

6 September 2018

Royal Mail Group

Terry Pullinger
Deputy General Secretary (Postal)
Communication Workers Union
150 The Broadway
Wimbledon
SW19 1RX

Dear Terry

Thank you for your letter of 2nd August regarding holiday pay. I appreciate the clarity on the CWU's position. In return allow me to lay out the view of the Company.

We were approached by the CWU in 2015 regarding the holiday pay cases going through the courts. As you know there have been a number of cases since this time with tribunals and the higher courts continuing to consider various aspects of this complex area of law.

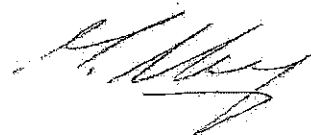
There are still developing areas, for example determining what amounts to "regular" overtime and how to determine the appropriate reference period.

Whilst the business has continued to follow cases going through the courts we remain unconvinced that there is complete clarity in this area. We have tried to address this issue and previously made an offer in respect of part time employees. The position was complex and following discussions our proposals were rejected by the CWU during the 2017 talks.

As we look now at the current state of the law we remain of the view that the position is not clear and that we do not have the certainty to determine, for example, what constitutes regular or normal overtime to be included in any holiday pay calculation. I do agree however that it would now be appropriate to ask our legal advisors to discuss this directly. This will hopefully enable us both to have a greater understanding of our relative positions on the issues and which may in turn generate a consensus.

I of course would prefer that you wait until that activity has taken place and we have had the opportunity to discuss the outcomes before you support any litigation in this area. If that is your intended route then that is for you to decide but no one wants the unnecessary expense of these.

Yours sincerely



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