



POH-911D

Post Office Counters Ltd

GRO

Tony Oppenheim,
Finance and Commercial Director,
ICL Pathway Ltd.,
Forest Road,
Feltham,
Middlesex,
TW13 7EJ

24 December, 1999

Dear Tony,

**Second Supplemental Agreement dated 24th September, 1999
(the "Second Supplemental Agreement")**

24th November, 1999: Review of Decision on Suspension of Rollout

Under Clause 6.1.1 of the Second Supplemental Agreement, Post Office Counters Limited ("POCL") has a right to postpone the resumption of Rollout (as defined in the Second Supplemental Agreement) from January 24, 2000 if any of the criteria in Parts A to C of Schedule 4 to the Second Supplemental Agreement shall not have been met by 24th November, 1999. At least one of those criteria was not met and, accordingly, the right contained in clause 6.1.1 has become exercisable.

As you are aware, POCL is currently negotiating with the ICL Pathway over this matter. These negotiations may or may not lead to POCL agreeing not to suspend Rollout, under Clause 6.1.1 of the Second Supplemental Agreement (and if Rollout is not suspended, this will be subject to such terms and conditions as are to be agreed).

We do not wish you to be under any misapprehension that we may be considering waiving this right. Accordingly, we ought just to remind you that until such time as the above-mentioned negotiations are concluded to the satisfaction of POCL, POCL reserves the right to suspend Rollout under Clause 6.1.1 of the Second Supplemental Agreement.

Yours sincerely,

GRO

KEITH BAINES
Head of Horizon Commercial

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