investigation that may follow and may prevent appropriate action from being taken.

#### **4.5 Confidentiality**

All reports of **Fraud** will be handled in a confidential manner. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate investigation of the report and to perform subsequent remedial measures.

Employees shall avoid any form of external or internal publicity concerning any **Fraud** they might want to report or have reported, unless required to do so by law.

#### **4.6 Protection**

Any employee who reports **Fraud**, which report the employee reasonably believes, or may reasonably believe, to be true, will be given protection for such reporting.

This protection means that PostNL will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment. PostNL does not tolerate any form of threat, retaliation or other action against an employee who has made or assisted in the making of a report of **Fraud**. Any such threat, retaliation or other action must immediately be reported to the Director Audit & Security.

#### **4.7 False reporting**

PostNL will not tolerate false reports of **Fraud**.

If an employee makes a report of **Fraud** which he or she knows, or has reason to know, to be false, he or she may be subject to disciplinary action, which may involve termination of employment.

False reporting could also lead to civil or criminal prosecution. The employee may be liable for damages towards anyone who has suffered from such false report.

PostNL does not indemnify or reimburse any employee who has made a false report for costs or other consequences related to such false reporting.

## 4.8 Investigation

The following procedure is put in place to ensure that evidence of **Fraud** is secured in an appropriate manner and that the possibilities for recovery of funds or damages by PostNL and/or local entities are protected as much as possible.

### 4.8.1 Audit & Security

If a report bears enough justification, investigation of reports of **Fraud** notified under the PostNL Group Procedures on Whistle blowing and of reports of potentially serious **Fraud** will be carried out under the responsibility of the Director Audit & Security . Management of the entity involved will be consulted as much as possible unless directly / indirectly implicated, in which case management at a higher level will be consulted.

The Director Audit & Security may involve appropriate persons of Audit, Security, or any other specialists as required.

### 4.8.2 Line Management

In order to protect the interests of line-management, any investigation must be undertaken independently by the Director Security or under his responsibility by any other in- or external employee.

If it concerns a whistleblower report or a report of potentially serious **Fraud**, neither management nor employees are allowed to conduct or initiate otherwise any investigation or to take any action against such reported **Fraud** or the suspected persons without the authorisation of the Director Audit & Security

#### **4.8.3 Evidence**

Evidence and documentation shall be preserved as per the instructions of the Director Audit & Security in accordance with divisional reporting instructions/requirements, disciplinary procedures and applicable local legislation.

#### **4.8.4 Records**

Appropriate records of the reports of **Fraud** and the investigations will be made and retained.

#### **4.8.5 Co-operation**

Management is obligated to fully co-operate with and assist the investigators and other parties engaged to investigate the **Fraud**. PostNL expects management at all levels to handle all matters concerning **Fraud** seriously, confidentially and promptly.

### **4.9 Disciplinary Action**

Employees suspected of any **Fraud** will not be considered guilty unless the allegations or suspicions have been proven and they have been given the opportunity to defend themselves.

#### **4.9.1 Fraud**

It is the responsibility of management to implement any measures deemed necessary as a result of established **Fraud** incidents in conjunction with the recommendations of the Ethics Committee. If and when such measures (disciplinary or otherwise) deviate from those recommended by the Ethics Committee they will require the prior approval of the Chief Executive Officer or the Board of Management.

#### **4.9.2 Serious Fraud**

Management shall refrain from initiating any action, such as suspension, dismissal or other disciplinary action, against any person that has committed potentially serious **Fraud** or is suspected of committing potentially serious **Fraud** without the prior recommendation of the Ethics Committee and the prior approval of the Chief Executive Officer or the Board of Management.

### **4.10 Prosecution of Fraud**

As a general rule and in accordance with applicable laws, PostNL will initiate criminal prosecution of and/or civil action against the persons that committed **Fraud**. Any decision not to initiate

prosecution or to pursue civil action may only be made upon the recommendation of the Ethics Committee and the prior approval of the Chief Executive Officer or the Board of Management.

#### **4.11 Reporting to Board of Management and Audit Committee**

The Ethics Committee shall report potentially serious **Fraud**, the investigation and conclusion thereof to the Board of Management and the Audit Committee.

## 5 Relationship between group policies and local policies

All **PostNL Group Companies** must adopt and implement this group policy. It is prohibited from amending or re-branding this group policy as a local policy. Any related local policy must be aligned with this group policy.

Local procedures may be developed to support the implementation of this group policy. A local procedure may widen the coverage of this group policy, but it must not limit or redefine the requirements of this group policy.

The managing directors of a **PostNL Group Company** are responsible for ensuring translations of this group policy are an accurate and fair translation in all aspects.

## **6 Communication**

This group policy has been formally issued by the CFO on behalf of the PostNL Board of Management. This group policy is published on the Connect PostNL website.

## **7 Implementation**

It is the responsibility of all PostNL Group Company's Managing Directors, Head Office Directors and Statutory Directors to implement fully the requirements of this group policy. The policy owner is responsible for providing all additional communications and/or training/guidance as required to assist with the implementation process.

The policy owner has delegated the responsibility of monitoring compliance of this group policy to the CFO, whereby the compliance with the document retention and document destruction sections are also delegated to the CFO.

This policy has been implemented with effect from 31 May 2011.