

Exhibit WITN00740101

From the Chairman

Alice Perkins

**GRO**

Royal Mail Group

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Dear Alice

Chairman of Post Office Ltd

Further to our recent conversations, I am pleased to confirm that the Nominations Committee of the Board of Royal Mail Holdings PLC has recommended to the Secretary of State that you be appointed as Chairman of Post Office Ltd ("the Company"). The Secretary of State has consented to this appointment.

**1. Term of Appointment**

(a) You shall serve the Company as a non-executive director from 22nd July 2011 and then as Chairman following the September 2011 board meeting of the company. The appointment will run for a period rolling for 12 months as there is no fixed time for the contract. In this connection, the terms and conditions of your appointment are set out below, it being agreed that this is a contract for services and not a contract of employment.

(b) Your appointment is subject to the provisions of the Articles of Association of the Company and any subsequent changes to those Articles.

(c) You will devote an average of two days per week to Post Office Ltd.

**2. Remuneration**

You will be paid monthly, in arrears, for your services during your term of your appointment as Chairman, fees totalling **GRO** per annum or such higher amount as the Company may from time to time determine, in accordance with the Articles of the Company, and notify to you in writing. The first review of your fees will be at the second anniversary of your appointment.

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**3. Expenses**

(a) Subject to the Articles, the Company shall reimburse you for all reasonable travelling, hotel and incidental expenses, which you may incur in performing your duties.

**4. Powers and Duties**

(a) You shall exercise such powers and perform such duties as are appropriate to your role as Non-executive director and Chairman.

(b) You shall comply with all regulations of, the Company including, without limitation, regulations with respect to confidentiality, dealings in shares and notifications required to be made by a director to the Company or any other regulatory body under the Companies Acts, the Articles or any other regulations of the Company. You will observe the terms and conditions of the City Code on Takeovers and Mergers and the rules of the UK Listing Authority.

**5. Confidential Information**

(a) You shall not, either during the term of your appointment as a director or thereafter:

- (i) use to the detriment or prejudice of the group of companies of which Royal Mail Holdings plc is the ultimate parent ("the Group") or divulge or communicate to any person any trade secret or any other confidential information concerning the business or affairs of the Company or the Group (except to employees or directors of the Group whose province it is to know the same) which may have come to your knowledge during the term of your appointment; or
- (ii) use for your own purpose or for any other purposes other than those of the Group any information or knowledge of a confidential nature, which you may from time to time acquire in relation to any member of the Group. This restriction shall cease to apply to any information or knowledge, which may come into the public domain (except through your default).

(b) During the term of your appointment as a director and Chairman, you shall not be or become a director or employee or agent of any enterprise, or have or acquire any material financial interest in any enterprise, which competes or is likely to compete or has a significant business relationship with any member of the Group without the prior consent of the Royal Mail Holdings plc Board in writing (such consent not to be unreasonably withheld or delayed). Please note that in accordance with provision A.4.3 of the Combined Code any changes to your other significant commitments should be disclosed to the Board before appointment.

**6. Directors' and Officers' Insurance**

The Company has taken out insurance cover for directors' and officers' liabilities. Full details of this cover can be obtained from me.



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**7. Termination of Appointment**

Your appointment shall terminate on the earliest of:-

- (a) Your ceasing to be a director for any reason pursuant to the Articles or any other applicable law;
- (b) If you are removed from your office by the Chairman of Royal Mail Holdings Plc giving 12 months notice in line with section 1 (a) above;
- (c) Similarly you will be required to give 12 months notice of your intention to terminate your appointment.

**8. Return of Papers**

You shall promptly whenever requested by the Company and in any event upon your ceasing to be a director of the Company deliver up to the Company all lists of clients or customers, correspondence and all other documents, papers and records which may have been prepared by you or have come into your possession as a director of the Company. You shall not retain copies. Title and copyright therein shall vest in the Company.

**9. Conflicts of Interest**

The Company acknowledges that you may have business interests other than those of the Company. The Company has agreed that there are no conflicts apparent at present.

In the event that you become aware of any potential conflicts of interest, you would need to disclose these to the Company Secretary as soon as they become apparent; should a conflict arise during a Board discussion, you would need to declare this interest to the Board and if necessary withdraw from that discussion.

The Company has determined you to be 'independent' according to the provisions of the Combined Code.

**10. Priorities**

As we have discussed, the key tasks of the role will be to create the new Board of Post Office Ltd and lead it through the transition from being a subsidiary Board to becoming the Board of a sister company to Royal Mail Group and then into direct Government ownership or whatever model the Government ultimately views as appropriate for Post Office Ltd.

At the same time as this transition taking place, Post Office Ltd is obliged to deliver the plan that it has agreed earlier this year with the Government for the future size and profitability of the Company. You will lead the Board in its role of supporting the strategy and its execution, developing future strategy and holding to account executive management through normal governance mechanisms.

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I very much look forward to you joining us as we work together on this important phase in the evolution of the Post Office.

Yours sincerely

**GRO**

Donald Brydon

I agree to the terms of this letter

**GRO**

Alice Perkins

Date: 21 July 2011