

IN CONFIDENCE

Mr A. Bates
Subpostmaster
Craig Y Don Post Office
21 Queens Road
Llandudno
LL28 4PS

Celtic Court
Tremains Road
BRIDGEND
Mid Glam
CF31 1TZ

4th June 2003



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Reference: - Losses and Gains

Dear Alan,

I have carefully considered the explanations offered by you in your reply of 15th May 2003, about your failure to make good losses as required under the terms of your contract for services, Section 12 Paragraph 12 refers. However I do not consider that these explanations justify your continued failure to make good such losses. I feel therefore that I must give you a final opportunity to comply with the terms of your contract for services.

The letter you received from Mike Wiatrowicz, Management Information, Birmingham dated 6th March 2002, clearly stated:

'After due consideration of the facts surrounding the loss and of your report, Post Office Ltd has decided to take no further action in respect of the loss at your post office which will be written off. This decision has been made without prejudice to Post Office Ltd's rights to recover any future losses at your post office for which you may be liable under the contract for services and does not affect any future liability you may have for such losses.'

Swyddfa'r Post Cyf, Wedi'i Gofrestru yng Nghymry a Lloegr. Rhif: 2154540
Swyddfa Gofrestredig: 80-86 Old Street, Llundain EC1V 9NN
Mae Swyddfa'r Post a symbol Swyddfa'r Post yn nodau masnach
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You must clearly understand that unless you comply with these terms and make the losses good immediately and cease the practice of rolling over losses and gains, I will have to seriously consider the termination of your contract for services by means of three months notice.

Please sign and note one copy of this letter and return to myself at the above address by Friday 13th June 2003.

A second copy is enclosed for your retention.

Yours sincerely

GRO

Mike Wakley
Retail Line Manager
Post Office Ltd

To: **MIKE WAKLEY**
Retail Line Manager

- I note the contents of this letter and confirm that my accounts are being maintained in the correct fashion

Signed:

Date: