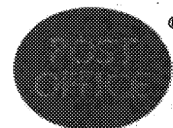


Mr L Castleton
Post Office@ Marine Drive branch
14, South Marine Drive
Bridlington
YO15 3DB

23.03.04

Dear Mr Castleton
Re: **SUSPENSION**



This is to confirm that your contract for services as Subpostmaster at Post Office@ Marine Drive branch has been suspended with effect from 23 March 2004.

The suspension is precautionary pending further investigations and your remuneration will cease from this date. Any outstanding remuneration will also be withheld for the period of the suspension and the question of payment of remuneration to you for this period will be determined in accordance with Section 19 paragraph 6 of your Contract For Services on the termination of the period of suspension.

I will contact you again about this matter as soon as possible.

Yours sincerely

GRO

Lesley J Joyce
Contract Manager

Post Office Ltd
Darlington Area Office
Crown Street
Darlington
DL1 1AN

GRO

Post Office Ltd
Registered in England and Wales number: 2154540
Registered Office: 80-86 Old Street
London EC1V 9NN

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PERSONAL AND IN CONFIDENCE

Mr Lee Castleton
Post Office@ Marine Drive branch
14 South Marine Drive
Bridlington
YO15 3DB

26.04.04

Dear Mr Castleton

Re: SUSPENSION OF CONTRACT FOR SERVICES



I wrote to you on 23 March 2004 confirming the suspension of your contract for services as subpostmaster of Post Office@ Marine Drive Branch.

I am now considering the summary termination of your contract for services on the grounds that the audit at your office on 23 March 2004 resulted in a total shortage of £25,758.75. You had reported to me large, unexplained losses over the preceding period of 12 weeks. You were unable to make good the losses and therefore the decision was made to suspend you from your contract for services due to the obvious risk to Post Office Ltd funds. There are a number of obligations set out within the Subpostmasters contract for services, one of which being retention of the appointment is dependant on the branch being well managed and the work performed properly to the satisfaction of Post Office Ltd, the Subpostmasters contract section 1, paragraph 5 and section 12, paragraph 12 refers. This is in accordance with Section 1, paragraph 10, of your Contract For Services, which provides that the Agreement may be determined at any time in case of breach of conditions by you, or non-performance of your obligations or non-provision of Post Office services.

I would now like to give you the opportunity to put forward any reasons why I should not pursue this course of action. You can do this by requesting a personal interview or submitting a response to the charge(s). In either case you should inform me of your intentions, in writing by 5 May 2004.

Page 2 of 3

Re: SUSPENSION OF CONTRACT FOR SERVICES

I have provisionally set aside the morning of Monday 10 May 2004, at the Area Managers Office in Darlington, should you choose a personal interview. If this date is inconvenient we will of course re-arrange.

Should you choose a personal interview, you may be accompanied at the interview by a friend, who must be a fellow subpostmaster, or a registered Sub Office Assistant or a Consignia employee or an official/ representative of the National Federation of Subpostmasters. You also have the right to request and receive all information relating to the aforementioned charge.



Yours sincerely

GRO

PP

Cath Oglesby
Retail Line Manager

Post Office Ltd
Operations
Darlington Area Office
Crown Street
Darlington DL1 1AN

To: Cath Oglesby
Retail Line Manager

*I wish to attend for interview

~~*I wish to submit written representation~~

* Delete as a

GRO

Signed:

Date: