

Message

From: Susan Crichton [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=SUSAN CRICHTONC5FA6431-DC28-49AB-8F0F-BE4237A4AD4F]
Sent: 28/08/2013 10:43:20
To: Paula Vennells [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Paula.vennells8c63d283-a511-46c3-a93e-dc6f2ae7a78d]; Chris M Day [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Chris M Day27882ebf-5128-4a48-9e06-ef91e3501c80]; Susan Barton [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Susan Barton7a369241-d77b-4a2c-acff-bef80dd386afa8e]; Paul M Brown [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Paul.m.brown035661ed-cb98-4afb-91cd-d6e0cdf26813]
CC: Martin Edwards [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Martin Edwards1f838e9d3-cc99-4040-b432-33552e99ed2ddd]; Alwen Lyons [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Alwen.lyons648ee5c4-f2a8-40e2-9f55-1b9b1e4f6d52]
Subject: PRINTED: FW: Prospectus: POL extracts
Attachments: Extracts for POL - 21 08 2013 517130118_1.DOC; Redline of POL extracts against 2nd UKLA submission.Doc; Network extract - Royal Mail and PFW 517125927_1.DOC

Paula – here is the revised wording for the RMG prospectus, two of the comments which we asked to be changed have been, firstly the one that referred to ‘issues with the horizon system and secondly that the MDA may be subject to a competition law challenge, other issues have been added notably the reference to our reliance on the RMG systems. I have asked our lawyers to comment but Sue could you also check that section and let me know whether you think it accurately reflects our understanding.

We are due to go back to RM with comments by 30th Sept.

Susan

From: Caspar Branson
Sent: 27 August 2013 17:55
To: Hugh Flemington
Cc: Susan Crichton; Darren Heilig
Subject: Prospectus: POL extracts

Hugh,

A number of changes have been made to the POL-related sections of the Prospectus between the second and third submissions, as shown in the accompanying redline. These changes reflect comments and feedback received from POL in the mark-up of 15 August, as well as a number of other sources including the UKLA, Royal Mail executive and non-executive directors, the Royal Mail commercial and legal teams, and the underwriting banks.

In terms of changes to the relevant extracts since it was left reviewed by POL, we would highlight the following:

1. in response to comments from Royal Mail directors, additional detail has been included in the Risk Factors and the Business section of the Prospectus relating to the provision of IT services by Royal Mail to POL under the MSA, and the ongoing work to separate POL's IT systems and infrastructure from that of Royal Mail. The new drafting has been prepared in conjunction with, and reviewed by, members of the Royal Mail IT and legal teams closely involved in these workstreams. Given the complexity and overall size of the IT separation, Royal Mail directors have indicated that they regard it as an issue requiring prominent and detailed disclosure within the Prospectus;

2. the UKLA requested the inclusion of further detail as to the basis on which POL sells Royal Mail products and services under the MDA. To address this point, in various places reference has been made to POL acting as agent of RMG in the retail of products and services under the MDA. In response to this comment, we also think it helpful to include the discussion of the "Stamps Solution" in the summary of the MDA. The underwriting banks have indicated that they are keen that this wording be included;

3. Royal Mail non-executive directors have requested the inclusion of the reference to the issues faced by POL relating to its "Horizon" system. The description of this is now limited to two sentences within the Risk Factors, which have been taken from the press release issued by POL on the matter in July;

4. as requested, the reference to competition-related risks associated with the length of the MDA has been deleted from the Risk Factors; and

5. additional drafting has been included in relation to risks associated with the European "vouchers" directive. This is considered relevant and worthy of disclosure given the potential materially adverse effect that could arise for RMG through additional irrecoverable VAT costs.

Further comments are expected from the UKLA by close of play tomorrow evening and we will submit a further draft to the UKLA by 3 September. We would welcome any further comments by Friday, 30 August.

Regards

Caspar