

**DEED OF VARIATION ON THE 15th DAY OF DECEMBER
2010 TO THE DEED OF UNDERSTANDING MADE ON THE
17th DAY OF FEBRUARY 1998**

BETWEEN HER MAJESTY THE QUEEN in right of New Zealand, acting by and through the Minister for Communications and Information Technology ("the Minister")

AND NEW ZEALAND POST LTD, a duly incorporated company having its registered office at 7-27 Waterloo Quay, Wellington ("New Zealand Post").

(together "the Parties")

Recitals

The Parties entered into a Deed of Understanding on the 17th day of February 1998. Clause 4 of the Deed of Understanding sets out New Zealand Post's frequency of deliveries obligations.

This Deed of Variation amends New Zealand Post's frequency of deliveries obligations so as not to require deliveries on certain public holidays and certain days that follow them.

BY THIS DEED:

Commencement

1 This Deed of Variation shall come into effect on the date it is duly executed.

Variations to the Deed

2 The Parties agree that the following changes be made to the Deed of Understanding.

2.1 Clause 4 of the Deed of Understanding is deleted and replaced with the following:

"4 New Zealand Post shall provide:

- a. six day per week deliveries to more than 95 percent of delivery points;
- b. five or six day per week deliveries to more than 99.88 percent of delivery points; and
- c. one to four day per week deliveries to the remainder of delivery points.

PROVIDED THAT:


- d. In any case where a person elects to have the frequency of that person's delivery service reduced, that person shall be regarded as continuing to receive the same frequency of service as before that election for the purposes of this clause; and
- e. New Zealand Post has no obligation to deliver on the following days:
 - i. A public holiday (as defined in section 44 of the Holidays Act 2003);
 - ii. Easter Saturday;
 - iii. The Monday and Tuesday following a weekend in which Christmas Day and Boxing Day fall on a Saturday and Sunday;
 - iv. The Monday following a weekend in which Boxing Day falls on a Saturday;
 - v. The Tuesday following a weekend in which Christmas Day falls on a Sunday;
 - vi. The Monday and Tuesday following a weekend in which New Year's Day and 2 January fall on a Saturday and Sunday;
 - vii. The Monday following a weekend in which 2 January falls on a Saturday; and
 - viii. The Tuesday following a weekend in which New Year's Day falls on a Sunday."

Where clause 4(e) applies, New Zealand Post has no obligation under this clause to deliver on any additional day to make up for the absence of delivery on any of the above days and, accordingly, shall not – by virtue of that absence alone – be in breach of clauses 4(a) to (c) nor any other clause in this Deed.

Example

Assuming New Zealand Post meets its six day deliveries obligation by delivering on Monday to Saturday:

- (i) Where Anzac Day falls on a Wednesday, New Zealand Post would not be required to deliver on that Wednesday nor make up for that absence of delivery and would therefore deliver on Monday, Tuesday, Thursday, Friday and Saturday.
- (ii) Where Anzac Day falls on a Sunday, New Zealand Post would deliver mail as usual on Monday to Saturday (because it does not normally deliver on a Sunday there would be no absence of delivery).



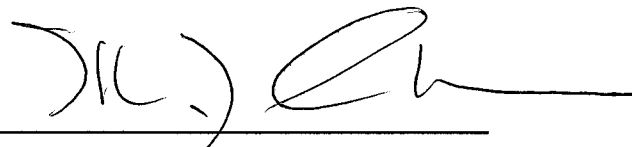
Steven Joyce
Minister for Communications and Information Technology

Witness: Joseph Connell


Address: 150 Barnard St, Wadestown, Wellington

Occupation: Private Secretary

Agreed for and on behalf of New Zealand Post Limited:



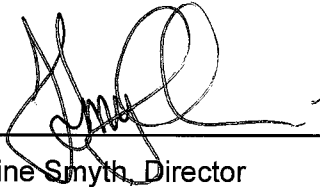
Dr Michael Cullen, Chair

Witness: 

Address: Porirua

Occupation: General Counsel

Date: 15/12/2010



Justine Smyth, Director

Witness: 

Address: Porirua

Occupation: General Counsel

Date: 15/12/2010