

[TO GO ON POST OFFICE HEADED PAPER]

Ron Warmington & Ian Henderson
Second Sight Support Services Limited
Tythe Farm
Maugersbury
Cheltenham
Gloucestershire
GL54 1HR

[Insert date]

Dear Ron and Ian

Engagement Letter in relation to the Initial Complaint Review & Mediation Scheme (the "Scheme")

Thank you for agreeing to be part of the Scheme and for the work you have undertaken to date. This letter and its schedules will form the basis of Second Sight Support Services Limited ("**Second Sight**" or "**you**") instructions and the terms of Second Sight's appointment by Post Office Limited ("**Post Office**") on behalf of the Working Group in relation to the Scheme. Please take the time to read this letter and its schedules and let me know if you have any questions.

In this letter, "SS Directors" means, jointly and severally, Mr Ronald Warmington and Mr Ian Henderson.

1. BACKGROUND

- 1.1 The Scheme has been set up to try to achieve the mutual and final resolution of a subpostmaster's (meaning any agent/franchisee operating on a contract for services with Post Office or a Counter Clerk employed directly by Post Office ("**Subpostmaster**")) concerns about Horizon and any associated issues.
- 1.2 Second Sight has agreed to be a member of the **Working Group** whose role it is to oversee the Scheme and to assist in investigating individual Subpostmaster complaints.

2. SERVICES TO BE PROVIDED

Details of the services you will provide are set out in the Scope of Services Schedule attached to this letter ("**Scope of Services**").

3. FEES AND INVOICING

- 3.1 Post Office agrees to pay Second Sight the fees set out in the Fee Schedule to this letter.
- 3.2 Second Sight will send invoices and a breakdown of the fees and disbursements it has incurred on a monthly basis to:

[insert invoicing details and name of recipient]

- 3.3 Post Office shall pay Second Sight's invoices within 45 days of receipt.

4. CONFIDENTIALITY

- 4.1 In this letter the following terms have the following meaning:-

"POL Information"	all data and information belonging or licensed to Post Office; and all other proprietary or confidential information relating to the POL Software;
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and all other proprietary or confidential information relating to Post Office's business, operations, technology and processes which is owned by, licensed to or in the possession of Post Office.

"Confidential Information"

the POL Information, the Scheme Information, this letter and any and all information relating to the Scope of Services which has been, is now or is at any time after the date of this letter disclosed or made available by Post Office, its Representatives or a third party to Second Sight, its Representatives or any other person at the request of Second Sight but shall not include information which:-

- (a) is accessible from public sources or is or becomes generally available to third parties other than as a result of disclosure in breach of this letter by Second Sight or its Representatives; or
- (b) was available to Second Sight free of any restriction as to its use or disclosure prior to it being so disclosed or made available or in Second Sight's possession.

"POL Software"

the software known as Horizon which is used by Post Office;

"Scheme Information"

any information relating to the Scheme disclosed by Post Office, a Subpostmaster or a third party, including but not limited to, the applications submitted by Subpostmasters and Post Office's investigation findings concerning the applications submitted by Subpostmasters; and

"Representative"

in relation to any party, any professional adviser including legal adviser, director, officer, permanent employee of it, contractor engaged by it or consultant to it.

4.2 Second Sight and the SS Directors shall:

- 4.2.1 keep secret all Confidential Information (unless prior written consent is given by Post Office, such consent being in Post Office's absolute discretion);
- 4.2.2 use the Confidential Information only for the Scope of Services (unless prior written consent is given by Post Office, such consent being in Post Office's absolute discretion);
- 4.2.3 not copy, adapt or otherwise reproduce the Confidential Information except as is strictly necessary for the purposes of undertaking the Scope of Services or as required by law; and
- 4.2.4 [upon demand procure the return to Post Office of all documents and material which incorporate any Confidential Information (including copies) – **this may cause some issue, for SS' own audit purposes they may be required to retain some info**]

4.3 Second Sight and the SS Directors acknowledge that as a result of the work they undertake as part of the Scheme (as set out in the Scope of Services Schedule), they will be privy to the Confidential Information and that (absent prior written consent from Post Office, such consent being in Post office's absolute discretion) it would be a breach of the obligations at 4.2 if at any time during and after the conclusion of the Scheme, Second Sight and/or the SS Directors were to act, directly or indirectly, in any capacity (whether for any former or current Subpostmaster or a competitor of Post Office or otherwise) against Post Office or any of its officers, directors or employees.

- 4.4 The requirements under this, clause 5, will continue in force after the conclusion of the Scheme and the termination of Second Sight's appointment.

5. DATA PROTECTION

- 5.1 In this clause:
- 5.1.1 **"Data"** means any Confidential Information which constitutes Personal Data.
 - 5.1.2 **"Personal Data"**, **"Data Controller"**, **"Data Processor"** and **"Data Subject"** have the same meanings as they have in the Data Protection Act 1998 (**"the Act"**).
 - 5.1.3 **"Regulator"** means any competent authority that may regulate the use or processing of Data including without limitation the Information Commissioner's Office.
 - 5.1.4 **"SS Personal"** means any firm, company, person, entity or third party who SS has engaged to provide the Services including without limitation its directors, officers, employees, workers, agents, contractors, sub-contractors and representatives.
- 5.2 The parties acknowledge that Post Office is the Data Controller of the Data and Second Sight is a Data Processor of the Data.
- 5.3 Second Sight shall not transfer any Data outside of the UK without the prior written consent of Post Office.
- 5.4 If Second Sight receives any complaint, notice or communication from a Data Subject or a Regulator which relates directly or indirectly to the Data, it shall immediately notify this fact to Post Office in writing and it shall provide Post Office with full co-operation and assistance in relation to any such complaint, notice or communication.
- 5.5 Second Sight shall immediately notify Post Office in writing of any unlawful or unauthorised processing of the Data or if any Data is disclosed in breach of this Agreement or if any Data is lost or damaged; and shall provide Post Office with full co-operation and assistance in investigating and/or remedying any of the aforementioned situations.
- 5.6 Second Sight shall at all times only use the Data in compliance with all applicable laws, enactments and regulations including without limitation the Act.
- 5.7 Second Sight shall put in place and maintain appropriate technical and organisational measures to prevent the unauthorised or unlawful processing of the Data or the accidental loss or destruction of, or damage to, the Data including without limitation ensuring that:
- 5.7.1 technical (eg. automatic data encryption controls for portable devices and removable media) or procedural (eg. policies and user awareness) controls are in place for all portable devices (e.g. laptops, tablets, etc.) and removable media (e.g. CDs, DVDs, USB data keys, back up tapes) that contain Data; and
 - 5.7.2 appropriate and adequate physical access control mechanisms are in place to prevent unauthorised access to the Data.
- 5.8 Second Sight shall be responsible for the cost, implementation, change management, support and maintenance of any physical property and/or information technology systems needed by Second Sight in order to comply with its obligations under this clause.
- 5.9 Second Sight shall procure that any Second Sight Personnel comply with, and are bound by the terms of a written contract with Second Sight to comply with, the obligations in this clause 5.

6. **PUBLICITY**

- 6.1 Without the prior written consent of Post Office (such consent being in Post Office's absolute discretion) Second Sight and the SS Directors agree not to:
- 6.1.1 publicly discuss the Scheme, its Fees or its Scope of Services (including but not limited to any discussions with the media) during or after its engagement and involvement in the Scheme.
- 6.1.2 refer or publicise to third parties Second Sight's or the SS Directors' involvement in the Scheme, for example in publicity material, newsletters or briefings.
- 6.2 The requirements under this, clause 6, will continue in force after the conclusion of the Scheme and the termination of Second Sight's appointment.

7. **GENERAL**

- 7.1 This agreement is governed by English law.
- 7.2 Any dispute arising out of or in connection with this agreement shall be subject to the exclusive jurisdiction of the Courts of England and Wales.
- 7.3 The parties agree that the terms of this agreement are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.
- 7.4 Any variation of this agreement shall be in writing and signed under hand by or on behalf of each party.

8. **AGREEMENT**

- 8.1 Please sign and return the enclosed copy letter to confirm your agreement to proceed on the basis outlined in this letter.
- 8.2 If we do not receive a signed copy of this letter but you continue to carry out the Scope of Services, you are deemed to have accepted the terms of this letter.

Yours sincerely

[insert name and position]

For and on behalf of Post Office Limited

Enclosures:

Scope of Services Schedule

Fee Schedule

We confirm that we accept the terms of this letter and its schedules.

Signed:

Date:

Ron Warmington, in his personal capacity and for an on behalf of Second Sight Support Services Limited

Signed:

Date:

Ian Henderson, in his personal capacity and for an on behalf of Second Sight Support Services Limited

SCOPE OF SERVICES SCHEDULE

1. Post Office wishes to appoint, and Second Sight agrees to be appointed, as an independent forensic accountant whose role shall be to:
 - 1.1 attend on the Working Group as and when required;
 - 1.2 to advise on the format, style and content of the documents which are submitted by Post Office and/or Subpostmasters during the Scheme with a view to achieving the objectives of the Scheme;
 - 1.3 to investigate Subpostmaster's complaints that have been accepted into the Scheme with the aim of providing:
 - 1.3.1 an assessment of points of common ground between Post Office and a Subpostmaster;
 - 1.3.2 an assessment of points of disagreement between Post Office and a Subpostmaster;
 - 1.3.3 where there is disagreement, a logical and evidenced opinion on the merits of a Subpostmaster's complaint;
 - 1.3.4 and ultimately, through assessing the above 3 points, a view on whether a case is suitable for mediation
 - 1.4 to assist with any reasonable requests made by the Working Group and/or Post Office.

(together "**the Services**")
2. Although Post Office is engaging Second Sight, Second Sight is to act independently in providing the Services.
3. In providing the Services, Second Sight shall:
 - 3.1 act with the skill and care expected of qualified accountants experienced in investigating the type of matters raised through the Scheme;
 - 3.2 conduct the Services in an efficient manner and with a view to ensuring that the costs of the Scheme are reasonable;
 - 3.3 use its reasonable endeavours to comply with any deadlines or timeframes set by the Working Group; and
 - 3.4 not sub-contract any part of the Services without Post Office's prior written consent (not to be unreasonably withheld or delayed).

FEE SCHEDULE**We have set out below three alternative fee structures****[Option 1 (based on hourly rates)]**

1. [Subject to 3 below] Post Office agrees to pay Second Sight an hourly rate of £150 per hour plus VAT for providing the Services, subject to Second Sight providing a summary to Post Office as soon as possible after the end of each calendar of the time incurred per person in that calendar month including a breakdown of that time in to [15 minute units] along with a brief narrative of the work undertaken in each of the those units.
2. In addition Post Office agrees to pay Second Sight's reasonable disbursements in carrying out the Scope of Services. **[Do you want to specify disbursements? i.e. a set fee per page for photocopying/printing costs, standard class travel to Working Group meetings once a month?]**
3. [OPTIONAL] - Second Sight shall provide Post Office with an estimate of its future costs (including fees and disbursements) for the next calendar month before the first day of that month. Second Sight shall not be entitled to charge more than [10%] above its costs estimate for any given calendar month unless Post Office agrees to pay more than the costs estimate (such consent not to be unreasonably withheld or delayed).

[Option 2 (fixed fee per month)]

1. Post Office agrees to pay Second Sight a fixed fee of £[x] plus VAT per month (the "Maximum Fee") for its Services until the conclusion of the Scheme (which shall be determined by Post Office in good faith by giving written notice to Second Sight)
2. In addition Post Office agrees to pay Second Sight's reasonable disbursements in carrying out the Scope of Services. **[Do you want to specify disbursements? i.e. a set fee per page for photocopying/printing costs, standard class travel to Working Group meetings once a month?]**

[Option 3 (hybrid)]

1. Post Office agrees to pay Second Sight on the following basis:-
 - 1.1 All work undertaken in relation to the work described in paragraph 1.3 above (eg. investigating and providing an assessment of a Subpostmaster's complaint), a fixed fee of £[x] plus VAT per case (the "Maximum Fee per Case");
 - 1.2 all other work undertaken in carrying out the Scope of Services, including attendance on the Working Group, is to be charged on the basis of work done and calculated at an hourly rate of £150 per hour plus VAT.
2. In addition Post Office agrees to pay Second Sight's reasonable disbursements in carrying out the Scope of Services. **[Do you want to specify disbursements? i.e. a set fee per page for photocopying/printing costs, standard class travel to Working Group meetings once a month?]**