

CONFIDENTIAL

**SCHEDULE D4****OPEN BOOK****Version History**

Version No.	Date	Comments
1.0	31/08/06	Agreed version as at date of signature of CCN 1200
1.1	26/09/06	Minor corrections by PO
1.2	11/10/06	Further minor corrections from FS
2.0	25/01/07	Baseline copy of 1.2
6.0	16/06/09	Moving all schedules to V6.0 as agreed with Fujitsu
6.1	31/03/10	Applying changes as per CCN1276a
7.0	10/05/10	Moving all schedules to V7.0 as agreed with Fujitsu
8.0	21/02/12	Moving all schedules to V7.0 in accordance with CCN1294d
9.0	13/01/14	Moving all schedules to v9.0 in accordance with CCN1349
10.0	10/09/15	Moving all Schedules to v10.0 in accordance with CCN1506
11.0	31/03/16	Moving all schedules to V11.0 in accordance with CCN1604
12.0	03/07/17	Applying changes as per CCN1610 and moving all schedules to V12.0
13.0		Moving all Schedules to V13.0
14.0	20/12/2021	Moving all Schedules to V14.0
15.0	11/04/2024	Moving all Schedules to V15.0

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

**SCHEDULE D4**

**OPEN BOOK**

**1. INTRODUCTION**

- 1.1 The purpose of this Schedule D4 is to define and set out the principles of Open Book cost verification and reporting in relation to HNG-X Development Charges and Migration Charges.
- 1.2 Fujitsu Services warrants to Post Office that the HNG-X Baseline Open Book Information is, and undertakes that all other information supplied pursuant to this Schedule D4 will be, to the best of the knowledge and belief of Fujitsu Services, having taken reasonable steps to verify the same, true, accurate and not misleading as at the date at which it is supplied and prepared on the same basis, and with the same data, as used by Fujitsu Services for its own accounting records and planning processes.
- 1.3 Open Book will apply to any information which Post Office reasonably requests to:
  - 1.3.1 verify any proposed variations to the Charges, prior to agreement to such variations under the Change Control Procedure and limited to those items which relate to the parts of the Charges intended to be amended;
  - 1.3.2 investigate through the SIP all cost reduction opportunities, either as part of a specific project or as part of a review of business and technical strategies;
  - 1.3.3 verify that cost savings generated that will be eligible for Gain Share are being stated accurately and in full (including in relation to the amount of Benefits);
  - 1.3.4 verify the Migration Charges;
  - 1.3.5 verify the costs of reinstatement of Horizon Applications in Branches, where Fujitsu Services is entitled to charge Post Office for such costs under Clause 47.13.2; and
  - 1.3.6 verify the following:
    - (a) costs associated with the procurement of associated activities from third parties in accordance with paragraph 5.2 of Schedule A1 (if Fujitsu Services is appointed as the Preferred Systems Integrator);
    - (b) charge to Post Office of the Fujitsu Service Cost, as referred to in paragraph 2.1.1 of Schedule A4;
    - (c) additional Operational Charges in the period from 31 March 2010 if Project HNG-X is terminated for convenience, as referred to in paragraph 6.2 of Schedule D1;



CONFIDENTIAL

- (d) the basis of any fixed price proposed by Fujitsu Services for Development Services (prior to agreement upon such price) as referred to in paragraph 10.9 of Schedule D1;
  - (e) cost to Fujitsu Services of employment of Fujitsu Services SIP Team Members, as referred to in paragraph 11.1 of Schedule D1;
  - (f) costs incurred by Fujitsu Services as a result of a Design Limit being exceeded as referred to in paragraph 13.3 of Schedule D1;
  - (g) the basis of any fixed price proposed by Fujitsu Services for enhancements to the Infrastructure (prior to agreement upon such price) as referred to in paragraph 13.4.2 of Schedule D1;
  - (h) the adjustment in costs incurred by Fujitsu Services as a result of the applicable limits on the volumes of monthly calls to the Service Desk being exceeded or not being reached as referred to in paragraph 2.4.2.1 of the CCD entitled "Service Desk: Service Description" (SVM/SDM/SD/0001);
  - (i) the adjustment in costs incurred by Fujitsu Services as a result of any increase to the percentage of Incidents logged via a Web Interface as referred to in paragraph 2.4.2.3 of the "Service Desk: Service Description" (SVM/SDM/SD/0001);
  - (j) the basis of any price proposed in connection with a proposed change to a level of service as referred to in paragraph 2.4.2.4 of the CCD entitled "Service Desk: Service Description" (SVM/SDM/SD/0001); and
  - (k) Paragraph removed by CCN1610.
- 1.4 Any information requested by Post Office in accordance with this Schedule D4 shall be provided by Fujitsu Services in relation to the costs, Charges or prices in question:
- 1.4.1 subject to paragraph 2.1, in a form which reasonably demonstrates the basis upon which the costs have been or are forecast to be incurred by Fujitsu Services.
  - 1.4.2 in the form of such financial, accounting and other information as Post Office may reasonably require to verify those costs; and
  - 1.4.3 as soon as reasonably practicable.
- 1.5 Where the cost item to be verified in accordance with this Schedule D4 relates to a product or service which is to be provided by Fujitsu Services in the performance of its obligations under this Agreement and such product or service is procured from within the Fujitsu Services Group, Fujitsu Services shall provide a certificate executed by Fujitsu Services' Chief Financial Officer confirming that:

CONFIDENTIAL

- 1.5.1 such product or service has been provided within the Fujitsu Services Group on a break-even basis; and
- 1.5.2 the costs of such products or services, as reflected in the Charges to Post Office, are consistent with those that are or would be reflected in the charges to other customers of Fujitsu Services if such customers do or were to receive the benefit of the same or substantially similar products or services.

## 2. COST INFORMATION IN RELATION TO VARIED CHARGES

- 2.1 For the purpose set out in paragraph 1.3.1, the information that Post Office shall be entitled to request from Fujitsu Services shall be:

- 2.1.1 in relation to any proposed variations of any of the following services, the following cost information:

- (a) Service Desk Service
  - (i) Total headcount;
  - (ii) Total number of help desk workstations;
  - (iii) Total headcount related costs and itemisation of what these comprise;
  - (iv) 'Seat' costs, for example the software, hardware, support and maintenance required to provide the Horizon Service Desk environment; and
  - (v) Service management headcount and headcount costs.
- (b) Engineering Service
  - (i) Cost of repairs;
  - (ii) Number of engineering visits;
  - (iii) Total cost of engineering visit;
  - (iv) Total cost of router and battery deployment and portable appliance testing; and
  - (v) Service management headcount and headcount costs.
- (c) Operational Business Change (Branch Change) Service
  - Headcount.
- (d) Data Centre Operations Service

CONFIDENTIAL

- (i) Total headcount related costs;
  - (ii) Total hardware maintenance;
  - (iii) Total hosting costs; and
  - (iv) Service management headcount and headcount costs.
- (e) Systems Management Service
  - (i) Headcount;
  - (ii) Total headcount related costs;
  - (iii) Number of seats;
  - (iv) Total cost of seats; and
  - (v) Systems management third party software support costs.
  -
- (f) Network related Services
  - (i) Branch Network Service: number of lines and cost per line per service;
  - (ii) Central Network Service:
    - (1) Circuit details and costs; and
    - (2) Network hardware component maintenance; and
  - (iii) Network management:
    - (1) Total headcount related costs; and
    - (2) Third party service management.
  - (iv) Service management headcount and headcount costs.
- (g) Reference Data Management Service
  - (i) Headcount; and
  - (ii) Total headcount related costs.
- (h) Third Line Software Support Service

CONFIDENTIAL

- (i) Headcount; and
  - (ii) Total headcount related costs.
- (i) Management Information Service
  - (i) Headcount; and
  - (ii) Total headcount related costs.
- (j) Service Management Service
  - (i) Headcount; and
  - (ii) Total headcount related costs.
- (k) Reconciliation Service
  - (i) Headcount; and
  - (ii) Total headcount related costs.
- (l) Security Management Service
  - (i) Headcount; and
  - (ii) Total headcount related costs.
- (m) Application Support Service (Fourth Line)
  - (i) Headcount;
  - (ii) Total Headcount related costs; and
  - (iii) Third party costs.
- (n) Service Integration Service
  - (i) Headcount;
  - (ii) Total headcount related costs; and
  - (iii) Third party costs; and
- (o) Third Party Management Service
  - (i) Headcount;
  - (ii) Total headcount related costs; and

CONFIDENTIAL

(iii) Third party costs.

2.1.2 in relation to any modified or additional non-annualised Charges, details of proposed new or modified capital expenditure in relation to Project HNG-X, the Associated Changes or future projects, such details shall include the quantities, specification, model number, price for each major hardware item, and associated software licences.

2.2 Information provided in accordance with paragraph 2.1 shall be provided in the same format and at the same level of detail as the corresponding information in the HNG-X Baseline Open Book Information.

### 3. OTHER FUJITSU INFORMATION

3.1 In respect of any Charge for services or goods which is stated in Schedule D1 to be priced on an Open Book basis, information provided in accordance with paragraph 1.4 shall include (without limitation) copies of invoices and estimates from suppliers and subcontractors providing those services or goods to Fujitsu Services and details of Fujitsu Services' own costs in similar detail to the HNG-X Baseline Open Book Information for the relevant services.

### 4. POST OFFICE INFORMATION

4.1 Post Office shall, upon the request of Fujitsu Services, provide information to Fujitsu Services which reasonably demonstrates the basis upon which any Gain Share has been calculated by Post Office (but not in relation to net savings in Fujitsu Services' costs of delivering the HNG-X Services in respect of each SIP initiative).

4.2 Any information requested by Fujitsu Services in accordance with paragraph 4.1 shall be provided by Post Office:

4.2.1 in the form of such financial, accounting and other information as Fujitsu Services may reasonably require to verify the costs incurred by Post Office or otherwise verify the basis on which Gain Share has been calculated;

4.2.2 as soon as reasonably practicable; and

4.2.3 accompanied by a certificate from Post Office's Finance Director stating the information supplied is, to the best of his knowledge and belief, having made reasonable enquires to verify the same, true, accurate and not misleading but only to the extent this can be achieved using the management accounting and costing systems normally used by Post Office.

### 5. ASSOCIATED DOCUMENTS

5.1 The following CCDs are associated with this Schedule D4:

	Document Reference	Document Title
--	--------------------	----------------

CONFIDENTIAL

1	COM/MGT/PRO/0002	HNG-X Baseline Open Book Information
---	------------------	---

5.2 The following CRDs are associated with this Schedule D4:

	Document Reference	Document Title
	No CRDs Applicable	