



WH Smith
Retail Holdings Limited

Greenbridge Road
Swindon
Wiltshire SN3 3LD

Telephone (01793) 616161
Facsimile (01793) 562560

Becky Slaymaker
Director of HR - Stores

Lisa Cherry
Retail HR Director
Post Office Limited
Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ

2 November 2018

Dear Lisa

Proposed transfer of certain employees of Post Office Limited to WH Smith Retail Holdings Limited ("WH Smith")

I am writing in my capacity as HR Director of WH Smith stores to give you information about the measures which it is envisaged that WH Smith may take affecting employees who would transfer from Post Office Limited ("POL") to WH Smith on the proposed transfer of certain Post Office s to WH Smith.

Please note that WH Smith reserves the right to change its position if additional information is provided relating to the employees who would transfer.

Measures

Place of Work

WH Smith intends that it will relocate the transferring post office branches from their current sites to the premises of a designated WH Smith store within the same town.

The place of work of any POL staff that transfers to WH Smith will therefore relocate from the current site to the designated WH Smith store in each case.

Bonus Arrangements

It will not be possible for WH Smith to operate any of the current POL incentive schemes.

Pension

It will not be possible for those employees who transfer from POL to WH Smith to continue to be members of any of the Royal Mail Pension Plans following the proposed transfer. The proposed transferees' current pension arrangements would therefore have to cease and they would instead become members of the WH Smith Pension Scheme. Details of the WH Smith auto-enrolment scheme will be provided to transferring employee post-transfer.

Changes in Pay Dates

WH Smith and Stores and Post Offices are paid on the last day of each calendar month. If this falls on a Saturday or Sunday, payments are made on the preceding Friday. Therefore, the transferring Post Office employees will align to the pay dates stated above.

Pay for contracted hours is received at the end of the month the hours are worked. Exceptions to contracted pay – for example, overtime, sickness, lost time deductions are processed and received or deducted one month in arrears.

It is proposed that transferring employees would align to the payroll process detailed.

Employees would be required to clock in and clock out at the start and end of their shift. Lateness or leaving early may result in deductions of the relevant amount of time being made to an employee's pay for each individual occasion.

Monthly payslips are provided via an online payslip system.

Employee's first payment date with WH Smith will be dependent on the actual date of transfer.

We would be keen to work through any concerns employees have with this proposed measure and provide appropriate support where possible.

Policies and Procedures

Transferring employees will be required to comply with the published rules, policies and procedures of WH Smith. Where a WH Smith rule, policy or procedure is duplicated in the transferring employees existing terms and conditions of employment (e.g. disciplinary, sickness, maternity etc) transferring employees are required to follow the WH Smith rule, policy or procedure with respect to the management of, application of or administration of the rule, policy or procedure. However any entitlements or payments made would be in line with the transferring employees existing terms and conditions of employment.

Free Car Parking

There are no free car parking facilities in any of the WH Smith stores for transferring POL employees.

Sunday Working

It is proposed that, in line with store opening hours, the transferring Post Offices will be required to open on a Sunday. Therefore, the transferring POL Employees may be requested to work on a Sunday.

Bank Holiday Working

It is proposed that, in line with store opening hours, the transferring Post Offices will be required to open on a Bank Holiday. Therefore, it is likely that transferring POL employees will be required to work some Bank Holidays throughout the course of the year.

Uniform

All transferring POL employees will be required to wear a WHSmith Post Office uniform which will be provided free of charge.

I would be grateful if you would send me any representations that you or the employees have in respect of these proposed measures. We will reply to those representations, and if the organisation rejects any of them we will state the reasons for this.

Please be advised that on receipt of the requested due diligence/ELI data, we will advise you whether any additional proposed measures are required.

Please let me know if you have any queries.

Yours sincerely

A handwritten signature in black ink that reads "B. Slaymaker". The signature is written in a cursive style with a large, looped initial "B" and a long, sweeping underline.

Becky Slaymaker
On behalf of WHSmith Retail Holdings Ltd