



Strictly Confidential

Mr S Donnelly
Propsect
30 St Georges Road
Wimbledon
SW19 1RX

By Email

28th June 2011

Dear Steve,

**Propsect Pay Claim 2011
Mapping to HP Job Codes**

Further to our meeting yesterday I wanted to set out in writing the terms of our final pay offer for 2011.

As discussed we listened carefully to the points that you raised over the past two meetings and the concerns of your members in light of the current economic situation and believe our offer to have taken this into account. We also referred you to the statement made by our CEO, Léo Apotheker which stated that there would only be limited funds for merit increases in 2011.

On this basis we have made an offer for 2011 consisting of a 2% increase to basic pay and to the associated allowances that form part of the pay agreement. I have attached a list of these in Annex A. Pay will be back dated to 1st February.

In addition we have offered to increase basic pay by 2% and associated allowances for a second year, i.e. for 2012.

We believe that this is a fair offer and request this to be recommended to your members for acceptance.

Mapping to HP Job Codes

In addition we talked about the proposal to map employees working under the BT transferred terms and conditions to the HP job codes. As explained this will make the whole pay process more streamlined and it will avoid having to



manually input data for bonus and avert any unnecessary errors during this process.

We do not believe there to be any negative impact and would suggest that we prepare the data on how and when this change would take place and then share this information with you so that we can gather your feedback.

If you have any queries about any of the points above then please let me know.

Yours sincerely

Patrick Boxall
Employee Relations Manager UK&I