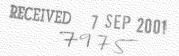
ICL Pathway Forest Road Feltham Middlesex TW13 7EJ

Telephone: GRO GRO GRO

http://www.icl.com





Keith Baines
Head of Horizon Commercial
Post Office Counters Limited
2nd Floor
Calthorpe House
15-20 Phoenix Place
London WC1X ODG

6th September 2001

Dear Keith.

Key Refresh - Clause 409

I am writing in response to your letter of 5th September 2001.

By implementing the key refresh programme ICL Pathway is not introducing or changing any products or services beyond those it is contractually obliged to provide. ICL Pathway is not, therefore, in breach of its contractual obligations under Clause 409 of the Codified Agreement and is not in Default of the Codified Agreement.

ICL Pathway is contractually obliged to refresh the keys as documented in the following Contract Controlled Documents:

- Security Functional Specification, RS/FSP/001, version 4.0, sections 8.3.2.5, 8.6.2.1 and 8.7.2.2.
- CSR+ Access Control and User Administration PPD, CS/PRO/090, version 5.0, section 4.7.

However, without prejudice to our stated position that ICL Pathway is not in Default, we are prepared to treat your letter as a formal emergency request to temporarily suspend the key refresh process currently underway, as a waiver of the usual contractual procedures required to be followed in relation to such requests, and as a release from ICL Pathway's contractual obligations as set out in the above two CCDs. On that basis we will therefore be suspending the key refresh process for any new keys as from tonight, 6th September.

We will progress, again without prejudice to our stated position that ICL Pathway is not in Default, at an operational level the bullet points 2, 3 and 4 in your letter.

In order not to unduly delay the key refresh activity which we are contractually obliged to perform, we will be reinstating the key refresh process with effect from Monday 17th September unless by Friday 14th September we formally receive a Change Request from yourselves requesting an acceptable change to our contractual obligations as documented in the Contract Controlled Documents detailed above and stating the reasons why such a change is required.

Yours sincerely

GRO

Colin Lenton-Smith Director, Commercial and Finance