

BY POST AND FAX

Mr D Anders
Post Office Counters Limited
King Edward Building
King Edward Street
London
EC1A 1AA



1st June 1999

Dear David,

ICL PATHWAY / POCL DRAFT AGREEMENT POC001

I refer to my telephone conversation with you of the 25th May in which we spoke about the discontinuation of ICL Pathway's agreement with the Department of Social Security for the use of the benefit payment card.

This letter formally confirms what we already know. The DSS have withdrawn from the project. There will be a transition period lasting until no later than 19th July 1999, during which time existing cardholders will have their cards replaced by order books. Thereafter cards will no longer be used. In the meantime no new cards will be issued to new cardholders; there might be a few cards issued to existing cardholders who lose their cards. Should any such replacement cards be issued during this period, we will continue to have them made by De La Rue, despatched via Royal Mail and would like to have them issued by yourselves. However the quantity of these will be extremely limited if indeed there are any at all. We would of course pay you to issue them at the rates that have prevailed until now.

Under the circumstances I therefore regret to inform you that once the transition period has ended we do not expect to procure any further card issue services from you.

May I take this opportunity to thank you and your colleagues for the work you have all done as our sub-contractor for this project. It has been a pleasure doing business with you.

Yours sincerely,

GRO

Steve Reed

cc: Tony Oppenheim - ICL Pathway
Steve Muchow - ICL Pathway

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