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**SCHEDULE D1****CHARGES****Version History**

Version No.	Date	Comments
1.0	31/08/06	Agreed version as at date of signature of CCN 1200
2.0	25/01/07	Baseline copy of 1.4
3.0	09/07/07	Baseline copy of 2.6
4.0	14/04/08	Baseline copy of v3.4
5.0	23/02/09	Baseline copy of 4.2
5.1	19/05/09	RPI Increase 2009
5.2	12/06/09	Applying changes as per CCN 1253
5.3	15/06/09	Applying changes as per CCN1252a
6.0	06/07/09	Moving all schedules to V6.0 as agreed with Fujitsu
6.1	30/09/09	Amendments as per CCN 1254a
6.2	04/01/10	Amendments as per CCN 1268
6.3	05/01/10	Applying changes as per CCN1272
6.4	29.01.10	Applying changes as per CCN1273
6.5	24/03/10	Applying changes as per CCN1266b
6.6	30/03/10	Applying changes as per CCN1271c, CCN1275 and CCN 1276a
6.7	01/04/10	Applying changes as per CCN 1270
6.8	23/04/10	Applying RPI for 2010 and including tidy up changes
6.9	05/05/10	Minor tidy up adjustments
7.0	10/05/10	Moving all schedules to V7.0 as agreed with Fujitsu
8.0	21/02/12	Applying changes as per CCN1303, CCN1289a, CCN1291, CCN1296, CCN1292, CCN1293, CCN1297, CCN1295a, CCN1301d, CCN1304b, CCN1281d, CCN1306a, CCN1309a, and CCN1294d,
9.0	13/01/14	Applying changes as per CCN1307a, CCN1308b, CCN1311b, CCN1313c, CCN1316a, CCN1317, CCN1318a, CCN1321, CCN1322b, CCN1325a, CCN1327a, CCN1328b, CCN1329a, CCN1332a, CCN1337a, CCN1340, CCN1341, CCN1342a, CCN1343a, CCN1348b, CCN1349 and CCN1400

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10.0	10/09/16	Applying changes as per CCN1338, CCN1339a, , CCN1402, CCN1403, CCN1404, CCN1405, CCN1408, CCN1409a, CCN1410, CCN1411, CCN1414, CCN1415, CCN1418, CCN1419, CCN1420a and CCN1421a and as subsequently amended in this CCN1506 and moving all Schedules to v10.0 in accordance with CCN1506
11.0	31/03/16	Applying changes as per CCN1423c, CCN 1424, CCN1425, CCN 1429, CCN1500a, CCN 1502a, CCN1505, CCN1508, CCN1512c, CCN1600and moving all Schedules to v11.0 in accordance with CCN1604
12.0	03/07/2017	Applying changes as per CCN1509a, CCN1602a, CCN1603, CCN1606, CCN1607, CCN1609d, CCN1610, CCN1618a, CCN1619a, CCN1620c, CCN1621, CCN1622a and moving all schedules to v12.0
13.0		Updating as per CCN1612b, CCN1613a, CCN1616b, CCN1624, CCN 1627a, CCN1631c, CCN1633a, CCN1636b, CCN1637b, CCN1638, CCN1640a, CCN1643, CCN1644a, CCN1650c, CCN1653a and moving all Schedules to v13.0
14.0		Updating as per CCN1641c, CCN1652c, CCN1655a, CCN1660a, CCN1661a, CCN1662a, CCN1665b, CCN1667a, CCN1648b, CCN1649, CCN1675, CCN1672a, CCN1673, CCN1678, CCN1700 and moving all Schedules to v14.0
15.0	20/12/2022	aUpdating as per CCN1701a, CCN1705b, CCN1710, CCN1713a, CCN1716a, CCN1725a, CCN1730a, CCN1732, CCN1729, CCN1740, CCN1743, CCN1746a, CCN1748, CCN1749, CCN1754a.

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**SCHEDULE D1**

**CHARGES**

**1 GENERAL**

- 1.1 All amounts set out in this Schedule are before adjustment for RPI as set out in paragraph 16 and exclusive of VAT.
- 1.2 All annual Charges set out in this Schedule D1, unless otherwise stated, relate to Financial Years. All monthly Charges relate to calendar months. All Charges shall, unless stated otherwise, become due for payment on a monthly basis in accordance with the provisions of Schedule D2.
- 1.3 Where during the term of this Agreement any charge under this Schedule D1 is amended by approved CCN the Parties shall set out in the table contained in Annex E to this Schedule D1 the number of the approved CCN, the amount of the variation and the date on which the revised charge becomes effective.
- 1.4 In consideration for the provision by Fujitsu Services of the relevant Services, Post Office shall pay to Fujitsu Services the following:
- 1.4.1 Operational Charges in accordance with paragraph 2 as varied in accordance with paragraphs 4 and 5;
- 1.4.2 additional Operational Charges in accordance with paragraph 6;
- 1.4.3 Call Off Charges in accordance with paragraph 7;
- 1.4.4 Charges for Service Integration Services in accordance with paragraph 8;
- 1.4.5 Third Party Management Service Charges in accordance with paragraph 9;
- 1.4.6 Development Charges in accordance with paragraph 10;
- 1.4.7 SIP Charges in accordance with paragraph 11;
- 1.4.8 Transfer Charges in accordance with paragraph 12;
- 1.4.9 Capacity Addition Costs in accordance with paragraph 13;
- 1.4.10 PIN Pad Procurement Charges in accordance with paragraph 14;
- 1.4.11 Charges for Hardware in accordance with paragraph 15;
- 1.4.12 the Gain Share payments set out in Annex G; and
- 1.5 The Charges have been based on an assumption that the numbers of Branches, Counter Positions, Old Style Mobile Configurations, New Style Mobile Configurations, CTOs and New CTO Configurations in each Financial Year will not exceed the numbers corresponding to that Financial Year as set out in the Table entitled "Branch and Counter

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Position Limits" in Part 1 of Annex A. Should this assumption not be satisfied, as evidenced by:

- 1.5.1 Post Office providing a forecast of numbers of Branches, Counter Positions, Old Style Mobile Configurations, New Style Mobile Configurations, CTOs or New CTO Configurations which exceed the limits set out in that Table for that Financial Year; or
- 1.5.2 the actual number of Branches, Counter Positions or CTOs exceeding the applicable limits in any three consecutive months,

the Parties shall agree changes to the Charges or Service Descriptions under the Change Control Procedure to deal with additional equipment required by Fujitsu Services to perform its obligations under this Agreement or the lack of availability of such equipment for spares, maintenance or Operational Business Change purposes.

- 1.6 Services which cause or would cause the limits in the Table in Part 2 of Annex A to be exceeded or the conditions specified in that Table not to be satisfied shall be subject to the Change Control Procedure.
- 1.7 In this Schedule D1, unless stated otherwise, any reference to a paragraph or Annex is to the relevant paragraph of, or annex to, this Schedule D1.
- 1.8 Without prejudice to any Charges which shall have become due to be paid by Post Office to Fujitsu Services, and subject to paragraphs 9.2 and 9.3, if any Terminable Service is subject to Partial Termination, the Operational Charges in respect of each Service comprised within that Terminable Service shall not be payable in respect of the period after the date of such Partial Termination.
- 1.9 For the purposes of this Schedule D1, from approval by Post Office of a part 2 Exit Plan for a particular Operational Service, "Counter Positions" shall mean those Counter Positions that are supported by Fujitsu Services and "Branches" means those Branches that are supported by Fujitsu Services with respect to that Operational Service. For the avoidance of doubt, once a particular Operational Service, Counter Positions or Branches is/are supported by a Next Supplier or any other supplier (and not Fujitsu Services) it/they shall cease to be "Counter Positions" or "Branches" for such Operational Service for the purposes of this Schedule D1.

Example

*Day 1 - Fujitsu supports the same 100 Counter Positions in respect of both the Engineering Service and the Service Desk Service.*

*Day 2 - There is a ramp down of the Engineering Service and 50 Counter Positions become supported by a Next Supplier while the remaining 50 Counter Positions are still supported by Fujitsu. There is no change in respect of the Service Desk Service.*

*From Day 2, the number of Counter Positions for calculating the variable charge for the Engineering Service would be 50 but it would still be 100 for the Service Desk Service.*



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#### 1.10 Revenue Switch Principles

1.10.1 The provisions of Schedule I set out the principles and processes applicable to Revenue Switch.”

## **2 THE OPERATIONAL CHARGES**

2.1 In consideration for the provision of each of the Operational Services, Post Office shall pay to Fujitsu Services in respect of such time as such Operational Service is being provided an amount per month calculated as follows (subject to adjustment in accordance with paragraphs 4 and 5 of this Schedule D1):

2.2 In respect of each of the following Operational Services:

2.2.1 Central Network Service;

2.2.2 Reference Data Management Service;

2.2.3 Management Information Service;

2.2.4 Reconciliation Service;

2.2.5 Not used;

2.2.6 CMT Service;

2.2.6A Not Used

2.2.6B Not Used

2.2.6B Not Used,

Post Office shall pay to Fujitsu Services in respect of each month the Operational Fixed Charge for that Operational Service for that month;

2.2.7 Operational Business Change (Branch Change) Service,

In respect of each month until 31 March 2015, Post Office shall pay to Fujitsu Services in respect of each month other than December in each Financial Year the Operational Fixed Charge for that Operational Service for that month. In respect of each subsequent month, Post Office shall pay to Fujitsu Services the Operational Fixed Charge for that Operational Service for that month.

2.3 Paragraph removed by CCN1616b

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2.3A Paragraph removed by CCN1616b

2.4 In respect of the Security Management Service the Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the following:

2.4.1 the Operational Fixed Charge for the Security Management Service in respect of that month; plus

2.4.2 an amount equal to the Operational Unit Charge for the Security Management Service in respect of that month multiplied by the number of Branches in operation at the beginning of that month; plus

2.4.3 an amount equal to the Margin Rate for the Security Management Service in respect of that month multiplied by the number of Branches in operation at the beginning of that month; plus

2.4.4 an amount equal to the Operational Unit Charge for the Operational Service 'Security Management Service' in respect of that month multiplied by the number of Post Office Ltd Generic Web Services (GWS) Clients minus three in operation at the beginning of that month.

2.5 In respect of the Data Centre Operations Service the Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the following:

2.5.1 the Operational Fixed Charge for the Data Centre Operations Service in respect of that month; minus

2.5.2 an amount equal to the Operational Unit Charge for the Data Centre Operations Service in respect of that month multiplied by the Volume Forecast Reduction; and the result of paragraph 2.5.1 minus paragraph 2.5.2 then added to:

2.5.3 an amount equal to the Margin Rate for the Data Centre Operations Service in respect of that month multiplied by a percentage equal to 100 minus the Volume Forecast Reduction.

2.6 After any Volume Forecast Reduction shall have been made, each of the Operational Unit Charge and Margin Rate for the Data Centre Operations Service for each month after that in which such Volume Forecast Reduction takes effect shall be reduced by multiplying it by the percentage calculated by subtracting that Volume Forecast Reduction from 100; the resultant new Operational Unit Charge and Margin Rate shall be restated in this Schedule under the Change Control Procedure.

2.6A The Operational Fixed Charges for the Data Centre Operations Service are reliant upon the provision of HNG-X Test Infrastructure (the SV&I, INT and CIT rigs), as described in CCN1705b 'Operation being extended to be coterminous with the Data Centre Operations Service. If it is not extended then Fujitsu Services shall amend the Operational Fixed Charges for the Data Centre Operations Service to include the sums for licences and support required to deliver the Data Centre Operations Service for

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which a suitable proportion of the cost would have been incorporated into the HNG-X Test Infrastructure (the SV&I, INT and CIT rigs)

- 2.7 In respect of the Third Line Software Support Service the Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the following:
- 2.7.1 the Operational Fixed Charge for the Third Line Software Support Service in respect of that month; plus
  - 2.7.2 an amount equal to the Operational Unit Charge for the Third Line Software Support Service in respect of that month multiplied by the number of POL Service Types in operation at the beginning of that month.
  - 2.7.3 an amount equal to the Margin Rate for the Third Line Software Support Service in respect of that month multiplied by the number of POL Service Types in operation at the beginning of that month; plus
  - 2.7.4 an amount equal to the Operational Unit Charge for the Operational Service 'Third Line Software Support Service' in respect of that month multiplied by the number of Post Office Ltd Generic Web Services (GWS) Clients minus three in operation at the beginning of that month.
- 2.8 In respect of the Service Management Service the Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the following:
- 2.8.1 the Operational Fixed Charge for the Service Management Service in respect of that month; plus
  - 2.8.2 an amount equal to the Operational Unit Charge per Branch for the Service Management Service in respect of that month multiplied by the number of Branches in operation at the beginning of that month; plus
  - 2.8.3 an amount equal to the Operational Unit Charge per POL Service Type for the Service Management Service in respect of that month multiplied by the number of POL Service Types in operation as at the beginning of that month."
  - 2.8.4 an amount equal to the Margin Rate per Branch for the Service Management Service in respect of that month multiplied by the number of Branches in operation at the beginning of that month; plus
  - 2.8.5 an amount equal to the Margin Rate per POL Service Type for the Service Management Service in respect of that month multiplied by the number of POL Service Types in operation at the beginning of that month; plus
  - 2.8.6 an amount equal to the Operational Unit Charge for the Operational Service 'Service Management Service' in respect of that month multiplied by the number of Post Office Ltd Generic Web Services (GWS) Clients minus three in operation at the beginning of that month.
- 2.9 In respect of the Branch Network Service the Post Office shall pay to Fujitsu Services:

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2.9.1 Not Used.

2.9.2 the aggregate of:

- (a) the Operational Fixed Charge for the Branch Network Service in respect of that month; and
- (b) an amount per month equal to:
  - (i) the aggregate of the amounts charged to Fujitsu Services in respect of that month by the providers of network connections to Branches; plus
  - (ii) the margin thereon, calculated by multiplying such amount in 2.9.2(b)(i) by 5 divided by 95.
- (c) an amount equal to the Operational Unit Charge multiplied by the number of Branches using the Branch Network Service on the 1st of each calendar month from 1st April 2017.

2.10 Fujitsu Services shall provide Post Office at the beginning of each Financial Year with an estimate of the Operational Charges for the Branch Network Service in that Financial Year and the remaining Financial Years during the term of this Agreement based for each Financial Year upon Post Office's then current forecast of numbers of Branches and Fujitsu Services' forecast of the mix of technology types for network connections and the unit prices for each such technology type.

2.11 In respect of the Salesforce Support Service the Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the following:

- (a) the Operational Fixed Charge for the Salesforce Support Service in respect of that month; plus
- (b) the Escalated Calls Fixed charge which covers the management of Salesforce Support Service Escalated Calls which will be reviewed after three months of live Service; plus
- (c) an amount equal to the Operational Variable Charge for the Salesforce Support Service in respect of that month for the use of the Fujitsu Cloud Services. This will be at the prevailing rates published at IRRELEVANT multiplied by the usage for that month for the UK based hosting activity. For the Germany based disaster recovery hosting activity the prevailing rates are published at IRRELEVANT and will be multiplied by the usage for that month and multiplied by the Bank of England rate at which Fujitsu translates this Euro value to Sterling (GBP).

The Operational Fixed Charges are based on a maximum of 400 users, and 15 calls per month. If the total number of users or calls exceeds the maximum number the Parties shall assess the impact upon fixed charges through the Change Control Procedure.

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The variable charges for the service are from the Fujitsu Global Cloud Platform and are published at [IRRELEVANT] and [IRRELEVANT] Fujitsu shall provide these rates to Post Office in writing each time they are updated. For the avoidance of doubt these are not subject to annual indexation.

2.12 In respect of the Application Support Service (Fourth Line) the Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the following;

- (a) the Operational Fixed Charge for that Operational Service in respect of that month; plus
- (b) an amount equal to the Operational Unit Charge for the Operational Service 'Application Support Service (Fourth Line)' in respect of that month multiplied by the number of Post Office Ltd Generic Web Services (GWS) Clients minus three in operation at the beginning of that month.

2.13 In respect of the Systems Management Service the Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the following;

- (a) the Operational Fixed Charge for that Operational Service in respect of that month; plus
- (b) an amount equal to the Operational Unit Charge for that Operational Service in respect of that month multiplied by the number of Counter Positions in operation at the beginning of that month; plus
- (c) an amount equal to the Margin Rate for that Operational Service in respect of that month multiplied by the number of Counter Positions in operation at the beginning of that month; plus
- (d) an amount equal to the Operational Unit Charge for the Operational Service 'Systems Management Service' in respect of that month multiplied by the number of Post Office Ltd Generic Web Services (GWS) Clients minus three in operation at the beginning of that month.

Save that in all cases the Unit Charge per Counter Position shall be subject to a "floor" of 22,000 Counter Positions

2.14 With effect from 1st April 2017:

- 2.14.1 for the duration of the Term, the Operational Charges shall be reduced by the monthly credit referred to in Annex B as 'Trinity 1 Credit' and;
- 2.14.2 for the period to 31<sup>st</sup> March 2023, subject to the provisions of paragraph 17, the Operational Charges shall be reduced by the "Invest to Save Credit"



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## 2.15 "HNG-X Test Infrastructure Charges"

In respect of the Financial Years ending 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2023 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2025, the HNG-X Test Infrastructure Charges are as set out in Annex B. The HNG-X Infrastructure Charges are reliant upon the Data Centre Operations Service and Central Network Service being extended until 31<sup>st</sup> March 2025

## 2.16 HNG-A Gaps Counter Position, SYSMAN3 and Residual Release 17 Component Infrastructure Charges.

2.16.1 In respect of the Financial Years ending 31<sup>st</sup> March 2020 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023, the HNG-A Gaps, SYSMAN3 and Residual Release 17 Component Charges are as set out in Annex B

2.16.2 Not Used

2.16.3 Not Used

2.16.4 Post Office may terminate for convenience the provision of the HNG-A Gaps Counter Position, SYSMAN3 and Residual Release 17 Component Infrastructure Services for any reason by giving Fujitsu Services not less than 45 calendar days' notice in writing provided such notice is given in accordance with Clause 57.2 and that such termination shall take effect no earlier than 1<sup>st</sup> April 2022. Fujitsu Services agrees to waive any Termination Charge or Partial Termination Charge relating to the termination of the HNG-A Gaps Counter Position, SYSMAN3 and Residual Release 17 Component Infrastructure Services which would otherwise be payable in the Financial Year ending 31<sup>st</sup> March 2023 where this termination right has been exercised by Post Office. In the event of any conflict between this provision and any other provision in the Agreement relating to the termination for convenience of the HNG-A Gaps Counter Position, SYSMAN3 and Residual Release 17 Component Infrastructure Services and/or Termination Charges, this provision shall take priority.

## 2.17 Digital Development Services

The Digital Development Services will expire on 31<sup>st</sup> March 2023 and at which time, based on current forecasts, Post Office will not have met the DDS Commitment for the final DDS Commitment Year as detailed in Schedule I3 (Digital Development Services) Appendix 5 (Charges) paragraph 2.3. The Parties therefore agree that any underspend shall be invoiced on 31<sup>st</sup> March 2023 and payment made 30 days later, but such monies may be used by 30<sup>th</sup> June 2023 to offset the resource cost incurred to enable commencement of an Oracle Upgrade Implementation Project or the removal of oldest legacy operating systems project to be agreed through the Change Control Procedure

2.18 In respect of the P2Pe Asset Management Service the Post Office shall pay to Fujitsu Services in respect of each month up to 31<sup>st</sup> March 2023 , the following:

2.18.1 an amount equal to the Operational Unit Charge per Registered PIN Pad for the P2PE Asset Management Service in respect of that month multiplied by the number of Registered PIN Pads at the beginning of that month;



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2.19 In respect of the Payment and Banking Service the Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the following:

(a) the Operational Fixed Charge for that Operational Service in respect of that month; plus

(b) an amount equal to:

i. £0.00640 multiplied by the number of PBS Transactions during that month; plus

ii. £0.00067 multiplied by the number of PBS Transactions and CRM Tokenisation Transactions during that month for all such transactions over a cumulative total of 350 million (350,000,001 or more) in a twelve (12) month period

The above per PBS Transaction Charge (under paragraph 2.19 (b) (i)) is subject to a minimum threshold of two hundred and fifty million (250,000,000) PBS Transactions per twelve (12) month period. The initial twelve (12) month period used for the above cumulative totals of PBS Transactions and CRM Tokenisation Transactions (under paragraph 2.19 (b) (ii)) and the minimum threshold for PBS Transactions (under paragraph 2.19 (b) (i)) shall commence from 23rd April 2021 ("Scheduled Pilot Start Date"), (provided that in the event that any delay to commencement of Payment and Banking Pilot has been caused by or contributed to by Fujitsu Services or Fujitsu Services Subcontractor Ingenico then the Scheduled Pilot Start Date shall be adjusted to reflect the delay caused or contributed by Fujitsu Services or its subcontractor Ingenico. Should this minimum threshold not be achieved, Fujitsu Services shall invoice Post Office the difference between the number achieved and this minimum number one (1) month after the anniversary (falling on 23rd April each year, for the remaining term of this Agreement),, plus

(c) an amount equal £50.23 multiplied by the number of PIN Pads activated during that month. This Charge is subject to a minimum threshold of twenty five thousand five hundred (25,500) Activations in an initial twelve (12) month period, provided that Fujitsu Services has complied with its obligations with respect to roll out and migration of the Payment and Banking Solution in accordance with Appendix 1 (Migration Plan) to Schedule I6. This twelve (12) month period shall commence on 28<sup>th</sup> June 2021. Should this minimum threshold not be achieved, Fujitsu Services shall invoice Post Office the difference between the number achieved and this minimum number one (1) month after the anniversary of 28<sup>th</sup> June 2022. From 12<sup>th</sup> May 2022, Post Office shall receive two thousand (2,000) new PIN Pad Activations free of charge per annum; should this volume not be reached in any one twelve (12) month period (except where failure to reach such volume is caused by Fujitsu Services or its Sub-Contractor, Ingenico the underutilised volume will not be rolled over to the following twelve (12) month period; plus

(d) an amount equal to £0.00458 multiplied by the number of CRM DeTokenisation API Transactions during that month, for all CRM De-Tokenisation API Transactions over a cumulative total of 200,000 (200,001 or more) in a twelve (12) month period. The initial twelve (12) month period used for the above cumulative totals of CRM De-Tokenisation API Transactions shall commence from 23rd April 2021 ("Scheduled Pilot Start Date")

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(provided that in the event that any delay to initialising Payment and Banking Service Trigger Point PBS3 has been caused by or contributed to by Fujitsu Services or Fujitsu Services Subcontractor Ingenico then the Scheduled Pilot Start Date shall be adjusted to reflect the delay caused or contributed by Fujitsu Services or its subcontractor Ingenico.

(e) such Charges shall count towards the Actual Spend for the purposes of Paragraph 3 of Schedule I1 and, for the avoidance of doubt, shall not increase the Committed Spend.”

2.21 From 1 st April 2023, in respect of the Belfast Data Centre Facilities, Post Office shall pay to Fujitsu Services in respect of each month the Belfast Data Centre Facilities, Fixed Charge, as set out in Annex B, provided that the Data Centre Operations Service is not extended beyond 31st March 2023. Although it is not anticipated that there will be any requirement for additional services, should any related services be required from Fujitsu Services to successfully complete the exit from the Belfast Data Centre Facilities, then any such services shall be agreed by the Parties pursuant to the Change Control Procedure. Where the Data Centre Operations Service is extended beyond 31st March 2023 then the Belfast Data Centre Facilities Fixed Charge shall not apply until such time as the Data Centre Operations Service is terminated, expires or otherwise ceases to be provided by Fujitsu Services. If during the notice period for early termination of the Belfast Data Centre Facilities provided under Clause 47.11.2(f) or the 12 months prior to the expiry of the Belfast Data Centre Facilities the HNG-X Service Infrastructure has been entirely powered off and a CWO for the full decommission of the Fujitsu Services Data Centres in Belfast has been approved under the Change Control Procedure then Post Office shall pay to Fujitsu Services in respect of each month the net of the Belfast Data Centre Facilities, Fixed Charge in respect of that month reduced by a sum of sixty six thousand, nine hundred and twelve pounds and thirty six pence (£66,912.36) per month for the remainder of the notice period and Post Office shall not be responsible for any dilapidation costs or charges unless specifically agreed pursuant to the Change Control Procedure.

### **3 MARGIN PROTECTION**

- 3.1 If in any of the Financial Years 2008/9 to 2011/12 (inclusive) the aggregate amount of all the Operational Charges calculated in respect of that Financial Year by reference to a Margin Rate (excluding, for the avoidance of doubt and for the purposes of this paragraph, any "Late Cost to Post Office" applicable in respect of such Margin Rates in accordance with paragraph 4.2.3) (plus the margin calculated in respect of that Financial Year in accordance with paragraph 2.9.2(b)(i)) shall be less than the Protected Margin for that Financial Year, then Post Office shall pay to Fujitsu Services an amount equal to the difference.
- 3.2 The amount paid by Post Office in accordance with paragraph 3.1 in respect of any Financial Year shall be available to Post Office as a credit to be applied against the margin on any new Services agreed under the Change Control Procedure which Post Office obtains from Fujitsu Services in that Financial Year, provided such new Service is provided for longer than twelve months.
- 3.3 Any credit available to Post Office pursuant to paragraph 3.2 shall be made available monthly throughout the Financial Year in question based on estimates made on a year to date basis in respect of each month. As soon as reasonably practicable following the end

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of each such Financial Year the actual amount available by way of credit during that Financial Year shall be calculated. If the amount available as a credit in respect of the Financial Year as so calculated is greater than the aggregate of the monthly credits actually made available to Post Office during that Financial Year the difference shall be made available to the Post Office as an additional credit on the basis set out in paragraph 3.2. If the amount available as a credit in respect of the Financial Year as so calculated is less than the aggregate of the monthly credits actually utilised by Post Office during that Financial Year then the Post Office shall repay to Fujitsu Services an amount equal to that shortfall.

- 3.4 In settlement of the incorrect calculation and invoicing by Fujitsu Services of margin protection payments during the period April 2008 up to and including August 2009, the parties have agreed that Fujitsu shall pay back to Post Office the sum of £339,396 erroneously paid out by Post Office during such period in margin protection payments. £300,000 of such sum shall be repaid upon signature by the parties of the POLSAP Phase 1 Live Service CCN, and the balance shall be repaid upon signature of CCN 1268, each as a credit to Post Office to be offset against monthly Operational Charges. Notwithstanding anything to the contrary in this Agreement, such repayment by Fujitsu shall not operate so as to reduce the aggregate amount of Operational Charges paid by Post Office in the relevant Financial Year and so triggering margin protection payments by Post Office pursuant to paragraph 3.1 above.
- 3.5 With effect from September 2009, without prejudice to its other obligations in relation to margin protection, Fujitsu Services shall apply correctly the margin calculation at paragraph 2.9.2 (b) (ii) above.

#### **4 VARIATION OF OPERATIONAL CHARGES – TRIGGER POINTS**

- 4.1 Assumptions have been made by the Parties about the timing of certain events set out in the Trigger Point Table (referred to as "Trigger Points") in settling the amounts of the Operational Charges.
- 4.1A For the avoidance of doubt, the planned dates in the Trigger Point Table shall not be changed to reflect any changes that might be made to the HNG-X Programme Plan and no adjustment shall be made to the Operational Charges in relation to Trigger Points other than pursuant to paragraphs 4.2.3 or 4.2.4, unless the Parties agree otherwise under the Change Control Procedure.
- 4.2 The principles that shall apply for adjustment to the Operational Fixed Charges and Operational Unit Charges when Trigger Points occur early or late are as follows:
- 4.2.1 Not Used
- 4.2.2 In the event that Project HNG-X is terminated either pursuant to (i) Clause 47.15 (but only as a consequence of the Agreement terminating pursuant to Clause 47.4 or 47.7) or (ii) Clause 47.11.2, then the dates stated in the Trigger Point Table for such of the Trigger Points that are planned to occur after HNG-X Initial Acceptance (being, for the avoidance of doubt, Trigger Point T6 (Counter Application Roll Out Complete) only) shall be put back (for the purposes of this paragraph 4 only) to the date of the expiry or earlier termination of the Agreement,

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provided that in each case such termination of Project HNG-X occurred prior to HNG-X Initial Acceptance.

- 4.2.3 The Operational Fixed Charges and/or Operational Unit Charges (as specified in the final column of the Trigger Point Table) for the Operational Services corresponding to the Trigger Points (if any) adjusted in accordance with paragraph 4.2.2 shall each be increased in each complete calendar month in the period by which such Trigger Points are put back, by the amount of the "Late Cost to Post Office" (if any) specified in the Trigger Point Table.
- 4.2.4 If any of the Trigger Points are delayed beyond the planned dates specified in the Trigger Point Table, then to the extent that the delay was:
- (a) caused by a Default or delay of Post Office or any of its employees, agents or subcontractors, then Fujitsu Services shall be entitled to increase the Operational Fixed Charges and/or Operational Unit Charges (as specified in the final column of the Trigger Point Table) for the Operational Services corresponding to that Trigger Point (as identified in the Trigger Point Table) in each complete calendar month during the period of that delay or Default by the amount of the "Late Cost to Post Office" (if any) specified in the Trigger Point Table;
  - b) not caused by a Default or delay of Post Office, or any of its employees, agents or subcontractors, then, without prejudice to any other right or remedy of Post Office, Fujitsu Services shall continue to charge Post Office the relevant Operational Charges in Annex C of this Schedule D1 without any adjustment.

#### 4.3 Variabilisation Framework

- 4.3.1 The provisions of Schedule I set out the principles and processes applicable to Variabilisation.

## 5 VARIATION OF OPERATIONAL UNIT CHARGES AND OPERATIONAL FIXED CHARGES

### Engineering Service

- 5.1 Paragraph removed by CCN1616b

- 5.1.1 the Operational Unit Charge per Counter Position and Margin Rate per Counter Position (if any) applicable in respect of the Engineering Service for each month following such re-allocation of Hardware taking effect shall be varied in accordance with the Table set out in Annex F to the extent of the Proportion Change (expressed in percentage terms) in each category of Priorities;

- 5.1A Paragraph removed by CCN1616b



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Operational Business Change (Branch Change) Service

## 5.2 Not Used

Data Centre Operations Service

5.3 If the number of SAP Basis Calls per month exceeds 200 in any three months within a six month period providing that the SAP Basis Calls are not due to a fault in the POLSAP Central Infrastructure or POLSAP Software that is attributable solely to Fujitsu Services' actions and Fujitsu Services demonstrates to the satisfaction of Post Office (acting reasonably) that it will as a result thereafter require additional resource to manage SAP Basis Calls above 200 per month, the Parties shall agree under the Change Control Procedure (such agreement not to be unreasonably withheld) adjustments to:

5.3.1 the Operational Fixed Charge for the Data Centre Operations Service and the number of SAP Basis Calls included within that Charge, as necessary to reflect such additional resource requirement; and

5.3.2 the Charge per SAP Basis Call and threshold from which that Charge applies, as set out in paragraph 6.1.

5.3A Paragraph removed by CCN1613a.

5.4 Clause removed by CCN1613a. NBS Audit Record Queries

5.5 If Post Office exercises its option under the CCD entitled "Service Description for the Security Management Service" (CS/SER/016), when that CCD is in effect, or the CCD entitled "Security Management Service: Service Description" (SVM/SDM/SD/0017), when that CCD is in effect, to vary the maximum number of Audit Record Queries which Fujitsu Services is required to carry out, the Operational Fixed Charge in respect of the Security Management Service shall, with effect from the date on which that revised maximum becomes effective, be increased by £ £319.56 per Audit Record Query by which such maximum is increased.

Reference Data Processes

5.6 For every month after the Amendment Date during which the Reference Data processes have not been improved by Post Office (or its agents or subcontractors) performing the work necessary to achieve the following aims:

5.6.1 reduce errors and rework by streamlining the end-to-end Reference Data processes and simplifying/rationalising the business rules around different Reference Data types and their sources/validation;

5.6.2 introduce a generic model of product data to minimise the number of product types, eliminate "special" product features and increase use of "soft" reference data methods in lieu of "hard" application coding; and

5.6.3 apply Reference Data consistently across all elements of end-to-end solution.

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- 5.6A Post Office shall pay to Fujitsu Services an addition to the Operational Fixed Charge for the Reference Data Management Service due in respect of that month. In Financial Year 2011/12 the additional monthly charge (if applicable) shall be £20,637, In respect of each subsequent month, the charge shall be £21,627 where applicable. From 1<sup>st</sup> September 2013 no such charges shall apply.

Services introduced by CCN

- 5.7 Post Office may terminate the Services introduced by (i) CCN641a and (ii) CCN807 and CCN1163 (as listed in the CCN Service List), by raising a CCN to terminate such Service, subject to Fujitsu Services being entitled to reimbursement by Post Office of its reasonable costs incurred in the termination of such Service by raising an invoice in accordance with Schedule D2 in respect of such costs as they arise. If such Services are so terminated, an amount per month equal to the monthly charge value for each such Service (as set out in column three of the CCN Service List for the CCN introducing the Service in question) shall be deducted from the Operational Fixed Charge for the Data Centre Operations Service.
- 5.8 All of the Services introduced by CCN (as listed in the CCN Service List), other than CCN641a, CCN807 and CCN1163, shall terminate in sequence with the migration of the related Client systems from their existing interfaces with the Infrastructure to the EDG.
- 5.9 If following notice given by Post Office and development of an alternative approach any of the Client systems referred to in paragraph 5.8 shall not have been migrated to the EDG by the date of completion of HNG-X Project Workstream X2 (Migrate Data Centre to HNG-X configuration), the Services introduced by CCN (as listed in the CCN Service List) related to those Client systems shall continue and, with effect from that date, the Charges for those Services set out in the CCN Service List shall be payable by Post Office to Fujitsu Services until the relevant Client systems have been migrated to the EDG.
- 5.10 Periodic review of the CCN Service List to update it for additions and deletions shall be managed by the Commercial Leads.

## BFPO Branches.

- 5.11 For the avoidance of doubt all variable Operational charges as listed in Annex B Schedule D1 will be applied to BFPO Branches.
- 5.12 Impact of termination or expiry of the Service Desk Service on the Engineering Service:
- 5.12.1 At the date of CCN1400, it was acknowledged that the termination of the Service Desk Service may have an impact on the volume of Engineering Service visits to Branches. To this end, it is agreed that the Engineering Service shall be subject to Branch visit volume baselines to be agreed between the parties (the "Expected Engineering Volumes") calculated by reference to the Engineering Reference Period in accordance with the process set out below. This baseline shall be set out in a formal exchange of letters.
- 5.12.2 With respect to the Engineering Service, Fujitsu Services shall record the volume of Engineering Service visits to Branch and shall provide to Post Office data relating to



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engineering visits in the Engineering Reference Period. The "Engineering Reference Period" will be the later of either:

- a) Six complete calendar months immediately prior to commencement of rampdown of the Service Desk Service; or
- b) Six complete calendar months immediately prior to notification of termination of the Service Desk,

5.12.3 The Engineering Reference Period will be used to generate a forecast of expected volume of Engineering Service visits to Branches for the period where Fujitsu Services is providing the Engineering Service but the service desk is provided by a Next Supplier (i.e. after the Service Desk Service has been terminated) so as to enable the parties to agree the "Expected Engineering Volumes".

5.12.4 In order to determine the Expected Engineering Volumes:

- a) Post Office and Fujitsu Services shall jointly normalise the volume of visit data measured during the Engineering Reference Period to take account of
  - i) particular circumstances occurring at any point in the Engineering Reference Period;
  - ii) any peak periods included in the Engineering Reference Period, whereby downward adjustments shall be made based on a reversal of the uplifts (adjusted for any particular circumstances at that time) experienced for each month in the same peak period in the prior year.
- b) Normalisation will only be applied to significant programmes that have materially impacted the Expected Engineering Volumes. Historic examples of where this has been the case are the introduction of new media to Epson printers which generated circa 1000 additional engineering visits per month and the programme rollout of new PIN Pads that generated circa 400 additional engineering visits per month.
- c) An 8% variance will be applied to the agreed volumes to generate upper (108%) & lower (92%) threshold for each month.
- d) With respect to months October to December (inclusive), an additional "peak uplift" shall be applied to the Expected Engineering Volumes. The increased percentage shall be applied for these months to take account of the expected greater volumes of Engineering visits to Branches. The peak uplift in 2012 was as follows :-
 

i)	October	+10.0%
ii)	November	+19.7%
iii)	December	+12.7%

For the avoidance of doubt, months January to September (inclusive) will be considered normal (non peak) months for the purpose of this calculation (and shall therefore only be subject to the variance highlighted in paragraph c) above.

5.12.5 The agreed volumes together with the upper and lower thresholds and peak uplift determined in accordance with paragraph 5.12.4 above shall form the Expected

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Engineering Volumes. In addition, the Expected Engineering Volumes shall be linked to the estate volume of 29,600 counters (or as per the average number of counters during the Engineering Reference Period). If the actual estate size varies materially (+/- 1%) between the volume agreed by reference to the Engineering Reference Period and the period associated with the actual engineering visits measurement, an appropriate adjustment will be made to the Expected Engineering Volumes.

5.12.6 At the end of each 3 month period following termination of the Service Desk Service, the parties shall total the actual Engineering Service visits to Branches, this sum being, subject to paragraph 5.12.10 below the "Actual Engineering Visits"

5.12.7 Should Actual Engineering Visits be greater than the upper threshold for the Expected Engineering Volumes for that 3 month period, Post Office shall pay Fujitsu Services a sum equivalent to credits as detailed in paragraph 5.12.9 below for each Engineering visit to a Branch above the upper threshold.

5.12.8 Should Actual Engineering Visits be lower than the lower threshold for the Expected Engineering Volumes for that month, Fujitsu Services will credit Post Office as detailed in paragraph 5.12.9 for each Engineering visit to a Branch below the lower threshold.

5.12.9 For each additional visit over and above the Upper Threshold (108%) for the 3 month period, Fujitsu Services shall be entitled to charge £125 per visit. In the event that the number of visits made in that 3 month period is below the Lower Threshold (92%), Fujitsu Services shall give a credit to the Post Office of £100 per visit. Additional charges and credits shall be applied to the operational charge invoice and Fujitsu Services shall provide supporting information.

5.12.10 For the avoidance of doubt, Actual Engineering Visits shall be based on:

- a) the number of incidents passed from the Next Supplier of the replacement Service Desk to the Engineering Service; and
- b) the proactive incidents logged by Fujitsu Services (i.e. Bad blocks on Hard Disc drives), but in this latter category these shall be limited to no more than 100 visits per month. If the actual volume of proactive incidents logged by Fujitsu Services is greater than 100, only 100 will be counted in the actual Engineering Service visits to Branches volumes for that month.

The following will be excluded from the measure of actual Engineering Service visits to Branches:

- i) any agreed user self-fix incidents that do not require an engineer to attend the Branch, provided the Service Desk identifies them, and does not pass them to Fujitsu Services' engineering queue;
- ii) any repeat visits to Branches with respect to the same recorded incident; and/or
- iii) any engineering visits due to issues, or incidents arising from unexpected failure across the branch network of a hardware component due to age that exceeds a 50% degradation in the MTBF rates (such rates determined by reference to the MTBF rates occurring immediately prior to termination of the Service Desk Service), save where such degradation in the MTBF rate can be directly attributed to circumstances linked to a change introduced at the request of Post

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Office whereupon such additional failures (over and above the MTBF rate + 50% degradation) shall be included in the calculations.

5.12.11 From the date that the Expected Engineering Volume becomes effective the charges to Post Office in respect of MTBF excess visits shall cease to apply.

5.12.12 Paragraph removed by CCN1616b

## 6 ADDITIONAL OPERATIONAL CHARGES

### Additional Charges in respect of the Data Centre Operations Service

- 6.1 a) As an additional monthly Charge for the Data Centre Operations Service, if the number of SAP Basis Calls per month exceeds ten, Post Office shall pay to Fujitsu Services £286.21 for each such SAP Basis Call in excess of ten per month.
- b) In the event that the parties agree that the Oracle database shall no longer be within Oracle support then the monthly Charge for the Data Centre Operations Service shall be uplifted by £30,000 per month and in the event that there is an Incident involving the Oracle database, support shall be provided by Fujitsu Services on reasonable endeavours (and as such Service Levels to the extent applicable will not apply) and time and materials basis in accordance with the Rate Card where Fujitsu Personnel are used and in accordance with Oracle's then current standard published rate card (or cheaper) where assistance is required from Oracle. Oracle's position on support is likely to evolve and future direction will form part of the jointly agreed technology roadmap as described in Clause 10.9.

### Additional Charges following termination for convenience

- 6.2 If Project HNG-X is terminated pursuant to (i) Clause 47.15, but only as a consequence of the Agreement terminating pursuant to Clause 47.4 or 47.7, or (ii) Clause 47.11.2, Post Office shall pay to Fujitsu Services, in respect of the period (if any) between 31 March 2010 and the earlier of termination or expiry of this Agreement an amount equal to:
- 6.2.1 the costs incurred by Fujitsu Services in respect of hardware and/or software maintenance and support additional to those allowed for in the Charges plus margin thereon, calculated together by multiplying such costs by 100 divided by 78; and
- 6.2.2 the costs incurred by Fujitsu Services in respect of additional hardware, software or other equipment required in the Data Centres plus margin thereon, calculated together by multiplying such costs by 100 divided by 95,

in each case where such maintenance, support, hardware, software or equipment is necessary in Fujitsu Services' reasonable opinion for the provision of Services in accordance with this Agreement. All such costs shall be subject to Open Book verification (which, in the case of paragraph 6.2.1, shall be by reference to HNG-X Baseline Open

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Book Information), and shall be invoiced by Fujitsu Services in accordance with Schedule D2 after such verification has been undertaken.

6.3 Paragraph removed by CCN1612b

6.3.1 Not Used

6.3.2 Not Used

6.3.3 Not Used

6.4 Paragraph removed by CCN1612b

6.5 Paragraph removed by CCN1612b

6.6 Paragraph removed by CCN1612b

6.7 IBM Credence Software

The IBM Credence Software shall be charged (excluding VAT) as follows:

- March 2010	£119,565
- October 2010	£122,434.56
- October 2011	£122,434.56
- October 2012	£134,470.37
- October 2013	£138,638.95

In addition, a support charge of £810.27 per month will be chargeable from 1st December 2009 to 31 March 2015. For software maintenance for the period after 31st March 2015, save for facilitating the purchase of software for the benefit of Post Office under CT1792, Fujitsu shall have no responsibility whatsoever for ensuring that further annual software subscriptions and support renewals for the IBM Credence software set are kept active and in force. In addition, any Fujitsu resource incurred in assisting in the resolution of any queries or disputes in connection with the IBM Credence software set that may arise shall be managed and charged via the Change Control Procedure.

In the event that Post Office wish to further renew the software via Fujitsu or novate the existing software from Fujitsu then this shall be agreed and managed via the Change Control Procedure.

It was agreed for the extension of the Credence/ MDM Service beyond 31st March 2015 that the ongoing charges in relation to the IBM Credence Software (for those licence products and volumes that were procured from Fujitsu for the use by Credence in 2009) have been included in the parallel-run charges for the initial infrastructure as contained in the final version of CT1778 'Credence / MDM Infrastructure Tech Refresh' and any required continuation changes until the software is uninstalled.

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The ongoing charges for IBM Credence Software (for those licences procured in CT1778 'Credence / MDM Infrastructure Tech Refresh') have been included in the Operational Charges for the Credence/ MDM service from 1st April 2015.

6.8 In full and final settlement of any cause of action that at the date of signature of CCN 1268 Post Office may have against Fujitsu Services arising from Project HNG-X not having been delivered in accordance with the timescales under the HNG-X Programme Plan in its agreed form prior to signature of CCN 1268 (but no other cause of action), which settlement (for the avoidance of doubt) does not preclude adjustments (as agreed between the parties from time to time) to these terms in the event that the plan is further amended, Fujitsu Services shall pay to Post Office each month, between October 2009 and February 2010 inclusive, the sum of £1 million (exclusive of VAT). This shall be in the form of a credit note which will be offset against the total Operational Charges invoiced for the relevant month. The credit note shall not operate so as to reduce the aggregate amount of the Operational Charges calculated in respect of the relevant Financial Year thus triggering margin protection payments by Post Office pursuant to paragraph 3.1 of this Schedule D1.

6.9 Paragraph removed by CCN1616b

6.10 Not Used

6.11 Not Used

## **6.12 Decommissioning Activities**

### **6.12.1 POLSAP Hosting Infrastructure Decommissioning**

6.12.1 The one time fixed Charge for Fujitsu Services to decommission the POLSAP Hosting Infrastructure on expiration or earlier termination of the POLSAP Hosting Service and any residual run costs is £120,000, however the parties agree to have further discussions relating to the scope and approach of decommissioning prior to the Post Office serving notice of termination, these discussions may enable a reduction in the fixed Charge of £120,000. The Parties acknowledge that Fujitsu Services' current bottom up planning for these activities indicate a cost of £140,000 that is being discounted by £20,000 by Fujitsu Services. The decommissioning tasks will comprise:

1. Logical
  1. Software / operating system deletion
  2. Network (router, switches, firewalls, load balancer) configuration updates
  3. Storage configuration updates
  4. Systems management configuration updates (monitoring, backups, anti-virus)
  5. Updates to other retained HNG-X components
  6. Formal release of updated HNG-X batch schedules
2. Physical removal of surplus servers, storage and cabling
  1. Secure disposal of surplus equipment
  2. Document updates, work instructions and KELs
  3. Residual hosting costs until the infrastructure is decommissioned
  4. All other activities reasonably required of Fujitsu Services in order to close down and end the Services which have been extended by CCN1644a. For the avoidance of doubt any



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migration activities required to effect the transfer of the Credence/MDM platform from the current Fujitsu Services hosted environment to a Next Supplier's hosting environment are not included within the decommissioning activities and therefore any charges for such migration activities are not included decommissioning Charges set out in this CCN.

6.12.2 The £120,000 fixed Charges specified for decommissioning activities above will be invoiced as follows:

- (i) fifty percent (50%) of those Charges upon expiry of the forty five day notice period to terminate the POLSAP Hosting Service (as may be extended by agreement due to a change freeze) or on 31<sup>st</sup> March 2019, whichever is the earlier; and
- (ii) fifty percent (50%) of those Charges upon Fujitsu Services' deemed completion of the POLSAP decommissioning activities (i.e. the applicable acceptance criteria have been met). The parties shall use reasonable endeavours to seek to agree suitable acceptance criteria to apply to the decommissioning activities within 10 Working Days of the first invoice trigger date described in sub-paragraph 6.12.2 (i) above.

### 6.13 Operational Business Change (Branch Change) Restructure Charge

£185,000 (excluding VAT) is chargeable in March 2018.

Fujitsu Services shall restructure its Operational Business Change (Branch Change) Service delivery resources with effect from the 1<sup>st</sup> April 2018 to enable Fujitsu Services to reduce the Operational Business Change (Branch Change) Service Operational Charges, which will apply with effect from 1<sup>st</sup> April 2018.

Post Office commit to a minimum spend commitment of £360,000 (excluding VAT and not subject to contractual indexation provisions) against the OBC Call-Off Service in the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2023.

## 7 CHARGES FOR THE CALL-OFF SERVICES

### Operational Business Change (Branch Change) Service

- 7.1 Post Office shall pay Fujitsu Services for the Operational Business Change (Branch Change) Service at the prices set out in, as applicable in accordance with the provisions of Schedule B3.1, the CCD entitled "Operational Business Change – Branch, Service Descriptions and Schedule of Service Prices" (CS/PDN/015) or the CCD entitled "Operational Business Change (Branch Change) Service: Service Description" (SVM/SDM/SD/0014). Fujitsu Services shall invoice such Charges on a quarterly basis in arrears. In respect of each month until 31 March 2015, for the purposes of applying the monthly pre-paid amounts referred to in paragraph 5.2, Fujitsu Services shall set out within each such invoice, the Charges payable for Operational Business Change (Branch Change) Service in each month in that quarter.

- 7.2 Not Used

### Message Broadcast Service



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7.3 In respect of the Message Broadcast Service, Post Office shall pay to Fujitsu Services:

- 7.3.1 during the period that the CCD "Message Broadcast: Service Description" (CS/SER/004) is effective in accordance with the provisions of Schedule B3.1, £191.04 per message plus 1 pence per Branch to which it is successfully delivered as requested; and
- 7.3.2 during the period that the CCD "Message Broadcast Service: Service Description" (SVM/SDM/SD/0018) is effective in accordance with the provisions of Schedule B3.1 £216.32 per message.

Training Counter Update Service

7.4 Off-line upgrades to Old CTO Configurations shall be provided as follows:

- 7.4.1 Fujitsu Services shall provide ad hoc software and related reference data upgrades to Old CTO Configurations. For the avoidance of doubt Head Office Counter Positions do not require off-line upgrade.
- 7.4.2 Post Office shall provide Fujitsu Services with not less than 13 weeks written notice of a requirement to deliver a new software and related reference data build to Old CTO Configurations. Post Office may request this service up to four times per Financial Year, provided that a request is not made before implementation of the previous build is complete.
- 7.4.3 If notice is given by Post Office in accordance with paragraph 7.4.2, Post Office and Fujitsu Services shall agree which elements, as set out in the CCD entitled "Counter Training Offices Strategy" (IM/STR/056), shall form part of the required software and reference data build.
- 7.4.4 The software upgrade shall be carried out in accordance with the CCD entitled "Counter Training Offices Strategy" (IM/STR/056).
- 7.4.5 The price that shall be paid by Post Office to Fujitsu Services for the Training Counter Update Service for each upgrade of Old CTO Configurations shall be the aggregate of:
  - a fixed charge of £62,520.31;
  - a variable charge of £31.93 multiplied by the number of terminals being upgraded; and
  - a variable charge of £213.27 multiplied by the number of locations (if any) in excess of 47 locations at which upgrades are to be carried out.

Additional Charges in respect of the Data Centre Operations Service

7.5 As an additional Charge for the Data Centre Operations Service, Post Office shall pay Fujitsu Services for PODG Client File Re-Send Service at the prices set out in, as applicable in accordance with the provisions of Schedule B3.1 Annex A to the CCD entitled "Service Description for Data Centre Operations Service" (SVM/SDM/SD/0003).

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Additional Charges in respect of the Reference Data Management Service

7.6 As an additional Charge for the Reference Data Management Service, Post Office shall pay Fujitsu Services for:

7.6.1 Client Take-On Service at the prices set out in, as applicable in accordance with the provisions of Schedule B3.1, the CCD entitled "Service Description for AP Client Take-On Service" (CS/SER/011). Charges for additional ad-hoc services are stated in Table 1 below, and any change to these (other than by application of RPI in accordance with paragraphs 16.1 and 16.2 of Schedule D1 of the Agreement) shall be undertaken through the Change Control Procedure

**Table 1**

	<b>Charges for Financial Year ending 31/03/20</b>	<b>Fixed charge per request</b>
A	Ad-hoc Client Take on Facility: full cycle including regression	£498.39
B	Ad-hoc Client Take on Facility: cycle less regression	£3,564.01
C	Ad-hoc Client Take on Facility: regression only	£1,426.52
D	Ad-hoc Client Take on Facility: test file only	£2,394.28

7.6.2 AP Client Delivery Agreement Change Service at the prices set out in, as applicable in accordance with the provisions of Schedule B3.1, the CCD entitled "Service Description for AP Client Delivery Agreement Change Service" (CS/SER/012) or Charges for Service Requests are stated in Table 2 below, and any change to these (other than by application of RPI in accordance with paragraphs 16.1 and 16.2 of Schedule D1 of the Agreement) shall be undertaken through the Change Control Procedure

**Table 2**

	<b>Charges for Financial Year ending 31/03/20</b>	<b>Fixed charge per request</b>
A	Service request (other than an interface transfer) for a Santander Client	£1,197.12

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B	Service request (other than an interface transfer) for a Non-Santander Client	£2,394.28
C	Service request to transfer a Client to a different Agent Interface	£2,394.28

7.6.3 Requests for reference data Support of SV&I Test Rigs for Horizon pursuant to the CCD entitled "Reference Data Management Service: Service Description" (SVM/SDM/SD/0013) shall be priced on the following basis:

Post Office shall pay Fujitsu Services £1,877.73 per request

#### Horizon Icon Service

7.7 If Post Office require additional icons to be included in new Releases for (i) the Horizon Service Infrastructure or (ii) the elements of the Horizon Service Infrastructure used during the Roll Out Phase, the price that Post Office shall pay to Fujitsu Services for such icons shall be as set out in the CCD entitled "Horizon Icon Service Prices" (CS/PDN/019).

#### New Extract Definition Requests

7.8 If Post Office requests New Extract Definitions pursuant to the CCD entitled "APOP Definition" (BP/SPE/046) the price that Post Office shall pay to Fujitsu Services for each such New Extract Definition provided shall be £7,581.54.

7.9 If Post Office requests additional or amended receipt templates for Horizon pursuant to the CCD entitled "Receipt Template Service: Service Description" (SVM/SDM/SD/0022) the price that Post Office shall pay to Fujitsu Services for such receipt templates shall be:

- For each new template - £3,643.93
- For each major amendment - £1,821.97
- For each minor amendment - no charge.

Note: These charges are baselined at April 2019

#### Payment Cardholder Environment (PCI) Penetration Testing

7.10 The unit price per Penetration Test carried out by Fujitsu, in accordance with the scope described under the Security Management Service: Service Description referenced SVM/SDM/SD/017, is £38,355.80. Should changes be made to the Cardholder Environment the unit charge shall be revised and agreed in accordance with the Change Control Procedure.

7.11 Work will be completed within 8 weeks from the date Fujitsu receive a Purchase Order for carrying out a Penetration Test.

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PODG Client Connection Service

- 7.12 Post Office shall pay Fujitsu Services for the PODG Client Connection Service at the prices set out below in accordance with the provisions of Schedule B3.1 and Annex C to the CCD entitled " Data Centre Operations Service: Service Description" (SVM/SDM/SD/0003).

Description of Change	Charges
OBC102 - Route changes without security or network changes	£4,245.47 per route
OBC103 - Route changes with security changes	£6,561.18 per route
OBC104 - Security changes	£2,315.71 per security credential set
OBC105 - Route changes with network changes	£7,333.09 per route
OBC106 - Addition of new End Points	£12,350.46 per end point
OBC107 - Addition new End Points with associated UAT	£19,297.59 per end point
OBC108 - Removal of Routes	£1,698.19 per route
OBC109 – Removal of End Points	£4,631.42 per end point
OBC110 – Removal of Routes and associated End Points	£5,403.33 per end point with route
OBC111 - Ad Hoc changes  Password reminder  File Re-send  Back up data transfer  One off DOS and UNIX file format conversion	£771.90 per each type of change
OBC112 - Non Standard Changes	Hourly rate priced in accordance with the rates in Schedule D1, section 10.4

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For the avoidance of doubt, addition of new End Points with ISDN network type is out of scope of the PODG Client Connection Service.

- 7.13 Post Office shall pay Fujitsu Services a charge, calculated on a Time and Material basis using the rates in Schedule D1, section 10.4, if a request under the PODG Client Connection Service is cancelled or paused for 3 months or more due to Fujitsu Services waiting for input or clarification from Post Office on one or more items causing work to be paused.

#### **Additional Charges in respect of the Service Management Service**

- 7.14 As an additional Charge for the Service Management Service, Post Office shall pay Fujitsu Services for the Training Controls Disablement and Re-Enablement Service. Each Request to Disable Training Controls received and acted upon will be subject to a Charge of £4,872.96\* per request. For the avoidance of doubt, Requests to Re-Enable Training Controls will not be subject to any further Charges.

\* £4,872.96 is the figure for the Financial Year ending March 31st 2019 and will be uplifted annually by RPI as per paragraph 16 of the Schedule D1.

### **8 PARAGRAPH REMOVED BY CCN1610**

#### Superstock Service Charges

8.1 Not Used

8.2 Not Used

### **9 CHARGES FOR THIRD PARTY MANAGEMENT SERVICES**

- 9.1 Subject to paragraphs 9.2 and 9.3, the Charges payable by Post Office to Fujitsu Services for the provision of the Third Party Management Services shall be agreed under the Change Control Procedure in respect of each third party that the Parties agree shall be managed by Fujitsu Services as part of that Service.
- 9.2 In the event of Partial Termination of any Terminable Service pursuant to Clause 47.10.1 or 47.10.2 and the Parties agree or Post Office directs (where Post Office is entitled to direct pursuant to paragraph 2.5 of Schedule E) that Fujitsu Services shall be responsible for the management of the provision by a third party to the Post Office of services equivalent to that Terminable Service, the Charges which shall be paid by Post Office to Fujitsu Services for the provision of the Third Party Management Service in respect of such equivalent services shall, subject to paragraph 9.3, be equivalent to the Service Management Element which would have been payable had that Terminable Service not been terminated.

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- 9.3 In the event that Partial Termination of any Terminable Service occurs pursuant to Clause 47.10.1 or 47.10.2 and the specification of the third party services (if any) that Fujitsu Services is directed by Post Office or agrees to manage as part of the Third Party Management Service is different to the specification that applied to that Terminable Service as referred to in Schedule B3.1, the Charges payable by Post Office under paragraph 9.2 shall be increased by an amount equivalent to the Interface Operational Costs reasonably incurred by Fujitsu Services which would not have been incurred but for such differences in specification plus margin thereon calculated by multiplying such Interface Operational Costs by 22 divided by 78 or, in the case only of network connections provided by a third party, 5 divided by 95.

**10 CHARGES FOR DEVELOPMENT SERVICES**Pre-Paid Development Charges

- 10.1 In consideration of the provision by Fujitsu Services of the Development Services, Post Office shall pay to Fujitsu Services on the first day of each month an amount equal to one twelfth of the amount set out in the following Table in respect of the Financial Year in which such month falls.

<b>Pre-paid Development Charges (£ millions) in Financial Years ending 31 March:</b>								
<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
6.7	5.53	4.62	4.66	0	0	0	0	0

- 10.2 Each monthly payment made in accordance with paragraph 10.1 shall be available to Post Office as a credit to offset against the following Charges due that month:

10.2.1 firstly against the Charges for HNG-X Development and Associated Change Development (if any due that month in accordance with the provisions of Schedule D8); and

10.2.2 secondly, if any balance of such payment remains, against the Charges due that month for any Development Services (but not the SIP) undertaken by Fujitsu Services pursuant to a Work Order.

- 10.3 If any balance of such payment remains after the amounts applied in accordance with paragraphs 10.2.1 and 10.2.2, such balance shall not, subject to paragraph 12.2 of this Schedule D1 and paragraph 2.6 of Schedule D8, be offset against any other Charges nor shall it be carried forward.

Development Resources

- 10.4 Unless otherwise agreed,

a) for all CTs agreed up to and including 31<sup>st</sup> March 2016, if Post Office requires Fujitsu Services to provide resources for Development Services pursuant to Schedule B1.1, Post



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Office shall pay Fujitsu Services for such services on a time-cost basis according to the following rates including where such resources fall within the Core Team:

<b>Grade</b>	<b>Rate per hour On Shore</b>	<b>Rate per hour Near Shore</b>	<b>Rate per hour Offshore (India)</b>
Systems Engineer	£83.38	£98.19	£37.86
Senior System Engineer	£100.85	£101.94	£40.06
Lead System Engineer	£118.65	£109.44	£43.79
Unit Leader	£133.29	£128.36	£60.77
Consultant (including SAP Consultant)	£153.38	Not applicable	Not applicable
Senior Consultant, Manager	£171.54	Not applicable	Not applicable
Senior Manager, Principal Specialist	£201.51	Not applicable	Not applicable
Exit Manager	£171.54	N/A	N/A
Transition Director	£201.51	N/A	N/A

b) For all CWOs and CTs agreed from 1<sup>st</sup> April 2016, the above rate card shall be replaced with the Rate Card detailed below.

<b>Grade</b>	<b>Rate per day* On Shore</b>	<b>Rate per day* Offshore (India)</b>
Systems Engineer	£756	£346
Senior System Engineer	£914	£418
Lead System Engineer	£1,075	£447
Unit Leader	£1,210	£577

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<b>Grade</b>	<b>Rate per day* On Shore</b>	<b>Rate per day* Offshore (India)</b>
Consultant (including SAP Consultant)	£1,390	Not applicable
Senior Consultant, Manager	£1,557	Not applicable
Senior Manager, Principal Specialist	£2,228	Not applicable
Exit Manager	£1,557	N/A
Transition Director	£2,228	N/A

<b>Grade</b>	<b>Rate per day* offshore (Thailand)</b>
Consultant (Network Architect)	£898

\* The per day basis is calculated by reference to 7.4 hours for on-shore and 8 hours for off-shore. Any per hour work shall be pro-rated accordingly.

The Rate Card detailed in paragraph b) (applicable from 1<sup>st</sup> April 2016) is specified at the prices applicable in February 2019 and as such shall be subject to indexation in accordance with paragraph 16.4 prior to it becoming effective as well as for each Financial Year thereafter.

#### Core and Standing Teams to 31<sup>st</sup> March 2015

10.4A During the period up to 31<sup>st</sup> March 2015, where members of the Inner Core Team, Outer Core Team and Standing Team are retained on the contract full time for an extended period for development work other than POLSAP or SIP (which already attract discounts), the following discounts shall apply retrospectively to the date of CCN1271c or the date they commenced the development work, whichever is the later.

Discounts shall be calculated for all the Inner Core Team, Outer Core Team and Standing Team personnel and the discount calculations for each year shall be presented to the Demand Planning Board each March for agreement.

For the Inner Core Team only, in recognition of the commitment of the team through to the end of the Agreement, the anticipated final discount level shall be refunded annually. In the event that eligibility for the Inner Core final discount ceases, then Post Office shall repay all sums previously refunded by Fujitsu Services against that discount at the end of the year at the time the other discounts are reconciled.

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Payments of the agreed discount sum to Post Office shall be made on the April monthly invoice each year as a credit (or via a cheque where the monthly operational charges are insufficient or are no longer due). Discounts are only applied against standard UK rates; there is no discount on Near Shore or Offshore rates. Where a post is discontinued, or personnel replaced, at Post Office's request (except where personnel are replaced under paragraph 3c of Annex 3 to Schedule A2), the eligibility for discount will be frozen at the point of leaving the post or its discontinuance. If personnel are absent temporarily for personal, sickness or Fujitsu Services requested reasons, the eligibility for discounts shall not be affected by the absence.

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DISCOUNTS

Length of Service	Inner Core	Outer Core	Standing
0 up to 12 months	0%	0%	0%
12 up to 36 months	0%	4.5%	4%
36 up to 60 months	0%	8%	6%
60 months or greater	18%	12%	8%

Core and Standing Teams from 1<sup>st</sup> April 2015

10.4B During the period from 1<sup>st</sup> April 2015, the following charging structure will apply in respect of the Inner Core Team and the Outer Core Team:

- 10.4B.1 Each full time post for the Inner Core Team shall be charged at the Rate Card rate. From 1<sup>st</sup> April 2015 until 31<sup>st</sup> March 2016, subject to Clauses 10.4B.2 and 10.4B.3, a discount of 18% of the total amount charged for the Inner Core Team shall be calculated on a monthly basis and applied as a credit to the Operational Charge. CCN1600 introduced a new Rate Card effective from 1<sup>st</sup> April 2016 with discounted rates.
- 10.4B.2 In the event that Post Office removes a full time post from the Inner Core Team, the following will apply:
- (a) As set out in paragraph 12 of Annex 3 to Schedule A2, where Post Office removes any or all full time posts from the Inner Core Team by notice in writing, on or prior to 30th September 2014, there shall be no additional charge.
  - (b) Where Post Office removes a full time post from the Inner Core Team after 30<sup>th</sup> September 2014 but prior to 1 April 2016, Post Office shall pay to Fujitsu Services a sum equivalent to the 18% discount applied in respect of such full time post in a six month period. This amount shall be invoiced by Fujitsu Services as a one off additional charge for the month in which the full time post is removed from the Inner Core team.
  - (c) Not Used
- 10.4B.3 In the event that Post Office provides notice to increase the Inner Core Team in accordance with paragraph 11.3 of Annex 3 to Schedule A2 between 1<sup>st</sup> April 2015 and 31<sup>st</sup> March 2016 inclusive, the 18% discount shall only apply 3 full months after the resource is added to the Inner Core Team. For the avoidance of doubt, this paragraph 10.4.3B shall not apply if Post Office provides notice to increase the Inner Core Team in accordance with paragraph 11.3 of Annex 3 to Schedule A2 on or before 31<sup>st</sup> March 2015.
- 10.4B.4 Paragraphs 10.4B.1, 10.4B.2 and 10.4B.3 above will not apply in the event that the Inner Core Team is terminated by Post Office in accordance with paragraph 12 of Annex 3 to Schedule A2.

For the Outer Core Team the discount structure during the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 is based upon the following table:

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Committed monthly spend (made by Post Office 3 months in advance)	Discount
>£150,000	1%
>£200,000	2%
>£250,000	3%
>£350,000	4%
>£500,000	5%



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The following shall also apply to the Charging for the Outer Core team:

- (i) The default pre-committed monthly Charge for the Outer Core team shall be £150,000.
- (ii) Post Office shall confirm its committed monthly spend and the mix of skills in this team 3 months in advance of the month to which it wishes to apply the discount. In order to qualify for the discount, the Post Office shall provide its projected spend for 1<sup>st</sup> April 2015 to 30<sup>th</sup> June 2015 on or before 31<sup>st</sup> December 2014.
- (iii) Fujitsu Services shall apply the discount applicable to the committed monthly spend in each monthly invoice.
- (iv) Save with respect to the period April 2015 to June 2015 (inclusive) should Post Office fail to commit to a monthly spend 3 months in advance or separately fails to meet monthly committed level of spend they will lose the discount for that and the previous 2 months. In the event that Post Office fails to meet its monthly committed level of spend in April 2015, May 2015 or June 2015, it shall only lose the discount for that month. In both cases, this shall be invoiced by Fujitsu Services as a one off additional charge for the month in which the committed monthly spend is not achieved.
- (v) Post Office shall receive an additional 1% discount to the Rate Card for each additional 6 month period that Post Office, in advance, makes a committed monthly spend. For example, if Post Office were to commit to spend £500,000 per month from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 it would be entitled to a discount of 9% on the rates set out in the Rate Card. In order to receive this discount, Post Office must give the commitment at least 3 months prior to the first day of the committed period. So, for example, in order to receive the total discount for 2 years commitment Post Office shall be required to make this commitment by 31<sup>st</sup> December 2014.
- (vi) There are no individual resource rate card reductions in addition to this mechanism.

10.5 The Development Charges shall be due for payment monthly in arrears.

10.6 The Charges calculated in accordance with paragraph 10.4 in respect of work undertaken for that day by each of the roles below shall not exceed the rates per day set out in the table in paragraph 10.4B of Schedule D1:

10.6.1 Consultant;

10.6.2 Senior Consultant Manager or Exit Manager and

10.6.3 Senior Manager, Principal Specialist or Transition Director.

10.7 Fujitsu Services will be entitled to be reimbursed by the Post Office for all reasonable expenses incurred by it in providing Development Services, including (without limitation) travel and subsistence expenses. Fujitsu Services shall notify Post Office in advance of any unusual anticipated expenses, such as international travel.

10.8 Fujitsu Services shall, unless otherwise agreed, be entitled to charge for materials, equipment, licences, support and other third party charges reasonably incurred by Fujitsu Services in performing Development Services so as to make a 10% margin in relation to those bought in elements of Fujitsu Service Cost (which for this purpose shall not include any Fujitsu Services labour costs).

Credits relating to HNG-X Development

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- 10.9 An amount equivalent to £5,600,000 (exclusive of VAT) in aggregate shall be available to Post Office as a credit to offset against the Charges for Operational Services. Of that £5,600,000:

10.9.1 £2,133,333.33 shall be available upon signature of the POLSAP Phase 1 Live Service CCN.

10.9.2 £1,733,333.33 shall be available upon signature of the Test Rig CCN (Infrastructure including CIT, SV&I and INT Rigs).

10.9.3 £1,733,333.33 shall be available upon signature of the HNG-X Release 2 bundle (inclusive of the component Commercial Terms (CTs) for each individual change plus the overall 'wrapper' CCN authorising the release as a whole and the CCN authorising the on-going service charge adjustments).

The above credits (in paragraphs 10.9.1 to 10.9.3 inclusive) not being dependent upon the actual value of the CTs or CCNs. The credits shall each be made available to Post Office to offset against the first monthly invoice for total Operational Charges following the date of signature of the relevant CCN. The Margin Protection adjustment shall not operate to reduce the full value of the credits above.

New Business after initial HNG-X release

- 10.10 Post Office commits to procuring from Fujitsu Services further HNG-X releases and /or other new business agreed from time to time (after the initial HNG-X release) to a minimum value of £13.25 million including, but not necessarily limited to, Infrastructure and the Wrappers in the table below, although it is recognised that formal CCNs/CTs cannot be signed until the content of such CCNs/CTs is agreed.

New business
HNG-X Infrastructure (CIT, SV&I, INT Rigs)
HNG-X R2/R3/R/4 (i.e. further releases after the initial HNG-X release)
HNG-X R4/R5 Wrappers CT

Fixed Price Basis

- 10.11 If a fixed price basis is used for Development Services, Fujitsu Service Cost may include a level of contingency and the fixed price will be assessed and agreed in advance on an Open Book basis as set out in Schedule D4.

Gain Share

- 10.12 Gain Share may apply in relation to the provision of Development Services in accordance with the principles set out in Schedule D3.

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**11 SIP CHARGES**

- 11.1 Unless otherwise agreed, if in any Financial Year Fujitsu Services provides members of the SIP Team pursuant to Schedule B1.2, Post Office shall pay Fujitsu Services for such provision on a time-cost basis, being rates equal to the cost to Fujitsu Services (on a break-even basis) of employing the relevant individuals, taking into account for the purposes of calculating that cost any averaging required where the relevant individual's grade encompasses more than one professional community grade within Fujitsu Services' organisational structure. Such cost shall be certified by Fujitsu Services in accordance with paragraph 1.5 of Schedule D4.
- 11.2 During the Financial Year 2006/7 the charges for each grade of Fujitsu Services staff in the SIP shall, unless paragraph 11.4 applies, be calculated according to the rates for non-committed resource set out in the following table:

Grade	Rate per working day (non-committed resource)	Rate per working day (committed resource)
	On Shore	On Shore
Systems Engineer	Not applicable	Not applicable
Senior System Engineer	Not applicable	Not applicable
Lead System Engineer	Not applicable	Not applicable
Consultant, Unit Leader	£487.13	£444.14
Senior Consultant, Manager	£632.87	£575.64
Senior Manager, Principal Specialist	£799.86	£728.05

- 11.3 The number of hours charged in accordance with paragraph 11.2 for any individual for any day shall not exceed 7.4
- 11.4 The rate per working day for the relevant grade of committed resource in the table above shall apply in respect of each Fujitsu Services SIP Team Member of that grade where Post Office notifies Fujitsu Services by 30 September 2006 that it will commit to utilising the specified role in which an individual of that grade is engaged for at least 100 days of the remainder of Financial Year 2006/7. If by the end of Financial Year 2006/7 Post Office has not utilised that specified role for 100 days or more, the charges for the individual

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performing that role shall be recalculated using the applicable rate for non-committed resource and Post Office shall pay to Fujitsu Services an amount equal to the difference.

- 11.5 The Charges for resources for the SIP shall become due for payment monthly in arrears.
- 11.6 The rates for each grade set out in the table in paragraph 11.2 shall be varied in each subsequent Financial Year to reflect the costs to Fujitsu Services referred to in paragraph 11.1 (the component elements of which costs are as set out in the table "Breakdown of Day Rate Calculation – Example Grades" referred to in paragraph 2 of the CCD entitled "HNG-X Baseline Open Book Information" (COM/MGT/PRO/0002)) for that Financial Year as applicable in respect of each such grade, taking into account any averaging required where that grade encompasses more than one professional community grade within Fujitsu Services organisational structure. For the purposes of the rates for each grade of committed resource in the table in paragraph 11.2, such variation shall be on the basis that Post Office commits at the beginning of the Financial Year to utilising that grade of resource for 204 days in that Financial Year. Paragraph 11.4 shall apply in respect of each Financial Year after 2006/7 with the necessary changes deemed to be made to it to reflect such 204 day commitment applying from the beginning of the Financial Year rather than the 100 days referred to applying from September 2006.
- 11.7 In each case where a Fujitsu Services SIP Team Member is unable to perform a specified role due to illness, injury or any other reason outside Post Office's control, the number of days for which he is unable to perform that role shall be deemed to be included within a period of utilisation of that role for the purposes of determining whether Post Office has not utilised a specified role.

## 12 CHARGES FOR TRANSFER SERVICES

- 12.1 Post Office shall pay Fujitsu Services for all Transfer Services provided in the event of Partial Termination, termination of Project HNG-X, termination of the Agreement or expiry of the Agreement on a time-cost basis according to the rates set out in the Table in paragraph 10.4 (but subject to paragraph 10.6) and on the basis set out in paragraph 10.5.
- 12.2 If Transfer Services are provided prior to 31 March 2010, any unused balance at the end of each month of the pre-payment referred to in paragraph 10.3 may, at Post Office's option, be offset as a credit against the Charges due that month for such Transfer Services in accordance with paragraph 12.1.
- 12.3 Fujitsu Services' Charges in respect of materials and expenses in connection with the provision of Transfer Services shall be calculated in the same way as they are calculated for Development Services as set out in paragraphs 10.7 and 10.8.

## 13 CAPACITY ADDITIONS

- 13.1 The capacity planning and performance and volume monitoring carried out as part of the Service Management Service may from time to time identify that forecast volumes of Post Office business are likely to exceed those allowed for and the consequent need to add capacity to an element of the HNG-X Systems so as to maintain Fujitsu Services' capability to achieve Service Levels.



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- 13.2 Such additions will be supported by analysis carried out in accordance with the CCD entitled "Horizon Capacity Management and Business Volumes" (PA/PER/033) and be subject to the Change Control Procedure.
- 13.3 Fujitsu Services shall be entitled to recover from Post Office its reasonably incurred, increased direct costs and expenses of performing its obligations under this Agreement to the extent that such increased direct costs and expenses were the result of a Design Limit being exceeded. Fujitsu Services shall use all reasonable endeavours to mitigate the amounts payable in accordance with this paragraph and shall provide an Open Book statement of such increased direct costs and expenses incurred for approval by Post Office, such approval not to be unreasonably withheld.
- 13.4 Other enhancements to the HNG-X System may be required from time to time in accordance with the Work Ordering Procedure or Change Control Procedure, as applicable. Unless otherwise agreed, the pricing principles are as follows:
- 13.4.1 Fujitsu Services shall be entitled to Charge for the work undertaken by it in relation to such enhancements on the time and materials basis set out under the heading "Development Resources" in paragraph 10.4 (but subject to paragraph 10.6).
- 13.4.2 If a fixed price basis is to be used in relation to such work, such fixed price will be assessed and agreed between Post Office and Fujitsu Services in advance on an Open Book basis. In arriving at such fixed price, Fujitsu Services shall be entitled to include a level of contingency above Fujitsu Service Cost.
- 13.4.3 As an alternative to the charging mechanisms described in this paragraph, Gain Share may be considered in accordance with the principles of Schedule D3.

**14 PIN PADS AND PAYPOLE PROCUREMENT**

- 14.1 Paragraph removed by CCN1616b
- 14.2 Paragraph removed by CCN1616b
- 14.3 Paragraph removed by CCN1616b
- 14.4 Paragraph removed by CCN1616b

Additional PIN Pads and PIN Pad OBC Stock

- 14.5 Until 31<sup>st</sup> March 2015, in the event that the PIN Pad OBC Stock is reduced to 100 PIN Pad Units or less, Fujitsu Services shall notify Post Office of such in writing or by email.
- 14.6 Post Office shall within five Working Days of receipt of such notification from Fujitsu Services confirm to Fujitsu Services in writing or by email (a "PIN Pad OBC Stock Notice") whether or not it requires Fujitsu Services to increase the PIN Pad OBC Stock.
- 14.7 Where Fujitsu Services receives a PIN Pad OBC Stock Notice stating that the PIN Pad OBC Stock should not be increased, Fujitsu Services shall be relieved of its obligations



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to supply and install PIN PADs set out in either of the CCDs entitled "Fujitsu Services/Post Office Ltd Operational Business Change - Branch Interface Agreement" (CS/IFS/003) or "Operational Business Change (Branch Change) Service: Service Description" (SVM/SDM/SD/0014) to the extent that it does not have the necessary PIN Pad OBC Stock. Such relief shall apply until Fujitsu Services receives the required PIN Pad Units to be added to PIN Pad OBC Stock (following written notification from Post Office to Fujitsu Services that it requires Fujitsu Services to increase the PIN Pad OBC Stock).

- 14.8 Where a PIN Pad OBC Stock Notice requires Fujitsu Services to augment the PIN Pad OBC Stock, Fujitsu Services shall procure the required number of PIN Pad Units and shall use reasonable endeavours to do so within 100 days of receipt of the PIN Pad OBC Stock Notice.
- 14.9 Fujitsu Services' Charge for each additional PIN Pad Unit procured shall be £583.16 and shall become due for payment upon delivery of such PIN Pad Unit. This Charge is subject to the proviso that each PIN Pad OBC Stock Notice for additional PIN Pad Units given by Post Office under paragraph 14.6 is for no more than 1000 PIN Pad Units.
- 14.10 For the avoidance of doubt, the Charges specified in paragraph 14.9 shall be in addition to any Charges agreed in respect of PIN Pad related services set out in the CCD entitled "Operational Business Change (Branch Change) Service: Service Description" (SVM/SDM/SD/0014).

## 15 CHARGES FOR NBX HARDWARE

- 15.1 In respect of Hardware procured by Fujitsu Services pursuant to Commercial Terms numbered CT 176A, the sum of £24,923.50 shall become due for payment by Post Office to Fujitsu Services on the first day of each calendar month between the Amendment Date and 31 March 2010.
- 15.2 In the event that this Agreement is terminated prior to 31 March 2010, the aggregate of the payments that would, but for such termination, have become due for payment in accordance with paragraph 15.1 shall instead become due for payment by Post Office to Fujitsu Services upon such termination.

## 16 INDEXATION

- 16.1 Each of:
- 16.1.1 the fixed charges and charging rates contained in this Schedule, its Annexes and those in the CCDs referred to in paragraph 5, 6 and 7 (but not any other CCDs);
  - 16.1.2 the daily limits referred to in paragraph 10.6, and
- other than:
- 16.1.3 the Invest to Save Payment and Invest to Save Credit referred to in paragraphs 17.1, 17.2 respectively; which are subject to the provisions in accordance with clause 17.6
  - 16.1.4 Not Used

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- 16.1.5 all amounts allowable as credits unexpended under paragraph 10.9,
- 16.1.6 the rates set out in the Table in paragraph 11.2, the Charge for NBX Hardware referred to in paragraph 15.1; and
- 16.1.7 the Charges for each of the Services in the Table in Annex D which are marked "Not Indexed" in the column of the table headed "Indexation Provision",

are referred to in this paragraph 16 as the Indexed Charges.

- 16.2 During the period up to 31<sup>st</sup> March 2015, the Indexed Charges (other than the Near Shore and Offshore Rates) shall be indexed as follows:
  - 16.2.1 In respect of each Financial Year subsequent to the Financial Year ending 31<sup>st</sup> March 2006 up to the Financial Year ending 31<sup>st</sup> March 2015, each of the Indexed Charges other than the Near Shore and Offshore Rates contained in the table set out in paragraph 10.4 shall be multiplied by a percentage equal to 100+ the RPI Percentage applicable to that Financial Year.
  - 16.2.2 Such calculations shall be carried out before the start of each new Financial Year and the Indexed Charges as so adjusted shall be recorded in revised versions of this Schedule D1 and relevant CCDs.
  - 16.2.3 The adjustment described in this paragraph 16.2 shall be made for the first time in respect of the Indexed Charges referred to in paragraphs 16.1.3 and 16.1.4 so as to be effective in respect of those Indexed Charges in Financial Year ending 31<sup>st</sup> March 2010.
- 16.2A During the period from 1<sup>st</sup> April 2015 up to and including 31<sup>st</sup> March 2016, the Indexed Charges (other than the Varied Indexed Charges, Near Shore and Offshore Rates) shall be indexed as follows:
  - 16.2A.1 In respect of each Financial Year subsequent to the Financial Year ending 31 March 2015, each of the Indexed Charges other than the Varied Indexed Charges, the Near Shore and Offshore Rates contained in the table set out in paragraph 10.4 shall be multiplied by a percentage equal to 100+ the RPI Percentage applicable to that Financial Year; and
  - 16.2A.2 Such calculations shall be carried out before the start of each new Financial Year and the Indexed Charges (other than the Varied Indexed Charges, Near Shore and Offshore Rates) as so adjusted shall be recorded in revised versions of this Schedule D1 and relevant CCDs.
- 16.2B During the period from 1<sup>st</sup> April 2015 up to 31<sup>st</sup> March 2016, the Varied Indexed Charges shall be indexed as follows:
  - 16.2B.1 In respect of each Financial Year subsequent to the Financial Year ending 31<sup>st</sup> March 2015 in which the RPI Percentage is below 5%, each of the Varied Indexed Charges shall be indexed in accordance with the following formula:
 
$$(\text{RPI Percentage} \times (35\% \times \text{Varied Indexed Charges})) + \text{Varied Indexed Charges}.$$
  - 16.2B.2 In respect of each Financial Year subsequent to the Financial Year ending 31<sup>st</sup> March 2015 in which the RPI Percentage is 5% or greater, each of the

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Varied Indexed Charges shall be indexed in accordance with the following formula:

$$(5\% \times (35\% \times \text{Varied Indexed Charges})) + ((\text{RPI Percentage} - 5\%) \times (\text{Varied Indexed Charges}) + \text{Varied Indexed Charges}.$$

16.2B.3 Such calculations shall be carried out before the start of each new Financial Year and the Varied Indexed Charges as so adjusted shall be recorded in revised versions of this Schedule D1 and relevant CCDs.

16.2C During the period from 1<sup>st</sup> April 2016 up to 31<sup>st</sup> March 2017, the Indexed Charges (other than the Varied Indexed Charges, Near Shore and Offshore Rates) shall be indexed as follows:

16.2C.1 in respect of the Financial Year ending 31<sup>st</sup> March 2017, each of the Indexed Charges other than the Varied Indexed Charges, the Near Shore and Offshore Rates contained in the table set out in paragraph 10.4 shall be multiplied by a percentage equal to 100+ the RPI Percentage applicable to that Financial Year; and

16.2C.2 such calculations shall be carried out before the start of each new Financial Year and the Indexed Charges (other than the Varied Indexed Charges, Near Shore and Offshore Rates) as so adjusted shall be recorded in revised versions of this Schedule D1 and relevant CCDs.

16.2C.3 For the avoidance of doubt, this provision means that the indexation calculations applied as a result of paragraph 16.2.C.1 shall not be carried through to each subsequent Financial Year.

16.2D During the period from 1<sup>st</sup> April 2016 up to 31<sup>st</sup> March 2017, the Varied Indexed Charges shall be indexed as follows:

16.2D.1 In respect of the Financial Year ending 31<sup>st</sup> March 2017 in which the RPI Percentage is below 5%, each of the Varied Indexed Charges shall be indexed in accordance with the following formula:

$$(\text{RPI Percentage} \times (35\% \times \text{Varied Indexed Charges})) + \text{Varied Indexed Charges}.$$

16.2D.2 In respect of the Financial Year ending 31<sup>st</sup> March 2016 in which the RPI Percentage is 5% or greater, each of the Varied Indexed Charges shall be indexed in accordance with the following formula:

$$(5\% \times (35\% \times \text{Varied Indexed Charges})) + ((\text{RPI Percentage} - 5\%) \times \text{Varied Indexed Charges}) + \text{Varied Indexed Charges}.$$

16.2D.3 Such calculations shall be carried out before the start of each new Financial Year and the Varied Indexed Charges as so adjusted shall be recorded in revised versions of this Schedule D1 and relevant CCDs.

16.2D.4 For the avoidance of doubt, this provision means that the indexation calculations applied as a result of 16.2.D.1 and 16.2.D.2 shall not be carried

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through to each subsequent Financial Year.”

- 16.2E With regard to Service Desk Service only, the first six month fixed period extension (from 1st April 2015 to 30th September 2015 shall be subject to a 5% increase in the Charges (as at 31st March 2015, uplifted for any relevant RPI adjustment) set out in Annex B of Schedule D1 with respect to the Service Desk Service. For any subsequent six month fix period extension after 30th September 2015, the Charges set out in Annex B of Schedule D1 with respect to the Service Desk Service shall be subject to a 10% increase in the Charges (as at 31st March 2015 uplifted for any relevant RPI adjustment).
- 16.2F During the period from 1<sup>st</sup> April 2017 until 31<sup>st</sup> March 2018, no indexation shall apply to the Indexed Charges (not including the On Shore and Off Shore Rates which shall be indexed in accordance with paragraphs 16.2 and 16.4 respectively). For the avoidance of doubt, if any Expiring Services are extended beyond 31<sup>st</sup> March 2017, then notwithstanding they are Indexed Charges, they shall be subject to indexation in accordance with paragraph 16.2.
- 16.2G During the period from 1<sup>st</sup> April 2018 the Indexed Charges (other than Offshore Rates) shall be indexed as follows:
- 16.2G.1 In respect of each Financial Year subsequent to the Financial Year ending 31<sup>st</sup> March 2018, each of the Indexed Charges other than the Offshore Rates contained in the table set out in paragraph 10.4 shall be multiplied by a percentage equal to 100+ the RPI Percentage applicable to that Financial Year.
- 16.2G.2 Such calculations shall be carried out before the start of each new Financial Year and the Indexed Charges as so adjusted shall be recorded in revised versions of this Schedule D1 and relevant CCDs.
- 16.2G.3 For the avoidance of doubt, the Off Shore Rates shall be indexed in accordance with paragraph 16.4.
- 16.3 The RPI Percentage applicable to the Indexed Charges (including but not limited to the Varied Indexed Charges from 31<sup>st</sup> March 2015) other than the Near Shore and Offshore Rates contained in the table set out in paragraph 10.4 in respect of any Financial Year means the difference, expressed as a percentage, between the level of the Retail Prices Index in respect of the December in the previous Financial Year and the level of the Retail Prices Index in respect of the December falling in the Financial Year immediately preceding that previous Financial Year.
- 16.4 In respect of each Financial Year (“Year Z”) subsequent to the Financial Year ending 31 March 2006, each of the Near Shore and Offshore Rates contained in the table set out in paragraph 10.4 shall be adjusted as follows:
- 16.4.1 converted into Rupees at the Relevant Exchange Rate prevailing in respect of December in Year X (as defined in paragraph 16.4.2 below);
- 16.4.2 multiplied by a percentage equal to 100 plus the difference, expressed as a percentage, between the level of the Relevant Indian Index in respect of the

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December in the previous Financial Year ("Year Y") and the level of the Relevant Indian Index in respect of the December falling in the Financial Year immediately preceding that previous Financial Year ("Year X"); and

16.4.3 converted back into sterling at the Relevant Exchange Rate prevailing in respect of December in the previous Financial Year ("Year Y").

16.5 For this purpose:

16.5.1 the Relevant Indian Index shall mean the all-India Consumer Price index (UNME) published by the Government of India Ministry of Statistics and Programme Implementation. In the event that such index is no longer published and the Parties fail to agree a suitable substitute index it shall mean such index as is recommended as a suitable alternative by expert determination in accordance with Schedule A2;

16.5.1.1 At the end of December 2010 the all-India Consumer Price index (UNME) referred to in paragraph 16.5.1 above was ceased. The Relevant Indian Index used in the calculation in paragraph 16.4 to derive the indexation to be applied to the Near Shore and Offshore Rates for year ending 31st March 2013 onwards shall be based on the "All India General (all Groups) Consumer Price Index for Urban Areas" as published by the by the Government of India Ministry of Statistics and Programme Implementation; and

16.5.2 the Relevant Exchange Rate in respect of any December shall be the arithmetical mean of all the daily spot exchange rates published by the Bank of England in respect of that December on its website ([www.bankofengland.co.uk](http://www.bankofengland.co.uk)) under reference "Rupee to Sterling Daily Spot Rate – XUDLBK97".

16.6 For the avoidance of doubt, any Service provided in one Financial Year but not invoiced until a subsequent Financial Year shall be invoiced at the fixed charge or charging rate applicable to such Service at the time it was supplied. The Parties agree that at the end of each Financial Year, Fujitsu Services may increase the Day Rates listed in a CWO in accordance with Paragraph 16 of Schedule D1 (Charges). The increased Day Rates shall apply to the Services that have not been provided by Fujitsu Services under a CWO at the point of increase.

16.7 The rates at which liquidated damages are payable in respect of Service Level Measurement Periods shall be increased in each of the Financial Years set out in the following table by the RPI Adjustment Factor for that Financial Year, being the difference, expressed as a percentage, between the level of RPI in respect of the December in the year immediately preceding that Financial Year and the level of RPI in respect of December 2005.



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	Financial Years ending 31 March																	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
RPI Adjustment Factor (%)	4.43%	8.6%	9.58%	12.31%	17.67%	23.34%	27.15%	30.55%	32.16%	33.76%	37.61%	43.28%	47.14%	50.39%	52.19%	63.68%	85.68%	95.26%

The RPI Adjustment Factors in respect of the Financial Years set out in the above table shall be inserted in the table when ascertained.

## 17 INVEST TO SAVE MODEL

- 17.1 Post Office shall make a payment to Fujitsu of £1.3m (one million three hundred thousand pounds) on 1st April 2017, and £2.6m (two million six hundred thousand pounds) in quarter 3 financial year 2017-2018 (within 20 Working Days from the invoice date) (total £3.9m) for Fujitsu Services to invest in projects with the aim to reduce Fujitsu Services cost base for delivery of the Services (the **"Invest to Save Payment"**).
- 17.2 In consideration of this Invest to Save Payment, the Operational Charges shall be reduced by the monthly credit, from 1st April 2017 until 31st March 2023, referred to in Annex B of Schedule D1 as 'Invest to Save Credit' (the **"Invest to Save Credit"**). For the avoidance of doubt this credit shall be in addition to the Trinity 1 Credit referred to in paragraph 2.14 of Schedule D1.
- 17.3 It shall be at Fujitsu Services' absolute discretion what projects it implements as a result of the receipt of the Invest to Save Payment in order to achieve the required savings to its cost base to enable the Invest to Save Credit to be provided without impacting Fujitsu Services' margin. However this shall be at Fujitsu Services' risk and as such the Invest to Save Credit shall be credit irrespective of the operational savings actually achieved by Fujitsu Services.
- 17.4 In order to enable Fujitsu Services to achieve these required savings it has forecasted in order to fund the Invest to Save Credit, Post Office acknowledges and agrees that Fujitsu Services may need to make technical changes to the solution, assets and/or restructure its resources and/or increase its off-shore capability and as such, to the extent to which Fujitsu Services is required to ask consent from Post Office to enact these or any other changes, Post Office shall not unreasonably withhold or delay such consent and the costs of any such technical change shall be borne by Fujitsu Services.
- 17.5 The Invest to Save model detailed in this paragraph 17 is separate from the Gain Share mechanism detailed in Schedule D3 (Gain Share) which shall remain available for both parties to make use of. However, for the avoidance of doubt, no single project can be part of this Invest to Save model and the Gain Share mechanism and as such it shall be at Fujitsu Services' absolute discretion whether it elects to deliver a project as part of its commitment under the "Invest to Save" mechanism set out in this paragraph 17 or the Gain Share mechanism detailed in Schedule D3 (Gain Share). The Parties agree this is fair given the fact that Fujitsu Services is taking the risk of achieving the requisite savings."

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17.6 The Invest to Save values are subject to the following indexation approach:

- a. For the fiscal year 1st April 2017, to 31st March 2018, there will be no indexation applied to savings and payments.
- b. For the fiscal year 1st April 2018, to 31st March 2019, there will be no indexation applied to savings.
- c. For the fiscal year 1st April 2019 to 31st March 2020, there will be an indexation charge equivalent to 75% of the applicable indexation rate.
- d. For the fiscal years 1st April 2020 to 31st March 2021 and thereafter each year through to the end of the Term, indexation will apply at 100% of the applicable rate.

## 18 ASSOCIATED DOCUMENTS

18.1 The following CCDs are associated with this Schedule D1:

	Document Reference	Document Title
1	Withdrawn by CCN 1616b	
2	Not Used	
3	CS/PDN/015	Operational Business Change – Branch, Service Descriptions and Schedule of Service Prices
4	SVM/SDM/SD/0014	Operational Business Change (Branch Change) Service: Service Description
5	CS/SER/004	Message Broadcast Service: Service Description
6	SVM/SDM/SD/0018	Message Broadcast: Service Description
7	IM/STR/056	Counter Training Offices Strategy
8	SVM/SDM/SD/0003	Service Description for Data Centre Operations Service
9	Not Used	Not Used
10	SVM/SDM/SD/0013	Reference Data Management Service: Service Description
11	Not Used	Not Used
12	CS/PDN/019	Horizon Icon Service Prices
13	PA/PER/033	Horizon Capacity Management and Business Volumes

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14	CS/IFS/003	Fujitsu Services/Post Office Ltd Operational Business Change – Branch, Interface Agreement
15	SVM/SDM/SD/0014	Operational Business Change (Branch Change) Service: Service Description
16	Not Used	Not Used
17	CS/SER/016	Service Description for the Security Management Service
18	SVM/SDM/SD/0017	Security Management Service: Service Description
19	Not Used	Not Used
20	BP/SPE/046	APOP Definition
21	COM/MGT/PRO/0002	HNG-X Baseline Open Book Information
22	All references tbd	Software Register
23	SVM/SDM/SD/1977	Salesforce Support Service Service Description
24	SVM/SDM/SD/2191	POLSAP Hosting Service Service Description
25	Not Used	Not Used
26	SVM/SDM/SD/2192	Credence/MDM Service Service Descriptio

18.2 There are no CRDs associated with this Schedule D1.

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**ANNEX A****Part 1****BRANCH AND COUNTER POSITION LIMITS**

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 to end of term
1	Maximum Number of Branches	14257	14509	13843	13640	13441	13241	13038	12838	12638	12638
2	Maximum number of Counter Positions	35617	35330	35068	34812	34553	34253	33953	33653	33353	33353
3	Old Style Mobile Configurations (included in rows 1 and 2)	273	283	284	284	284	284	284	284	284	284
4	New Style Mobile Configurations (included in rows 1 and 2)	40	40	40	40	40	40	40	40	40	40
5	CTOs (included in row 1)	57	57	57	57	57	57	57	57	57	57
6	New CTO Configurations (included in row 2)	374	374	374	374	374	374	374	374	374	374
7	BFPO Branches (included in row 1)						45	45	45	45	45

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## Part 2

## OTHER LIMITS

ROW	ITEM	LIMIT	CONDITIONS
	Branch geography	United Kingdom	
	Single position gateway configurations installed (each having two hard disks and a communications card)	Within the overall limits in the Branch and Counter Positions Limits Table:  7,200	With an additional float of 15 single position gateway configurations for Operational Business Change purposes.  Limit applies until completion of Associated Change Activity A7.
i	Sum of:  Multi-position gateway configurations; and  Single position gateway configurations installed  (each having a communications card)	Within the overall limits in the Branch and Counter Positions Limits Table:  16,715	With an additional float of 35 multi-position gateway configurations for Operational Business Change purposes.  Limit applies until completion of Associated Change Activity A7.
ii	Number of Post Office Clients with PODG Gold Service Delivery Type supported by the Post Office Data Gateway Service	5	
	Provision of the Managed Switch Service introduced by CCN1308b and amended by CCN1402	Provision to 820 Branches	Provision beyond 820 Branches to be separately impacted by a subsequent CCN



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## ANNEX B

### OPERATIONAL CHARGES TABLE



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## ANNEX C

## TRIGGER POINT TABLE

Operational Service	Trigger Point	Planned Date (as at CCN1246) (for the purposes of the Operational Charges)	Charge element	Late Cost to Post Office (cost and margin)  £ per calendar month	Charge to be adjusted (Operational Fixed Charge or Operational Unit Charge):
Service Desk Service	Counter Application Roll Out Complete (T6)	18 September 2009	Cost		Unit Charge per Counter Position
			Price	1.43	Unit Charge per Counter Position
Engineering Service	Counter Application Roll Out Complete (T6)	18 September 2009	Price	3,280	Fixed Charges
			Cost		Unit Charge per Counter Position
			Price	6.43	Unit Charge per Counter Position
Data Centre Operations Service	Data Centre Ready for HNG-X (T5)	6 March 2009	Price	486,682.68	Fixed Charges
			Cost		Unit Charge per 1% Volume Forecast Reduction
			Price	4,086.29	Unit Charge per 1% Volume Forecast Reduction

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Operational Service	Trigger Point	Planned Date (as at CCN1246) (for the purposes of the Operational Charges)	Charge element	Late Cost to Post Office (cost and margin)  £ per calendar month	Charge to be adjusted (Operational Fixed Charge or Operational Unit Charge):
Data Centre Operations Service	Counter Application Roll Out Complete (T6)	18 September 2009	Price	225,444.03	Fixed Charges
			Cost		Unit Charge per 1% Volume Forecast Reduction
			Price	1,323.35	Unit Charge per 1% Volume Forecast Reduction
Central Network Service	Wigan/Bootle Decommissioned (T4)	23 February 2010	Price	105,479	Fixed Charges
Third Line Software Support Service	Counter Application Roll Out Complete (T6)	18 September 2009	Price	350,673	Fixed Charges
			Cost		Unit Charge per POL Service Type
			Price	1,286	Unit Charge per POL Service Type
Application Support Service (Fourth Line)	Counter Application Roll Out Complete (T6)	18 September 2009	Price	290,671.12	Fixed Charges
Reference Data Management Service	Counter Application Roll Out Complete (T6)	18 September 2009	Price	1,194	Fixed Charges

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Operational Service	Trigger Point	Planned Date (as at CCN1246) (for the purposes of the Operational Charges)	Charge element	Late Cost to Post Office (cost and margin)  £ per calendar month	Charge to be adjusted (Operational Fixed Charge or Operational Unit Charge):
Reconciliation Service	Counter Application Roll Out Complete (T6)	18 September 2009	Price	8,837	Fixed Charges
Operational Business Change (Branch Change) Service	Counter Application Roll Out Complete (T6)	18 September 2009	Price	32,121	Fixed Charges
Systems Management Service	Counter Application Roll Out Complete (T6)	18 September 2009	Cost		Unit Charge per Counter Position
			Price	4.00	Unit Charge per Counter Position
Service Management Service	Counter Application Roll Out Complete (T6)	18 September 2009	Cost		Unit Charge per POL Service Type
			Cost		Unit Charge per Branch
			Price	129.02	Unit Charge per POL Service Type
			Price	0.180	Unit Charge per Branch



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## ANNEX D

## CCN SERVICE LIST

CCN	Description of charge	Monthly charge value	Ad hoc services: charge per event	Month in which Monthly Charge first becomes payable	Indexation Provision
CCN641a	Disaster recovery for Huthwaite Gateway:				
	Equipment rental	£917.00		January 2003	Not indexed
	Maintenance and support	£2,223.63		January 2003	Subject to RPI
CCN733b	Automated Payments Client Spec. for DVLNI				
	Equipment maintenance & ISDN rental	£101.00		January 2003	Not indexed
	Administration & support	£154.44		January 2003	Subject to RPI
CCN739	Introduce Standard Life As An AP Client With A Direct Connection To Fujitsu Services				
	Equipment maintenance & ISDN rental	£101.00		January 2003	Not Indexed
	Administration & support	£154.44		January 2003	Subject to RPI
CCN800	Connection to Girobank Disaster Recovery site				
	Equipment maintenance and ISDN rental	£94.00		January 2003	Not indexed
	Administration and support	£153.54		January 2003	Subject to RPI



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CCN	Description of charge	Monthly charge value	Ad hoc services: charge per event	Month in which Monthly Charge first becomes payable	Indexation Provision
	Preparation and operation of regular test (max two per year)		Up to 10 man days at £772.55 per day		Subject to RPI
CCN807 and CCN1163	Changes to AP Client take-on and Token Verification services				
	Client Take on Facility	£2,110.85		January 2003	Subject to RPI
	Client Take on (regression) Facility	£1,214.37		February 2003	Subject to RPI
CCN832	Introduce Quantrill as an APS Client with a Direct Interface to Fujitsu Services				
	Equipment maintenance and ISDN rental	£94.00		January 2003	Not indexed
	Administration and support	£153.54		January 2003	Subject to RPI
CCN869b	Introduce AON Ltd as an APS Client with a Direct Interface to Fujitsu Services				
	Equipment maintenance	£30.65		January 2003	Subject to RPI
	ISDN Rental	£69.00		January 2003	Not indexed
	Administration and support	£230.46		January 2003	Subject to RPI
CCN872	Introduce ESP as an APS Client with a Direct Interface to Fujitsu Services				

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CCN	Description of charge	Monthly charge value	Ad hoc services: charge per event	Month in which Monthly Charge first becomes payable	Indexation Provision
	Equipment maintenance	£30.65		January 2003	Subject to RPI
	ISDN Rental	£69.00		January 2003	Not indexed
	Administration and support	£230.46		January 2003	Subject to RPI
CCN937	Introduce First Rate as an APS Client with a Direct Interface to Fujitsu Services				
	Equipment maintenance	£30.65		January 2003	Subject to RPI
	ISDN Rental	£69.00		January 2003	Not indexed
	Administration and support	£230.46		January 2003	Subject to RPI
CCN799	Introduce DVLA as an APS Client with a Direct Interface to Fujitsu Services				
	Equipment maintenance and ISDN rental	£94		January 2003	Not indexed
	Administration and support	£204.70		January 2003	Subject to RPI
CCN972	Introduce CAPO as an APS Client with a Direct Interface to Fujitsu Services				
	Equipment maintenance	£60.36		January 2003	Subject to RPI
	ISDN rental	£130.33		January 2003	Not indexed

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CCN	Description of charge	Monthly charge value	Ad hoc services: charge per event	Month in which Monthly Charge first becomes payable	Indexation Provision
	Administration and support	£193.36		January 2003	Subject to RPI
	Annual DR test		Up to 8 man days at £772.55 per day		Subject to RPI
CCN1102 b	Complete Introduction of National Savings and Investments as an APS Client				
	Equipment maintenance and ISDN rental	£181.90		August 2003	Not indexed
	Administration and support	£313.20		August 2003	Subject to RPI
	Annual Disaster Recovery Test		Up to 5 man days at £772.55 per day		Subject to RPI
CCN1120 a	Complete introduction of Prudential as an APS Client				
	Equipment Maintenance	£30.65		March 2004	Subject to RPI
	ISDN Rental	£69.00		March 2004	Not indexed
	Administration and support	£193.28		March 2004	Subject to RPI
CCN1138	Introduction file transfer interfaces to DES / EDG				
	Equipment Maintenance	£48.25		October 2004	Subject to RPI

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CCN	Description of charge	Monthly charge value	Ad hoc services: charge per event	Month in which Monthly Charge first becomes payable	Indexation Provision
	Administration and support	£193.24		October 2004	Subject to RPI
	Annual DR Test		Up to 5 man days at £772.55 per day		Subject to RPI
CCN1223	Charges for execution of Business Continuity tests		Up to 2 man days at £772.55 per day		Subject to RPI
CCN1276 a	Change from Postshops Service to Superstock Service	£7,568.00	£513.33	April 2010	Subject to RPI
CCN1270	Introduction of POLSAP Services (Phase 1)	£126,278		September 2010	Subject to RPI
CCN1322 b	Salesforce Support Service Fixed Charge	£9,721.07 in Year 1 £8,921.79 in Year 2 £8,397.79 in Year 3		Aug 2012	Subject to RPI from April 2013
	Escalated Calls Fixed charge	2,025.00		Aug 2012	Subject to RPI from April 2013
	Salesforce Support Service Variable charges	Various		Aug 2012	Subject to increases as published on the Fujitsu Global Cloud Tariff

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CCN	Description of charge	Monthly charge value	Ad hoc services: charge per event	Month in which Monthly Charge first becomes payable	Indexation Provision
CCN1502 a	Contractual Volume Increase for PA/PER/033 - Post Office Data Gateway (PODG)	£19,767.63		June 2015	Subject to RPI



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## ANNEX E

## VARIATIONS IN MONTHLY CHARGES

Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1208	Engineering Service; Unit Charge per Counter Position for the year 2007	-£0.13	01/11/2006
CCN1202	Data Centre Operations Service: Fixed Charges	£5,517 per month	01/07/2007
CCN1202	Data Centre Operations Service: Unit Charge per 1% Volume Forecast Reduction	£27.59 per month	01/07/2007
CCN1213		-£0.03 per month	01/04/2007
CCN1219		£0.46 per month	01/01/2008
CCN1235a	Data Centre Operations Service: Fixed Charges	£1,427.74 per month	01/10/2007
CCN1235a	Data Centre Operations Service: Unit Charge per 1% Volume Forecast Reduction	£7.13 per month	01/10/2007
CCN1235a	Central Network Service: Fixed Charges	£48.43 per month	01/10/2007
CCN1235a	Third Line Software Support	£1,843.44 per month	01/10/2007

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service: Fixed Charges		
CCN1243	Third Line Software Support Service: Fixed Charges	£1,132 per month	01/11/2008
CCN 1244a	Branch Network Service: Fixed Charges	£ 4,526.37 per month	01/10/2008
CCN 1244	CMT Service: Fixed Charges	£ 785.00 per month	01/01/2009
CCN1246	Data Centre Ops Service: Fixed Charges	(£83,333 per month)	01/04/2008
CCN1246	Data Centre Ops Service: Fixed Charges	( minus £84,083 per month)	01/04/2009
CCN 1253	Central Network Service: Fixed Charges	£1,150.00 per month	1 January 2008
CCN 1252a	Data Centre Operations Service: Fixed Charges	£20,640 per month	1 February 2009
CCN 1252a	Central Network Service: Fixed Charges	£1,866 per month	1 February 2009
CCN 1252a	Systems Management Service: Fixed Charges	£2,239 per month	1 February 2009
CCN 1252a	Service Management Service: Fixed Charges	£6,219 per month	1 February 2009

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN 1252a	Security Management Service: Fixed Charge	£622 per month	1 February 2009
CCN 1254a	Reference Data Management Service Fixed Charge	£171.00 per month	1 January 2009
CCN 1254a	Third Line Software Support Service	£1,863.00 per month	1 January 2009
CCN 1254a	Service Management Service	£385.00 per month	1 January 2009
CCN 1266b	Third Line Software Support Service: Fixed Charges	£5,646.42 per month	1 September 2010
CCN1275	Central Network Services: Fixed Charges	£3,047.26 per month	Effective date of change is anticipated to be 1st March 2011 but will be confirmed and updated retrospectively via the Change Control Procedure
CCN1270	Service Desk Service: Fixed Charges	£15,563 per month	1st September 2010
CCN1270	Data Centre Operations Service: Fixed Charges	£8,584 per month	1st September 2010
CCN1270	Application Support Service (4th Line): Fixed Charges	£102,131 per month	1st September 2010
CCN1272	Data Centre Operations	£134,334 per month	1st February 2010

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service: Fixed Charges		
CCN1291	Service Management Charges: Fixed Charges	£1,696.37 per month	1 <sup>st</sup> September 2010
CCN1292	Third Line Software Support Service: Fixed Charges	£ -1676.25 per month	1 September 2010
CCN 1293	Application Support Service (4th Line): Fixed Charges	£4,295.41 per month	1 September 2010
		£1,214.61 per month	1 April 2011
		£1,241.81 per month	1 April 2012
		£1,161.55 per month	1 April 2013
		£1,182.15 per month	1 April 2014
CCN 1297	Data Centre Operations Service: Fixed Charges	£ 118.00 per month	1 October 2010
	Central Network Service: Fixed Charges	£ 621.00 per month	1 October 2010
CCN1289a	Engineering Services Fixed Charges	£15853.39 per month (and for subsequent Financial Years the variation to the monthly fixed charge is 2012: £4,404.00 2013: £5202.58)	1 October 2010
CCN 1304b	Application Support Service (Fourth Line)	£1,582 per month	1 April 2011
CCN1281d	Branch Network	£1,406.25 per month	1 April 2011

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service: Fixed Charges		
		£1406.25 per month	1 April 2012
CCN 1309a	Security Management Service: Fixed Charges	£9383.40 per month	1st October 2010
CCN 1310b	Third Line Software Support Service: Fixed Charges	£1926.00 per month	1st September 2011
	Application Support Service (Fourth Line): Fixed Charges	£1019.25 per month	1st September 2011
	Application Support Service (Fourth Line): Fixed Charges	£1875.00 per month	1st April 2012
CCN 1318a	Data Centre Operations Service: fixed charges	£2,119.79	1st April 2012
CCN 1307a	Data Centre Operations Service: fixed charges	£333.33	1st April 2012
	Central Network Service: fixed charges	£1,639.89	1st April 2012
	Systems Management Service: fixed charges	£656.00	1st April 2012
	Third Line Software Support	£711.11	1st April 2012



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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service: Fixed Charges		
	Service Management Service: Fixed Charges	£3,405.00	1 <sup>st</sup> April 2012
	Security Management Service: Fixed Charges	£656.00	1 <sup>st</sup> April 2012
	Application Support Service: Fixed Charges	£3,156.29	1 <sup>st</sup> April 2012
CCN 1311b	Branch Network Service: Fixed Charges	£3125.00 per month	From the Month following completion of the roll-out (anticipated to be May 2012 at time of CCN approval).
CCN 1325a	Data Centre Operations Service: fixed charges	- £ 951.59 per month	1 <sup>st</sup> June 2012
CCN 1327a	Service Desk Service: Fixed Charges	-£16,310.02 per month	1 <sup>st</sup> April 2012
CCN 1327a	Application Support Service (Fourth Line): Fixed Charge	£16,310.02 per month	1 <sup>st</sup> April 2012
CCN 1328b	Data Centre Operations Fixed Charges	£140,504.62 per month	1 <sup>st</sup> April 2013
CNN 1328b	Service Management Service Fixed Charges	£10,575.62 per month	1 <sup>st</sup> April 2013
CCN 1332a	Service Management	£155.33 per month	1 <sup>st</sup> April 2013

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service Fixed Charges		
CCN 1332a	Application Support Service (Fourth Line) Fixed Charges	£2,029.32 per month	1st April 2013
CCN 1332a	Security Management Service Fixed Charges	£22,263.33 per month	1st November 2012
CCN 1332a	Data Centre Operations Fixed Charges	£1,658.00 per month	1st January 2013
CCN 1313c	Third Line Software Support Service: Unit Charge per GWS client	£472.62 per month	From the date of go-live of the fourth GWS Client
CCN 1313c	Service Management Service : Unit Charge per GWS client	£207.24 per month	From the date of go-live of the fourth GWS Client
CCN1316a	Security Management Service: Fixed Charges	£197.75	1st April 2012
CCN1341	Data Centre Operations Service – Fixed Charge	£169.04	May 1st 2013
CCN1341	Central Network Service – Fixed Charge	£1,370.94	May 1st 2013
CCN1341	Application Support Service (Fourth	£1,264.36	May 1st 2013

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Line) Service - Fixed Charge		
CCN1341	Operational Security Service – Fixed Charge	£617.96	May 1st 2013
CCN1308b	Service Desk Service: Fixed charges	£4,346.71 per month	01/07/2013
CCN1308b	Central Network Service: fixed charges	£5,486.50 per month	01/07/2013
CCN1308b	Engineering Service: Fixed Charges	£902.37 per month	01/07/2013
CCN1308b	Third Line Software Support Service: Fixed Charges	£305.90 per month	01/07/2013
CCN1308b	Service Management Service: Fixed Charges	£5,463.01 per month	01/07/2013
CCN1308b	Branch Network Service: Fixed Charges	£6,811.20 per month	01/07/2013
CCN1308b	Systems Management Service: Fixed Charges	£7,060.39 per month	01/07/2013
CCN1308b	Application Support Service (Fourth Line): Fixed Charges	£5,648.31 per month	01/07/2013
CCN1342a	Service Desk Service: Fixed Charges	£583 per month	1st July 2013

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1342a	Data Centre Operations Service: Fixed Charges	£1,849.82 per month	1st July 2013
CCN1342a	Central Network Service : Fixed Charges	£58.75 per month	1st July 2013
CCN1342a	Application Support service (4th Line) : Fixed Charges	£705 per month	1st July 2013
CCN1342a	Systems Management Service: Fixed Charges	£723.75 per month	1st July 2013
CCN1342a	Security Management Service: Fixed Charges	£ 705 per month	1st July 2013
CCN 1348b	Reference Data Management Service: Fixed Charges	£10,000.00 per month	1st September 2013
CCN1340	Salesforce Support Service Introduction of UAT Environment: Fixed Charges	£1,157.75	1 June 2013
CCN1400	Data Centre Operations Service: Fixed Charge	(minus £63,659.11 per month)	1 April 2014
CCN1400	Applications Support Service (4th Line) :Fixed Charges	(minus £133,802.42per month)	1 April 2014

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1400	Service Desk Service: Fixed Charges	minus £3,506.26 per month)	1 October 2013
CCN1400	Service Desk Service: Unit charge per counter position	(minus £1.05 per month)	1 October 2013
CCN1400	Service Desk Service: Service Management element	(minus £0.09 per month)	1 October 2013
CCN1400	Service Desk Service :Fixed Charges	(minus £807.15 per month)	1 April 2014
CCN1400	Service Management Service Charges: Fixed Charges	(minus £9,203.55per month)	1 April 2014
CCN1400	Central Network Service: Fixed Charge	(minus £2,185.15per month	1 April 2014
CCN1400	Systems Management Service: Fixed Charge	(minus £2,621.95per month)	1 April 2014
CCN1400	Security Management Service: Fixed Charge	(minus £728.38per month)	1 April 2014
CCN1400	POLSAP Hosting Services	£42,661.24 per month	1 April 2014
CCN1400	POLSAP Applications Support Services	£134,609.58per month	1 April 2014



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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1400	Credence/MDM Service	£35,736.91 per month	1 April 2014
CCN1402	Service Desk Service: Fixed Charges	£376.71 per month	01/02/2014
CCN1402	Central Network Charges: Fixed Charges	£475.50 per month	01/02/2014
CCN1402	Engineering Services: Fixed Charges	£78.21 per month	01/02/2014
CCN1402	Third Line Software Support Service: Fixed Charges	£26.51 per month	01/02/2014
CCN1402	Branch Network Service: Fixed Charges	£590.30 per month	01/02/2014
CCN1403	Central Network Service: Fixed Charge	£370.80 per month	1 <sup>st</sup> May 2014
CCN1403	Service Management Service: Fixed Charge	£284.97 per month	1 <sup>st</sup> May 2014
CCN1404	Security Management Service Fixed Charges	£1,322.96	1 <sup>st</sup> April 2015
CCN1404	Application Support Service (Fourth Line) Fixed Charges	£7,617.67	1 <sup>st</sup> April 2015
CCN1404	Branch Network	£6,811.20	1 <sup>st</sup> April 2015

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service: Fixed Charges		
CCN1404	Central Network Service Fixed Charges	£6,916.19	1st April 2015
CCN1404	Data Centre Operations Service Fixed Charges	£2,018.46	1st April 2015
CCN1404	Reference Data Management Service charging amendment Fixed Charges	£10,000.00	1st April 2015
CCN1404	Service Management Service: Fixed Charges	£5,463.01	1st April 2015
CCN1404	Systems Management Service: Fixed Charges	£7,784.14	1st April 2015
CCN1404	Third Line Software Support Service: Fixed Charges	£305.90	1st April 2015
CCN1409a	Service Desk Service	£16,896.80 (plus associated Variable Charges)	3 <sup>rd</sup> July 2014
CCN1409a	Service Management Service	£51,733.83 per month	3 <sup>rd</sup> July 2014 – 31 <sup>st</sup> March 2015
CCN1409a	Service Management Service	£22,085.13 per month	1 <sup>st</sup> April 2015
CCN1409a	Management Information Service	£442.09 per month	3 <sup>rd</sup> July 2014

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1409a	Security Management Service	-£683.08 per month	3 <sup>rd</sup> July 2014
CCN1410	Application Support Service: (Fourth Line) Fixed Charge	£1,740.90 per month	1 <sup>st</sup> April 2014
CCN1410	Application Support Service: (Fourth Line) Fixed Charge	£1,740.90 per month	1 <sup>st</sup> August 2014
CCN1339a	Data Centre Operations Service: fixed charges (Reduction)	-£10,513.75	1 <sup>st</sup> July 2015
CCN1339a	Systems Management Service: fixed charges (Increase)	£1,907.81	1 <sup>st</sup> July 2015
CCN1339a	Security Management Service: fixed charges (Increase)	£294.86	1 <sup>st</sup> July 2015
CCN1338	Data Centre Operations Service: Fixed Charge	£472.97	1 <sup>st</sup> March 2014
CCN1338	Systems Management Service: Fixed Charge	£12,109.74	1 <sup>st</sup> March 2014
CCN1338	Service Management Service: Fixed Charge	£3,160.41	1 <sup>st</sup> March 2014
CCN1338	Third Line Software	£2,456.41	1 <sup>st</sup> March 2014

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Support Service: Fixed Charge		
CCN1338	Application Support Service (Fourth Line): Fixed Charge	£2,576.28	1 <sup>st</sup> March 2014
CCN1338	Central Network Service: Fixed Charge	£8,195.03	1 <sup>st</sup> March 2014
CCN1411	Security Management Service: Fixed Charge	£213.73	01 <sup>st</sup> October 2014
CCN1411	Application Support Service (Fourth Line) [Fixed Charge]	£1,581.60	01 <sup>st</sup> October 2014
CCN1411	Systems Management Service [Fixed Charge]	£242.81	01 <sup>st</sup> October 2014
CCN1411	Central Network Service [Fixed Charge]	£322.26	01 <sup>st</sup> October 2014
CCN1415	Salesforce Support Service Fixed Charge	£10,080.90	01 <sup>st</sup> April 2015 – 31 <sup>ST</sup> March 2016
CCN1415	Salesforce Support Service Variable charges	Subject to charges as published on the Fujitsu Global Cloud Tariff	01 <sup>st</sup> April 2015 – 31 <sup>ST</sup> March 2016
CCN1414	CMT Service: Fixed charge	£37,453.28 per month	01 <sup>st</sup> April 2015 – 30 <sup>th</sup> September 2015

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1418	POLSAP Hosting Service Fixed Charge	£40,183.61	01 <sup>st</sup> April 2015 – 31 <sup>st</sup> March 2016
CCN1408	Application Support Service (4 <sup>th</sup> Line): Unit Charge per GWS client	£427.50 per client per month	01 <sup>st</sup> April 2014
CCN1408	Systems Management Service: Unit Charge per GWS client	£300.50 per client per month	01 <sup>st</sup> April 2014
CCN1408	Security Management Service: Unit Charge per GWS client	£50.08 per client per month	01 <sup>st</sup> April 2014
CCN1408	Service Management Charges: Unit Charge per GWS client	£488.08 per client per month	01 <sup>st</sup> April 2014
CCN1420a	Data Centre Operations Fixed Charges	£159,336.73 per month	1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016
CCN1420a	Data Centre Operations Fixed Charges	£168,316.85 per month	1 <sup>st</sup> April 2016
CCN1420a	Service Management Service Fixed Charges	£11,197.86 per month	1 <sup>st</sup> April 2015
CCN1421a	Operational Business Change (Branch Change) Service - Fixed Charge	£26,500.00 per month	1 <sup>st</sup> April 2015



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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1421a	Operational Business Change (Branch Change) Service – Service Management Element	£6,417.17 per month	1 <sup>st</sup> April 2015
CCN1422	CMT Service: Fixed Charge	£37,453.28 per month	1st October 2015 to 31st March 2017
CCN1419	Credence/ MDM Service Fixed Charge (12 month extension)	£48,211.56	1 <sup>st</sup> April 2015
CCN1423c	Management Information Service, Fixed Charges	-£3,537.50	1st April 2015
CCN1423c	Management Information Service, Service Management Element	-£569.54	1st April 2015
CCN1423c	Service Management Service, Unit Charge per Branch	-£0.92	1st April 2015
CCN1423c	Security Management Service, Unit Charge per Branch	-£0.07	1st April 2015
CCN1423c	Security Management Service, Service	-£0.02	1st April 2015

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Management Element		
CCN1429	Central Network Service: Fixed Charges	(minus £1,494.54 per month.)	1 <sup>st</sup> April 2015
CCN1500a	Data Centre Operations Service Fixed Charge	£799,237.80	1 <sup>st</sup> April 2017
	Data Centre Operations Service Unit Charge per 1% Volume Forecast Reduction	£ 3,427.98	1 <sup>st</sup> April 2017
	Data Centre Operations Service: Service Management Element	£275.79	1 <sup>st</sup> April 2017
	Central Network Service Fixed Charges	£216,920.31	1 <sup>st</sup> April 2017
	Central Network Service: Service Management Element	£23,747.29	1 <sup>st</sup> April 2017
	Systems Management Service Fixed Charge	£297,779.10	1 <sup>st</sup> April 2017
	Systems Management Service Unit Charge per	£0	1 <sup>st</sup> April 2017

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Counter Position		
	Systems Management Service Unit Charge per GWS client	£308.61	1st April 2017
	Reference Data Management Service: Fixed Charge	£74,733.55	1st April 2017
	Reference Data Management Service: Service Management Element	£9,289.84	1st April 2017
	Third Line Software Support Service: Fixed Charge	£107,027.01	1st April 2017
	Third Line Software Support Service: Unit Charge per POL Service Type	£2,326.76	1st April 2017
	Third Line Software Support Service: Service Management Element	£432.15	1st April 2017
	Third Line Software Support Service: Incremental	£444.03	1st April 2017

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Unit Charge per GWS client		
	Management Information Service: Fixed Charge	£26,952.39	1st April 2017
	Management Information Service: Service Management Element	£4,339.32	1st April 2017
	Service Management Service Fixed Charge	£131,169.03	1st April 2017
	Service Management Service Unit Charge per POL Service Type	£1,812.77	1st April 2017
	Service Management Service Unit Charge per Branch	£0	1st April 2017
	Service Management Service Unit Charge per GWS client	£726.98	1st April 2017
	Reconciliation Service: Fixed Charge	£17,357.32	1st April 2017
	Reconciliation Service: Service Management Element	£4,122.36	1st April 2017

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Security Management Service Fixed Charge	£123,301.33	1st April 2017
	Security Management Service Unit Charge per Branch	£0	1st April 2017
	Security Management Service Unit Charge per GWS client	£51.43	1st April 2017
	Security Management Service Service Management Element	£0	1st April 2017
	Application Support Service (Fourth Line): Fixed Charge	£793,764.89	1st April 2017
	Application Support Service (Fourth Line): Unit Charge per GWS client	£439.04	1st April 2017
CCN1501a	Central Network Service: Fixed Charges	£7,024.20 per month	01/09/2015
CCN1502a	Data Centre Operations Service: fixed charges	£856.10	01/06/2015
	Central Network Service: fixed charges	£786.40	01/06/2015



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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Systems Management Service: fixed charges	£609.15	01/06/2015
	Third Line Software Support Service: Fixed Charges	£1,391.84	01/06/2015
	Service Management Service: Fixed Charges	£10,165.38	01/06/2015
	Security Management Service: Fixed Charges	£1,015.81	01/06/2015
	Application Support Service: Fixed Charges	£4,942.95	01/06/2015
CCN1505	Application Support Service (Fourth Line) Service – Fixed Charges	£14,829 per month	1 <sup>st</sup> October 2015 (to 31/03/2017)
CCN1600	Trinity 1 Credit	-665,724.75	1st April 2017
	Invest to Save Credit (note 1)	Variable based on mechanism, see Schedule D1 Annex B	1st April 2017
CCN1512c	POLSAP Hosting Services	£44,426.55 per month	1st April 2016
CCN1512c	POLSAP Applications Support Services	£142,952.94 per month	1st April 2016

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1509a	Application Support Service (Fourth Line)	£960.00	01/11/2015
CCN1509a	Systems Management Service	£1,125.00	01/11/2015
CCN1509a	Central Network Service	£300.00	01/11/2015
CCN1509a	Third Line Software Support Service	£1,290.00	01/11/2015
CCN1509a	Service Management Service	£1,125.00	01/11/2015
CCN1606	Data Centre Operations Service, Fixed Charges	£1,096.86	1st April 2016
CCN1606	Central Network Service, Fixed Charges	£322.03	1st April 2016
CCN1606	Service Management Service, Fixed Charges	£303.15	1st April 2016
CCN1609d	POLSAP Hosting Service, Fixed Charges	£3,371.91 per month	5 <sup>th</sup> October 2016
CCN1609d	POLSAP Applications Support	-£144,668.38 per month	5 <sup>th</sup> October 2016

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service, Fixed Charges		
CCN1618a	HNG-X Test Infrastructure	£195,180.00 per month	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018 (not subject to indexation)
CCN1618a	HNG-X Test Infrastructure	£182,637 per month	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019 (fifty percent (50%) of the amount of these monthly Charges are subject to indexation)
CCN1620c	POLSAP Hosting Service - Fixed Charge	£260,092.83 £56,058.23 per month  £59,898.82 per month  £55,772.34 per month	01/04/2017  01/05/2017 – 30/09/2017  01/10/2017 – 31/12/2017  01/01/2018 – 31/03/2018
CCN1621	Branch Network Service - Fixed Charge  Branch Network Service - Unit Charge per Branch using the Branch Network Service  CMT Service – Fixed Charge	£113,977.44  £2.61	01/04/2017  01/04/2017

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Operational Business Change (Branch Change) Service – Fixed Charge	£38,509.16  £26,818.00	01/04/2017  01/04/2017
CCN1622a	HNG-X Counter Position and HNG-A Gaps Counter Position Infrastructure	£67,523.87 per month	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018 (not subject to indexation)
CCN1622a	HNG-X Counter Position and HNG-A Gaps Counter Position Infrastructure	TBC but will not exceed a capped amount of £67,523.87 per month	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019 (not subject to indexation)
CCN1624	Branch Network Service, Fixed Charges	+£768.39	1 <sup>st</sup> July 2017
CCN1624	Service Management Service, Fixed Charges	+£535.50	1 <sup>st</sup> July 2017
CCN1624	CMT Service, Fixed Charges	+£1,040	1 <sup>st</sup> July 2017
CCN1624	Reference Data Management	+£5,356.34	1 <sup>st</sup> July 2017

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service, Fixed Charges		
CCN1627a	Third Line Software Support Service	+£570.47 per month	1 <sup>st</sup> July 2017
		The prices above reflect 2017/18 charges and will be subject to indexation in accordance with the provisions in Schedule D1.	
CCN1631c	Invest to Save Credit	Variable based on mechanism, see Schedule D1 Annex B  Note 1: Subject to £1.3m payment in of 1 April 2017 and £2.6m in quarter 3 financial year 2017-2018 (within 20 Working Days from the invoice date) (£3.9m in total) as described in Schedule D1 paragraph 17	1 <sup>st</sup> April 2017
CCN1633a	POLSAP Hosting Service - Fixed Charge	£284,218.52  £74,062.88 per month	01/04/2018  01/05/2018 – 31/12/2018
CCN1637b	Operational Business Change (Branch Change) Service – Fixed Charge	£11,967.00	01/04/2018
CCN1640a	Application Support Service: (Fourth Line (Fixed Charge)	-£1,758.00 per month	1 <sup>st</sup> November 2017



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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1650c	HNG-X Infrastructure	£174,296.68 per month	1st April 2019 to 31st March 2020 (not subject to indexation)
CCN1644a	POLSAP Hosting Service - Fixed Charge	£74,062.88 per month	01/01/2019-31/03/2019
CCN1658c	Data Centre Operations Service Fixed Charge	£150.77 per month	1st August 2019
CCN1657d	Service Management Service, Fixed Charges	+£130 per month	1st September 2019
CCN1657d	Service Management Service, Fixed Charges	+£80 per month	1st September 2019 until PIN Pad Roll Out Project is completed
CCN1657d	Security Management Service, Fixed Charges	+£1,158.00 per month	1st September 2019
CCN1657d	P2Pe Asset Management Service, Unit Charges per Registered PIN Pad	+£0.66 per Registered PIN Pad	1st September 2019
CCN1656a	Central Network Service, Fixed Charge	-£417.79 per month	1st September 2019
CCN1656a	Service Management Service, Fixed Charges	-£321.08 per month	1st September 2019

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1656a	Service Management Service, Fixed Charges	+£769.23 per month	1st April 2019
CCN1652c	HNG-A Gaps, SYSMAN3 and Residual Release 17 Component Infrastructure	£49,863.76 per month	1st April 2019 to 31st March 2020 (not subject to indexation)
CCN1655a	POLSAP Hosting Service, Fixed Charges	-£74,062.88 per month	14th March 2019
CCN1660a	Security Management Service Fixed Charge	£820.41 per month	1st March 2019
CCN1660a	Security Management Service Fixed Charge	£1,053.03 per month	1st January 2020
CCN1660a	Security Management Service Fixed Charge	£806.45 per month	1st October 2019
CCN1660a	Security Management Service Fixed Charge	-£153.85 per month	1st July 2013
CCN1661a	HNG-A Gaps, SYSMAN3 and Residual Release 17 Component Infrastructure	£50,960.76 per month	1st April 2020 to 31st March 2021 (not subject to indexation)

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1662a	HNG-X Test Infrastructure	£178,131.21 per month	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> December 2021 (subject to indexation on 1 <sup>st</sup> April 2021)
CCN1665b	Service Management Service, Fixed Charges	+£130 per month	1 <sup>st</sup> March 2020
CCN1665b	Security Management Service, Fixed Charges	+£1,158.00 per month	1 <sup>st</sup> March 2020
CCN1665b	P2Pe Asset Management Service, Unit Charges per Registered PIN Pad	+£0.66 per Registered PIN Pad per month	1 <sup>st</sup> April 2020
CCN1648b	Central Network Service, Fixed Charges	-£4,582.68	1 <sup>st</sup> September 2018
CCN1648b	Third Line Software Support Service, Fixed Charges	-£2,435.72	1 <sup>st</sup> September 2018
CCN1648b	Service Management Service, Fixed Charges	-£1,238.15	1 <sup>st</sup> September 2018
CCN1671a	Security Management Service Fixed Charge	£90.18 per month	Starts 1 <sup>st</sup> August 2021
CCN1701a	Payment and Banking	£7,777.00 per month	The Payment and Banking Service Trigger Point PBS3,

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Service, Fixed Charges		Commencement of Payment and Banking Pilot, being 28th June 2021.
CCN1701a	Payment and Banking Service, per PBS Transaction and CRM Tokenisation Transaction Charges (for all transactions in excess of 350 million per year)	£0.00056 per PBS Transaction	As detailed in Paragraph 12.19 (b) of this Schedule D1
CCN1701a	Payment and Banking Service, per CRM De-Tokenisation API Transaction Charges (for all transactions in excess of 200,000 per year)	£0.0038 per CRM DeTokenisation API Transaction	As detailed in Paragraph 12.19 (d) of this Schedule D1.
CCN1705b	HNG-X Test Infrastructure	£ 180,268.78 per month	1 st January 2022 to 31st March 2023 (subject to indexation on 1st April 2022)
CCN1710	HNG-A Gaps, SYSMAN3 and Residual Release 17 Component Infrastructure	£51,572.29 per month	1 st April 2022 to 31st March 2023 (subject to indexation)

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1716a	Belfast Data Centre Facilities, Fixed Charge	£248,673.21 per month	1 <sup>st</sup> April 2023
CCN1725a	Central Network Service, Fixed Charges	<u>- £3,706.11 per month</u>	26/11/2022
CCN1725a	Central Network Service, Fixed Charges	<u>- £4,632.64 per month</u>	30/01/23
CCN1731	HNG-X Test Infrastructure	£213,791.65 per month	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
CCN1732	Data Centre Operation Service – Fixed Charge	£781,817.50 per month for year ending 2024	1 <sup>st</sup> April 2023
	Data Centre Operation Service – Fixed Charge (HNG-A Gaps Counter Position Supporting Infrastructure)	£24,937.87 per month for year ending 2024	1 <sup>st</sup> April 2023
	Data Centre Operation Service – Fixed Charge (SYSMAN3)	£25,093.91 per month for year ending 2024	1 <sup>st</sup> April 2023
	Data Centre Operation Service – Fixed Charge (Residual	£12,837.41 per month for year ending 2024	1 <sup>st</sup> April 2023



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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	Release 17 Components)		
	Central Network Service – Fixed Charge	£247,954.71 per month for year ending 2024	1 <sup>st</sup> April 2023
	Systems Management Service – Fixed Charge	£4,149.88 per month for year ending 2024	1 <sup>st</sup> April 2023
	Third Line Software Support Service – Fixed Charge	-£89,637.49 per month for year ending 2024	1 <sup>st</sup> April 2023
	Management Information Service – Fixed Charge	£2,074.92 per month for year ending 2024	1 <sup>st</sup> April 2023
	Security Management Service – Fixed Charge	£50,486.31 per month for year ending 2024	1 <sup>st</sup> April 2023
	Security Management Service – Unit Charge per Branch	£3.00 per month for year ending 2024	1 <sup>st</sup> April 2023
	Trinity 1 Credit – Fixed Charge	-£327,832.29 per month for year ending 2024	1 <sup>st</sup> April 2023
CCN1729	Service Management Service, Fixed Charges	£301 per month	23 <sup>rd</sup> November 2022

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1740	<u>Security Management Service, Fixed Charges</u>	<u>£1,375.76 per month</u>	<u>From 1st August 2023, until 31st March 2024</u>
CCN1740	<u>Security Management Service, Fixed Charges</u>	<u>£2,132.43 per month</u>	<u>From 1st September 2023, until 31st March 2024</u>
CCN1740	<u>Security Management Service, Fixed Charges</u>	<u>£3,370.61 per month</u>	<u>From 1st December 2023, until 31st March 2024</u>
CCN1742	<u>Application Support Service (Fourth Line), Fixed Charges</u>	<u>- £2,820.36 per month</u>	<u>From 11 September 2023</u>
CCN1742	<u>Trinity 1 Credit, Fixed Charges</u>	<u>£676.89 per month</u>	<u>From 11 September 2023</u>
<u>CCN1743</u>	<u>Central Network Service, Fixed Charges</u>	<u>- £239.22 per month</u>	<u>From 21st August 2023, until 31st March 2024</u>
	<u>Trinity 1 Credit, Fixed Charges</u>	<u>£57.41 per month</u>	<u>From 21st August 2023, until 31st March 2024</u>
CCN1748	HNG-X Test Infrastructure	£213,791.65 per month	<u>1st April 2024 to 31st March 2025</u>
CCN1749	<u>Data Centre Operation Service – Fixed Charge</u>	<u>£781,817.50 per month for year ending 2025</u>	<u>1st April 2024</u>
CCN1749	<u>Data Centre Operation Service – Fixed Charge (HNG-A Gaps</u>	<u>£24,937.87 per month for year ending 2025</u>	<u>1st April 2024</u>

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
	<u>Counter Position Supporting Infrastructure)</u>		
CCN1749	<u>Data Centre Operation Service – Fixed Charge (SYSMAN3)</u>	<u>£25,093.91 per month for year ending 2025</u>	<u>1st April 2024</u>
CCN1749	<u>Data Centre Operation Service – Fixed Charge (Residual Release 17 Components)</u>	<u>£12,837.41 per month for year ending 2025</u>	<u>1st April 2024</u>
CCN1749	<u>Central Network Service – Fixed Charge</u>	<u>£247,954.71 per month for year ending 2025</u>	<u>1st April 2024</u>
CCN1749	<u>Systems Management Service – Fixed Charge</u>	<u>£4,149.88 per month for year ending 2025</u>	<u>1st April 2024</u>
CCN1749	<u>Third Line Software Support Service – Fixed Charge</u>	<u>-£89,637.49 per month for year ending 2025</u>	<u>1st April 2024</u>
CCN1749	<u>Management Information Service – Fixed Charge</u>	<u>£2,074.92 per month for year ending 2025</u>	<u>1st April 2024</u>
CCN1749	<u>Security Management Service – Fixed Charge</u>	<u>£50,486.31 per month for year ending 2025</u>	<u>1st April 2024</u>

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Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1749	Security Management Service – Unit Charge per Branch	£3.00 per month for year ending 2025	1st April 2024
CCN1749	Trinity 1 Credit – Fixed Charge	-£327,832.29 per month for year ending 2025	1st April 2024
CCN1754a	Security Management Service, Fixed Charges	£1,375.76 per month	From 1st April 2024, until 31st March 2025
CCN1754a	Security Management Service, Fixed Charges	£2,132.43 per month	From 1st April 2024, until 31st March 2025
CCN1754a	Security Management Service, Fixed Charges	£3,370.61 per month	From 1st April 2024, until 31st March 2025
CCN1754a	Central Network Service, Fixed Charges	- £239.22 per month	From 1st April 2024, until 31st March 2025
CCN1754a	Trinity 1 Credit, Fixed Charges	£57.41 per month	From 1st April 2024, until 31st March 2025.
	Note 1: Subject to £1.3m payment in of 1 April 2017 and £2.6m in quarter 3 financial year 2017-2018 (within 20 Working Days from the invoice date) (£3.9m in total) as described in Schedule D1 paragraph 17		
For the avoidance of doubt charges in the year ending March 2023 for any rows in Annex B of Schedule D1 not specified above shall be £0, e.g. in relation to the Expiring Services and Invest to Save.”			

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**ANNEX F**

**Removed by CCN 1616b**

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**ANNEX G GAIN SHARE**Gain Share Payments Table

CCN No.	Month when Gain Share payments commence:	Months falling within Financial Years ending 31 March:								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
		Gain Share payments in £ per month								
CCN1204a	April 2008	-		34,948	14,252	12,422	0	0	0	0

CCN1204a referred to in the table above relates to Post Office's initial order for 10,000 replacement counter printers. The Parties anticipate that Post Office may, in its discretion, order additional counter printers and that, when the changes to the Agreement necessary in respect of such additional printers are introduced under the Change Control Procedure, adjustments will be made in respect of the figures in the table above so that they are all positive. In the event that no further printers are ordered by Post Office, beyond the initial order for 10,000 printers, the negative figures in the table above represent amounts that shall be paid on a monthly basis in the Financial Years in question by Fujitsu Services to Post Office. The above figures have been calculated on the basis of an agreed estimate of the value of consumables which will be required in respect of the replacement counter printers and therefore, on or about 1 April 2008, Post Office and Fujitsu Services shall review the above Gain Share payments in the light of the actual cost of such consumables and those payments may be amended by agreement between Post Office and Fujitsu Services (such agreement not to be unreasonably withheld or delayed by either party) in accordance with Change Control Procedure.



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CCN No.	Month when Gain Share payments commence:	Months falling within Financial Years ending 31 March:								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
		Gain Share payments in £ per month								
CCN1212	April 2008	-		71,633	19,407	21,697	0	0	0	0

CCN1212 referred to in the table above relates to Post Office's additional order for 16,000 replacement counter printers. The above figures have been calculated on the basis of an agreed estimate of the value of consumables which will be required in respect of the replacement counter printers and therefore, on or about 1 April 2008, Post Office and Fujitsu Services shall review the above Gain Share payments in the light of the actual cost of such consumables and those payments may be amended by agreement between Post Office and Fujitsu Services (such agreement not to be unreasonably withheld or delayed by either party) in accordance with Change Control Procedure

CCN No.	Month when Gain Share payments commence:	Months falling within Financial Years ending 31 March:								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
		Gain Share payments in £ per month								
CCN1213	April 2008	-		4,947	6,773	7,963	0	0	0	0

CCN1213 referred to in the table above relates to Post Office's additional order for 9,000 replacement counter printers. The above figures have been calculated on the basis of an agreed estimate of the value of consumables which will be required in respect of the replacement counter printers and therefore, on or about 1 April 2008, Post Office and Fujitsu Services shall review the above Gain Share payments in the light of the actual cost of such consumables and those payments may be amended by agreement between Post Office and Fujitsu Services (such agreement not to be unreasonably withheld or delayed by either party) in accordance with Change Control Procedure.

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CCN No.	Month when Gain Share payments commence:	Months falling within Financial Years ending 31 March:								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
		Gain Share payments in £ per month								
CCN1219	January 2008	-	-9,766	-2,650	1,591	1,690	0	0	0	0