

Fujitsu Services Ltd		CCN NO: 1400 Final	
CHANGE CONTROL NOTE (CCN)			
CCN TITLE: The provision of Transitional Support Services (TSS)		CHANGE ADMINISTRATION USE ONLY. CR NO: N/A CP NO: N/A	
RELEASE: Release Independent		EXPIRY DATE:	
CCN RAISED BY: Michael Harvey and Tim Healy		RAISED DATE: 11 September 2013	
SUBMISSION DATE:			
EMERGENCY CHANGE PROCEDURE INVOKED: NO			
EMERGENCY IMPLEMENTATION DATE:			
FUJITSU SERVICES APPROVAL	DATE	POST OFFICE LTD APPROVAL	DATE
SUMMARY OF CHANGE: The provision of Transitional Support Services (as such services are defined in the relevant CCD) for a transition period of up to 24 months.			
OVERALL IMPACT ASSESSMENT: HIGH			
REASON FOR CHANGE: Post Office Limited ("Post Office") is transitioning from the current services model to a Towers Model. Post Office has already commenced the procurement process for transitioning to the new Towers Model and, at the time of execution of this CCN, is currently dialoguing with down selected bidders with the aim of appointing and signing an agreement with Post Office's Service Integrator. Post Office is also in the process of selecting, and in some cases dialoguing with, bidders for the Towers. It is acknowledged by both Parties that, given the structure of the current Operational Services, this is a complex task. In order to ensure that risk to or adverse effect on the continuity and quality of Post Office customer services during such transfer is minimised, the transfer to this revised service delivery model needs to be managed in a controlled process. The purpose of this CCN is to ensure that suitable transitional support is provided under the Agreement to enable the Services to migrate into the appropriate Tower agreements.			
DETAILS OF CHANGE:			
1 OVERVIEW ^{1.1} The transition process to the new Towers Model is likely to take until beyond the current end of			

the term, 31st March 2015, and as such some elements of the current Services shall be required beyond that date. Some Transitional Support Services, other Services (but excluding Expiring Services) and associated exit support (including but not limited to knowledge transfer and integration) may be required up until 31st March 2017. To this end, the expiry date of the Agreement shall be amended accordingly.

1.2 Clause 46.2 shall be amended to read:

“If Post Office wishes to extend the term of this Agreement, it shall notify Fujitsu Services in writing at least 18 months before the expiry of this Agreement, and the Parties shall meet within 20 Working Days of receipt of such notice and shall use their reasonable endeavours to agree an extension to the term of this Agreement. Fujitsu Services acknowledges that Post Office is particularly concerned regarding a material increase in the operational expenditure in the event that it needs to extend the terms of the Agreement beyond 31st March 2017. To this end, Fujitsu Services agrees that it shall use reasonable endeavours to avoid any material increase in the operational charges in the event of such an extension. In order to avoid such an increase the parties acknowledge that it may be necessary to upgrade or refresh elements of the infrastructure via a project (chargeable to the Post Office) and/or to switch off non-essential elements of the remaining Services. Such amendments and/or changes shall be included in any agreement to extend the term.”

1.3 In accordance with clause 48.4.2, Fujitsu is required to “render all practicable assistance to Post Office, if requested, to the extent necessary to effect an orderly assumption by Post Office or a replacement contractor of the services”. In addition, Schedule E further highlights the requirements for the provision of exit assistance. This “assistance” is defined in each Exit Plan and is defined in the Agreement as “Transfer Services”.

1.4 For the purposes of clause 48.4.2, the Parties agree that the Rate Card set out in paragraph 10.4 of Schedule D1 (as further amended by this CCN 1400) in the Agreement shall be to “the rates then prevailing for customers of Fujitsu Services for the same or similar services”.

2 VARIATION TO SERVICE DESK SERVICE

2.1 In consideration of the flexible right to extend the Service Desk Service beyond 31st March 2015, it is agreed that Post Office shall be required to provide no less than 6 months’ notice to terminate this service. For the avoidance of doubt, it is noted that during this notice period, Post Office retains the option to “ramp down” the services, noting that it must take account of Post Office’s and the Next Supplier’s obligations (where relevant) to consult with any staff potentially subject to transfer under the TUPE Regulations.

- 2.2 Save as set out in paragraph 3.4, the Service Desk Service shall not continue beyond 31st March 2015. In the event that the Service Desk Service continues beyond 31st March 2015 there shall be no reduction in contracted for Service Levels solely as a result of this mini extension.
- 2.3 Unless otherwise agreed, once written notice is given to terminate the Service Desk Service this shall crystallise the termination date and this date may not change unless otherwise agreed in writing by both Parties.
- 2.4 ***Impact on other Services***
- 2.4.1 At the date of this CCN, it is 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.
- 2.4.2 With respect to the Engineering Service, Fujitsu shall record the volume of Engineering Service visits to Branch and shall provide to Post Office data relating to 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,
- 2.4.3 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 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”.
- 2.4.4 In order to determine the Expected Engineering Volumes:
- a) Post Office and Fujitsu 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.

- 2.4.5 The agreed volumes together with the upper and lower thresholds and peak uplift determined in accordance with paragraph 2.4.4 above shall form the Expected 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.
- 2.4.6 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 2.4.10 below the “Actual Engineering Visits”
- 2.4.7 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 a sum equivalent to credits as detailed in paragraph 2.4.9 below for each Engineering visit to a Branch above the upper threshold.

2.4.8 Should Actual Engineering Visits be lower than the lower threshold for the Expected Engineering Volumes for that month, Fujitsu will credit Post Office as detailed in paragraph 2.4.9 for each Engineering visit to a Branch below the lower threshold.

2.4.9 For each additional visit over and above the Upper Threshold (108%) for the 3 month period, Fujitsu 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 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 shall provide supporting information.

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

2.4.11 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.

2.5 ***Revised Services Levels for Service Desk Service***

Revised Service Levels applicable to the Service Desk Service are summarised in Annex 2 to this CCN.

2.6 *Service Levels for impacted Operational Services*

Annex 2 also sets out the variation to the Service Levels for Engineering Services and Branch Network Services which are impacted by the termination of the Service Desk Service.

3 **REPLACEMENT OF OTHER OPERATIONAL SERVICES**

3.1 The Engineering Service, OBC Branch Service and CMT Service will expire on 31st March 2015 (unless extended in accordance with paragraph 3.4). The POLSAP Services will be split into two services: (i) POLSAP Hosting Service which will expire on 31st March 2015 and (ii) POLSAP Applications Support Service which will expire on 31st March 2016.

3.2 The POLSAP Hosting Service and support for the Credence Application (including the MDM application) and the Salesforce Support Service will expire on 31st March 2015. The Salesforce Support Service is supported as a separate service and as such no changes to the current Service Description are required. However, the POLSAP and Credence (including MDM application) applications are supported across a number of the current Services. As part of this CCN these obligations shall be removed from current Service Descriptions and detailed as separate Services (the "POLSAP Hosting Service", "POLSAP Applications Support Service" and the "Credence/MDM Service"). The Charges for the remaining impacted Operational Services and/or the Transitional Support Services shall be adjusted to reflect the removal of the POLSAP Services and Credence/MDM Service in accordance with the revised Schedule D1 (such adjustments are set out in Annex 5 to this CCN). The POLSAP Hosting Service, the POLSAP Applications Support Service and the Credence/MDM Service shall each become Terminable Services in Schedule E.

3.3 The parties shall comply with the exit strategy and exit plan obligations in accordance with Schedule E (Termination and the Exit Plan). For the avoidance of doubt, such assistance from Fujitsu shall be chargeable in accordance with the rates set out in paragraph 10 of Schedule D1 and may continue beyond 31st March 2015 where Transfer Services are still being delivered.

Mini Extensions

3.4 In the event that Post Office requires any or all of the Expiring Services (excluding Credence/MDM Service, Salesforce Support Service, POLSAP Hosting Service and POLSAP Applications Support Service) to continue beyond 31st March 2015, then the following provisions shall apply:

3.4.1 Post Office shall only be able to extend a particular service for fixed 6 month periods. Therefore, should Post Office, for example, require OBC Branch Services beyond 31st March 2015, then the shortest period of the extension is to 30th September 2015. Should Post Office require an additional period beyond 30th September 2015 then Post Office must also elect for

an additional fixed 6 month extension period, i.e. to 31st March 2016.

- 3.4.2 In order to extend one of these Expiring Services (excluding POLSAP Applications Support Service), Post Office must give a minimum of 6 months' written notice, i.e. in the first instance, such written notice must be received by Fujitsu prior to 30th September 2014.
- 3.4.3 For the avoidance of doubt, liquidated damages (where applicable) shall continue to apply during any mini extension in accordance with clause 18 save in the case where the Actual Engineering Visits in any month exceeds the related Expected Engineering Volume by 10%. In such instances, the calculation for liquidated damages in respect of the Counter Availability SLT shall be based on the average downtime for each of the hardware components over the previous three months (not including the month in question), instead of the actual downtime in the month for each of those components. This shall be calculated using the reported downtime for each problem type prefaced "HD" in the Local Failure section of the SLT report produced in accordance with Annex A to the CCD Branch Network Service Description (SVM/SDM/SD/0011).

Mini Extension Reports

- 3.4.4 Fujitsu shall, acting as the informed supplier, ensure that its personnel inform the Service Management Relationship (as set out in Schedule A2) as soon as it is aware of any issues that may impact on the provision of Expiring Services (excluding POLSAP Applications Support Service) beyond March 2015 (be it by Fujitsu or the Next Supplier) on a reactive basis. Where such issues are agreed they shall be formally recorded in the minutes and become Refresh Items. If agreement is not reached in the Service Management Relationship then the Dispute Resolution Procedure will be followed.
- 3.4.5 Additionally, to inform the mini extension request Post Office may elect to commission via a CT, a report identifying any items of risk that would need to be addressed in order for the relevant Service(s) to continue to operate during any Mini Extension as set out in the Agreement immediately prior to the extension. This report shall be prepared on a pro-active basis with Fujitsu consulting relevant sub-contractors as necessary. Such report shall be delivered to Post Office within 3 months of the agreement date of the CT (the "**Mini Extension Report**"). The report shall be delivered on a time and materials basis but the cost of such report shall be capped at £30,000.
- 3.4.6 Post Office will review the Mini Extension Report and the parties shall use reasonable endeavours to agree any changes within 15 Working Days of the date the Mini Extension Report is delivered to Post Office. If the Parties are unable to agree the report then the matter shall be escalated via the existing Dispute Resolution Procedure.
- 3.4.7 Once agreed, any items identified in the Mini Extension Report shall be deemed to be Refresh Items.
- 3.4.8 If matters relating to potential Refresh Items have been referred to the Dispute Resolution Procedure but not yet resolved and result in a service failure during any mini extension, then the potential Refresh Items attributable to the service failure shall become Refresh Items.
- 3.4.9 Post Office may at its sole option determine whether to implement all, some, or none of the Refresh Items set out in the Mini Extension Report and/or Service Management Relationship

minutes and/or Dispute Resolution Procedure resolutions. For the avoidance of doubt, Post Office may purchase Refresh Items from any Tower Contractor or any other third party but, as set out in Schedule B1 (Branch Hardware Implementation), only Fujitsu may implement such Refresh Items into the Services (at Post Office's additional cost where such costs are not recoverable under the Charges) to the extent it still provides the applicable Service. In the event that Post Office decides to proceed with some or none of the Refresh Items then Fujitsu shall not be liable for any service failure directly attributable to Post Office not proceeding with the Refresh Items. In the event that Post Office decides to proceed with some or all of the Refresh Items then, for the avoidance of doubt, Fujitsu's obligations to provide the Services in accordance with the Service Levels shall be unaffected by the implementation of any such Refresh Items.

- 3.4.10 Furthermore, if Post Office does not elect to procure the Mini Extension Report and to the extent that Fujitsu has fulfilled its obligations under paragraph 3.4.4, then, should the service be impacted by the non-availability, refresh or support of hardware and software, or of spares after 31st March 2015 an appropriate adjustment to service level performance shall be made in relation to failures directly caused by the lack of availability, refresh or support of those spares, hardware or software.

Spares Stock

- 3.4.11 Prior to the termination/expiry of any of the Services, Fujitsu will notify Post Office promptly after it becomes aware (or ought reasonably to have become aware), of any software or hardware used in the performance of the Services or spares stocks for Branch Infrastructure which is becoming end-of-life and/or coming out of support in the two years after the planned expiry of the Service.
- 3.4.12 Post Office shall be responsible for the provision of all spares stock from 1st April 2015 required for the provision of Expiring Services (excluding POLSAP Applications Support Service). For the avoidance of doubt, Post Office may request that Fujitsu source the spares stock on Post Office's behalf. In such circumstances and subject to the availability of such spares, Fujitsu shall procure said spares at Post Office's cost. Fujitsu shall also be entitled to charge for the storage of these spares. In the event that Post Office extends the Engineering Service, Fujitsu shall not be entitled to charge for those spares that it estimates it will require to deliver the Services during the period for which the Engineering Service is extended. Fujitsu will continue to be able to charge for the storage of any other spares procured on behalf of Post Office during such period where such spares are stored by Fujitsu.

Ramp Down Charges

- 3.4 Once a particular Operational Service, Counter Positions or Branches is/are supported by a Next Supplier or any other supplier (and not Fujitsu) it/they shall cease to be "Counter Positions" or "Branches" for such Operational Service.

3.5 For the avoidance of doubt, a single Branch or Counter Position may be supported by Fujitsu in relation to one Operational Service but may be supported by a Next Supplier in relation to another Operational Service. As illustrated in the following example, that Branch or Counter Position supported by Fujitsu would be included in the variable charge calculation for the Operational Service but not the Branch or Counter Position supported by the Next Supplier.

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.

3 TRANSITION

4.1 All current Services are required beyond 31st March 2015 save for Expiring Services as set out in paragraphs 2 and 3 above.

4.2 In addition to the obligation to deliver the Transitional Support Services it is acknowledged by both parties that in order to facilitate the transition to the new Towers Model it would be helpful to ascertain to what extent the elements of the Terminable Services are variable (and so cost savings can be achieved by Fujitsu which shall be passed to Post Office) during the ramp-down period of the Relevant Service (after notice of termination is given). To this end it is agreed that with respect to the Transitional Support Services:

4.2.1 Within 5 months of a request from Post Office, Fujitsu shall prepare a report for Post Office identifying for each Terminable Service within the Transitional Support Services which elements are potentially variable and which are fixed (for which no savings will realistically be achievable ahead of the exit of that particular service). This report will be written on the basis of an "order of magnitude". Fujitsu shall not be required to disclose any commercially sensitive information in this report regarding "how" they deliver the services. Without prejudice to Clause 24 and Schedule D4, Fujitsu shall not be required to provide Open Book pricing for the purposes of proving its conclusions with respect to this report. For the avoidance of doubt, (i) the report shall include the operational charge reduction which Post Office could expect (comprising the cost of the network plus the additional margin) as a result of cessation or decommissioning of individual central network circuits and (ii) Post

Office acknowledges that in terminating a circuit it may be require to incur termination charges from the circuit provider (charged by Fujitsu on a pass through basis) and any additional cross associated with the impact on the remaining circuits (for example a loss of discounts associated with a certain volume of circuits) and/or Services. The provision of the report shall be chargeable by Fujitsu up to a maximum amount of £15,000 excluding VAT.

4.2.2 The Parties acknowledge and agree that the more commoditised Services, such as Data Centre Operations, should be capable of containing variable elements. In the Ramp Down Report, Fujitsu shall identify the variable elements and associated cost drivers of such Services and the associated reduction in the Charges for such variable elements during a Ramp Down Period. For more bespoke Services, such as Applications Support Service (4th Line). Fujitsu shall use reasonable endeavours to identify any variable elements and the associated cost drivers , however if this not possible Fujitsu shall explain in the Ramp Down Report:

- a) why this is the case; and
- b) any information Fujitsu will need to be able to provide the information required to be included in the Ramp Down Report.

4.2.3 Post Office shall review the report referred to in paragraph 4.2.1 and provide feedback to Fujitsu.

4.2.4 The parties shall meet to discuss Post Office's feedback and based on the agreed outputs of the meeting, Fujitsu shall amend its report to reflect those agreed outputs. This process shall be completed within 6 months of the date of the request from Post Office.

4.2.5 Once the report is agreed, upon request from Post Office, Fujitsu shall apply the relevant principles contained in the report when developing the pricing mechanism for each relevant Exit Plan which shall apply during the ramp down of the Relevant Service.

4.2.6 Any Disputes in relation to this paragraph 4.2 shall be resolved in accordance with the Dispute Resolution Procedure.

4.2 The existing concept of Terminable Services (as detailed in Schedule E) shall apply to the Transitional Support Services such that Post Office may continue to terminate a Terminable Service on a minimum of 3 months' notice. This shall work as follows:

4.2.1 For a minimum of 3 months after receipt of the notice, the Terminable Service shall continue to be delivered (and paid for) in full.

4.2.2 Fujitsu shall prepare an Exit Plan at the request of Post Office. This Exit Plan shall comply with Post Office's requested run-down of the Relevant Service (having taken account of

Fujitsu's views and acting reasonably) to enable transition to the replacement model (subsequent to the notice period) and apply the pricing mechanism principles detailed above during the run-down period.

4.2.3 The Transfer Services shall be delivered until completion of the transition of the Relevant Service. During this time Fujitsu shall be entitled to charge for the Relevant Services being provided in accordance with the agreed charging mechanism in addition to the charges associated with delivery the Transfer Services.

4.3 Where a Terminable Service is terminated, the impact on the remaining Transitional Support Services shall be determined and any variations to the remaining services (including any changes to the Charges and/or variations to the remaining service descriptions and contractual provisions to take account of the impact) shall be agreed in accordance with the Change Control Procedure.

4.4 The Transitional Support Services shall expire on 31st March 2017.

4.5 Exit Plans

4.5.1 Fujitsu shall, if requested by Post Office, provide to Post Office part one of the Exit Plan (excluding the Next Supplier dependant elements) for a Service based on a transition to the Towers Model scenario. Fujitsu shall provide part one of the Exit Plan within 2 months of the date of request from Post Office. This Exit Plan shall comply with the provisions of Schedule E (Termination and the Exit Plan).

4.5.2 Fujitsu shall provide part two of the Exit Plan for a Service for the Next Supplier specific elements once Post Office has notified Fujitsu as to who the Next Supplier is and the nature of the transition process that Post Office and the Next Supplier requires. Fujitsu shall provide part two of the Exit Plan within 2 months of receipt of this notification from Post Office provided that such notification is received at least 2 months after the request for part one of the Exit Plan in accordance with paragraph 4.6.1 (i.e. the creation of part one and part two shall not run concurrently). For the avoidance of doubt, Post Office shall provide this information on or before the date it gives written notice of termination of the Terminable Service.

4.5.3 For the avoidance of doubt, Post Office may request part two of the Exit Plan only (and not part one). In the event that Post Office requests part two of the Exit Plan only, Fujitsu shall provide such Exit Plan in accordance with paragraph 4.6.2 above including all elements dependent on and not dependent on the Next Supplier.

4.5.4 All work performed by Fujitsu in writing and reviewing any Exit Plans associated with any Expiring Service (but excluding the POLSAP Applications Support Service) shall be performed by Fujitsu for no additional charge. For the avoidance of doubt, this includes Exit Plans prepared after 31st March 2015. Fujitsu may make a charge for the POLSAP

Applications Support Exit Plan but this charge is capped at £25,000 plus VAT.

- 4.2.5 All work performed by Fujitsu in writing and reviewing any Exit Plans associated with any Service other than an Expiring Service shall be chargeable by Fujitsu in accordance with the Rate Card.

4 CORE AND STANDING

- 5.1 Annex 3 to Schedule A2 details the provisions regarding additional “pre-committed resource” referred to as “Inner Core”, “Outer Core” and “Standing”.

- 5.2 It is agreed that that a similar mechanism is required during the delivery of the Transitional Support Services but that Post Office has requested a simplified and flexible model to take account of their varying requirements through to the end of the delivery of Transitional Support Services.

- 5.3 To this end, it is agreed as follows:

- 5.3.1 A mechanism shall be rolled forward for April 2015 to March 2017. This mechanism shall retain the concept of “Inner Core” but replace the “Outer Core” and “Standing” with a pre-paid discount structure.

- 5.3.2 The “Inner Core” shall be expanded to 16 full time equivalent posts.

- a) This resource requirement shall be committed for the term of the Transitional Support Service through to the end of March 2017.
- b) Post Office makes this commitment as of the date of execution of this CCN. However, it shall be entitled to revoke or change this commitment at any point up to 30th September 2014 without the payment of any charge by giving Fujitsu written notice.
- c) Each full time post shall be charged at Rate Card rate with an 18% discount (to maintain the current discount associated with the Inner Core where they have been with the account for more than 60 months). This discount shall be applied monthly as a credit to the operating charge.
- d) In the event that the Inner Core is not maintained for the term:
 - (i) Where Post Office removes any or all full time posts from the Inner Core Team on or prior to 30th September 2014, there shall be no additional charge.

- (ii) Where Post Office removes a full time post from the Inner Core Team after 30th September 2014 but prior to 1 October 2016, Post Office shall pay to Fujitsu 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 as a one off additional charge for the month in which the full time post is removed from the Inner Core team.
- (iii) Where Post Office removes a full time post from the Inner Core Team on or after 1 October 2016, Post Office shall repay to Fujitsu an amount equal to the 18% discount that would have been applied in the period from the date of such removal until 31st March 2017 only (i.e. if 3 months remains to 31st March 2017, then Post Office shall only be required to repay 3 months discount). This amount shall be invoiced by Fujitsu as a one off additional charge for the month in which the full time post is removed from the Inner Core team.
- e) In the event that Post Office provides notice to increase the Inner Core Team after 31st March 2015, the 18% discount shall only apply 3 full months after the resource is added to the Inner Core Team.

5.3.3 The “Outer Core” and “Standing” mechanisms shall be replaced by a committed spend provision throughout the term of the Agreement. This shall work by reference to the forward financial commitment that Post Office is able/willing to give to Fujitsu so as to enable Fujitsu to keep key resource with the account and manage its resource pool most efficiently. The table below sets out a discount structure:

Committed monthly spend	Discount percentages
>£150,000	1%
>£200,000	2%
>£250,000	3%
>£350,000	4%
>£500,000	5%

- (a) 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 as a one off additional charge for the month in which the committed monthly spend is not achieved.
- (b) Post Office shall get an additional 1% discount for each additional 6 month period that it makes the advanced monthly commitment. So, for example, if Post Office were to

commit to spend £500,000 per month from 1st April 2015 to 31st March 2017 it would be entitled to a discount of 9% on the rates set out in the Rate Card. So 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 31st December 2014.

- (c) There are no individual resource rate card reductions in addition to this discount mechanism.

5 CHARGES

5.1 Revised Schedule D1

The revised Annex B to Schedule D1 is set out in Annex 5 to this CCN and sets out details of the following:

5.1.1 The Charges for the remaining Services through to 31st March 2015.

5.1.2 The Charges for the Transitional Support Services from 1st April 2015 to 31st March 2017.

6.1.3 –The following charges shall be payable in addition to the Charges for the Operational Services and/or Transitional Support Services:

- a) Charges for the provision of Transfer Services;
- b) Charges for the physical interface costs of providing new interfaces to the services provided by the Next Supplier(s) calculated in accordance with Schedule E, and
- c) Termination Charges, calculated in accordance with Schedule E.

5.2 Annex B to Schedule D1 (as attached at Annex 5 to this CCN) reflects a consolidated list of the changes resultant from CCNs up to 31st March 2013. Any additional changes to Annex B to Schedule D1 agreed in a CCN after 31st March 2013 but prior to the execution of this CCN shall be applied in addition to the content of the Annex B to Schedule D1 attached at Annex 5 to this CCN. For the avoidance of doubt, please note that Annex B to Schedule D1 attached at Annex 5 to this CCN does not include charges for the HNG-X Test Infrastructure Extension (CCN 1328b) beyond 31st March 2015 as it is assumed that this will not be required.

5.3 It is noted that at the time of entering into this CCN 1400, both parties acknowledge that it is not possible to predetermine all of the potential impact (including changes to the relevant cost base) of the removal of the Service Desk Service and the impact of the removal of other subsequent Terminable Services (whether before or after 31st March 2015) on the remaining Operational Services and/or Transition Support Services. To this end, the provisions of paragraph 2 (Partial Termination) of Schedule E (Termination and the Exit Plan) shall apply in each instances and

Fujitsu shall be required to impact each expiry and/or termination and the Charges for the remaining services shall be varied according to any increase or decrease in the remaining costs incurred by Fujitsu in delivery of the remaining services.

5.4 Indexation

5.4.1 In accordance with the current provisions of the Agreement, Fujitsu is entitled to uplift all operational charges by RPI on an annual basis. In order for Post Office to demonstrate value for money during the period from 1st April 2015 and given that it will not be practicable to benchmark during this period, it has been agreed as follows:

- a) From 1st April 2015 to 31st March 2017 and subject to the caveats set out below Fujitsu shall only apply the RPI uplift calculated and applied in accordance with the provisions of this Agreement to 35% of the charges relating to the Services to which the Varied Indexed Charges apply.
- b) The restriction on application of RPI referred to in paragraph 6.4.1(a) above shall only apply up to where RPI is 5% or less. Thereafter, Fujitsu shall be entitled to charge 100% of the RPI uplift to the extent to which RPI is greater than 5%.
- c) The restriction on application of the RPI uplift shall only apply to the Services to which the Varied Indexed Charges apply and Fujitsu shall continue to be entitled to apply the RPI uplift, in accordance with the terms of the current Agreement, to the other services, rate cards and charges, including the Rate Card.
- d) Given that the Data Centre Operations, Central Network and Branch Network Services were benchmarked and demonstrated to be below the benchmark, the charges associated with the Data Centre Operations, Central Network and Branch Network Services will not be subject to the limitation and as such Fujitsu will be entitled to apply an uplift equivalent to 100% of the RPI uplift to these services.
- e) In return for Fujitsu's waiver of 65% of the RPI uplift to some of the Transitional Support Services, Post Office expressly waives its entitlement to perform benchmarking on any of the services from 1st April 2015 until the end of the term.
- f) With regard to Service Desk Services only, the first six month fix 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 Service Desk Service shall be subject to a 10% increase in the Charges (as at 31st March 2015 uplifted for any relevant RPI adjustment).

g) Two examples of how the Charges will be indexed are set out below:

Example 1

The monthly charges for all Indexed Charges for month X are £2,000,000.

The Data Centre Operational Service and Central Network Service monthly Service Charge for month X is £500,000.

Therefore the Varied Indexed Charges are £2,000,000 - £500,000 = £1,500,000.

RPI Percentage is 3%.

The New Monthly Charge shall be:

New Monthly Charge = (RPI Percentage x (35% of 1.5m) + 1.5m) + ((RPI Percentage + 100%) x 0.5m)

*= ((0.03(1,500,000*0.35)) + 1,500,000) + (500,000*1.03)*

= 1,515,750 + 515,000

= £2,030,750

Example 2

The monthly charges for Indexed Charges for month X are £2,000,000.

The Data Centre Operational Service and Central Network Service monthly Service Charge for month X is £500,000.

Therefore the Varied Indexed Charges are £2,000,000 - £500,000 = £1,500,000.

RPI Percentage is 6%.

The New Monthly Charge shall be:

New Monthly Charge = (RPI Percentage x (35% of 1.5m)) + ((RPI Percentage - 5%) x 1.5m) + 1.5m + ((RPI Percentage + 100%) x 0.5m)

*= ((0.06(1,500,000 x 0.35)) + (1,500,000 x 0.01) + 1,500,000) + (500,000*1.06)*

= 1,541,250 + 530,000

= £2,071,250

5.5 Termination Charges

5.5.1 For the avoidance of doubt, where the Agreement or Terminable Service is terminated in accordance with Clauses 47.7 and 47.10.2 it shall be subject to a Termination Charge or Partial Termination Charge as outlined in Schedule E.

5.5.2 The principles associated with the calculation of the Termination Charge and/or Partial Termination Charge is set out below:

- a) Save as set out in paragraph b) below, for any extended Expiring Service (excluding the POLSAP Applications Support Service), the Partial Termination Charge shall be calculated by reference to an expiry date of 31st March 2015.

- b) In the event that Post Office elects to vary the expiry date of an Expiring Service in accordance with paragraph 3.4 above, the Partial Termination Charge shall be calculated to the revised expiry date for that service.
- c) For the POLSAP Applications Support Service, the Partial Termination Charge shall be calculated by reference to an expiry date of 31st March 2016.
- d) For all other services including those Terminable Services which are replaced by equivalent Transitional Support Services, the Partial Termination Charge shall be calculated by reference to an expiry date of 31st March 2017. For example, if the termination of the Data Centre Operational Service in accordance with Clause 47.10.2 were to take effect on 1st August 2014, the Partial Termination Charge would be calculated by reference to an expiry of 31st March 2017 and not 31st March 2015.

5.1.3 In addition, where Post Office elects for a “ramp down” period as part of the transition of the Relevant Service, it is agreed that for the purposes of calculating the Partial Termination Charge due, the Lost Profit element will be calculated from the commencement of the “ramp down” period to the expiry of the Relevant Service but will take into account the Lost Profit already paid by Post Office within the Charge for the Relevant Service during the “ramp down” period.

5.1.4 In order to fit within the current Termination Charge structure the model in paragraph 6.5.2 above shall work as follows:

- a) Termination Charges and Partial Termination Charges will be calculated in accordance with paragraph 6.2 of Schedule E.
- b) Element B which represents Lost Profit shall remain as the present value of the Lost Profit that would have been due to Fujitsu during the remainder of the term of the Agreement:
 - i. The relevant period for which Lost Profit will be payable will be from the commencement of the Ramp Down Period to the expiry date for the Relevant Service.
 - ii. The profit included within the Charges paid during the Ramp Down Period shall be recognised in the calculation of the Lost Profit payable by deducting 10% of the present value of such Charges from the Lost Profit calculated by the formula laid out in paragraph 6.2.5 of Schedule E.

6 SISD FLOW DOWN

In order to align this Agreement with the Tower's Model, Fujitsu may receive relief from Service Levels and reimbursement of additional costs and expenses necessarily and reasonably incurred as a direct result of steps taken by Fujitsu in carrying out additional work or services to remedy or mitigate an issue caused by a Post Office Cause or a Tower Contractor Cause and has agreed to provisions relating to payment of compensation to Post Office for additional costs and expenses necessarily and reasonably incurred by Post Office and Tower Contractors as a direct result of steps taken by Post Office and Tower Contractors in carrying out additional work or services to remedy or mitigate an issue caused by a Fujitsu Dependency Failure.

7 PARENT COMPANY GUARANTEE

Fujitsu shall obtain an extension to the current guarantee from Fujitsu Services Holdings plc (in the format detailed in Annex 4 to this CCN) to extend the current Fujitsu Services Holdings plc guarantee until 31st March 2017 to cover the scope of the Transitional Support Services.

8 TRANSITIONAL SUPPORT SERVICES**Service Descriptions**

8.1 The Transition Support Services shall be as defined in Schedule B3.1. The individual Service Descriptions shall be updated by the Parties on the basis of Annex 1 to this CCN.

8.2 The Service Levels for the Transitional Support Services will be as set out in Annex 2 to this CCN.

Branch Network Service

8.3 It is noted that, the inclusion of Branch Network Services as a Transitional Support Service was not included in the Belfast Refresh Programme contracted for under CT1250b.

8.4 With regard to the BNS Report Part 1 and BNS Report Part 2 (as defined below):

- (i) Within 1 month of date of signature of CCN 1400, Fujitsu shall agree with Post Office via the Change Control Procedure the preparation of a study of the current Branch Network which shall, as a minimum, cover the following aspects of the current Branch Network Service:
 - (a) Branch Routers. The availability and any changes required to maintain Sarian/Digi firmware support through to 31st March 2017; (note hardware is part of the Engineering Service)
 - (b) Branch Routers. The compatibility of the current branch routers with expected changes in WAN technologies (where WAN provider engaged as part of study);

- (c) Cisco Summary Router firmware and hardware support. What options are there given that this product goes “end of supported life” with Cisco in mid 2015;
- (d) ADSL. What changes, if any, are expected with the TalkTalk LLU copper product prior to end of March 2017;
- (e) ADSL. What changes, if any, are expected with the BT IP Connect copper product prior to end of March 2017;
- (f) C&W Energis / RemoteConnect. Confirm what if any changes may be required with respect to the PSTN Bootloader access; and
- (g) Utimaco NT4 VPN. Confirmation that the date goes forward to March 2017,

with respect to any known issues which may affect the Branch Network Service prior to 31st March 2017 (the “**BNS Report Part 1**”). If requested by Post Office within 2 weeks of date of signature of CCN 1400 Fujitsu shall also include in this study some or all of the following:

- (h) ADSL – Kingston copper ADSL;
- (i) VSAT branch hardware (Disk, IDU etc);
- (j) VSAT Atlantic Bird, Euro Bird and Italy Base Station;
- (k) Cisco Internet Branch Routers (at VSAT, BFPO and KDSL) firmware support;
- (l) Orange/Voda – roadmap for 2G and 3G technologies;
- (m) Orange/Voda – SIM cards standards;
- (n) Orange/Voda – data centre connectivity issues; and
- (o) C&W Energis / Remote Connect – ISDN / PSTN branch connectivity; and
- (p) BT individual ISDN2e lines,

to determine if there are any other issues which may affect the Branch Network Service prior to 31st March 2017 (the “**BNS Report Part 2**”). The BNS Report Part 1 and the BNS Report Part 2 (if any) shall be referred to as the “BNS Report”. Fujitsu shall produce Part 1 of the report within 3 months of the signature of the Change Note and if requested by Post Office in accordance with clause (e) (i) above Part 2 of the report within 4 months of the signature of this CCN 1400.

- (ii) The preparation of the report shall be chargeable to the Post Office, the cost of the BNS Report Part 1 shall be capped at £70,000 (exc. VAT) and the cost of the BNS Report Parts 1 and 2 combined shall be capped at £120,000 (exc. VAT).
- (iii) The Parties shall jointly review the BNS Report and shall use reasonable endeavours to challenge the BNS Report and work with third parties to minimise and mitigate the elements of the Service that need refreshing, upgrading or a change to the terms support associated with any spares, hardware, software or firmware which form part

of the current Branch Network Service. The Parties shall use reasonable endeavours to agree any changes to the BNS Report within 30 Working Days of the date that the BNS Report is delivered to Post Office.

- (iv) The Parties acknowledge and agree that the preferred outcome is that no changes to the infrastructure of the Branch Network Service are required. The Parties shall work collaboratively together so as to achieve this outcome so as to ensure that no or minimal capital expenditure is required from Post Office.
- (v) If the Parties are unable to agree the BNS Report then the Subject Leads for the Relationship best qualified to deal with the BNS Report, taking into account its nature and the responsibilities of each Subject Lead, shall convene an occasional meeting of the relevant Relationship in accordance with paragraph 3.3 of Schedule A2 to agree the BNS Report. If the matter is not resolved at a Relationship level it shall be escalated via the existing Dispute Resolution Procedure.
- (vi) Once agreed, any items identified in the BNS Report shall be deemed to be BNS R&R Required Items.
- (vii) Post Office may purchase such BNS R&R Required Items from any Tower Contractor or any other third party. Until 31st March 2015, as set out in Schedule B1 (Branch Hardware Implementation), only Fujitsu may implement such BNS R&R Required Items into the Services (at Post Office's additional cost, where such costs are not recoverable under the Charges) unless the relevant Service is partially terminated in accordance with Schedule E, paragraph 9.1. After 31st March 2015, Post Office may request the appropriate Tower Contractor to implement the BNS R&R Required Items (where the previous way to implement such an item was performed by an element of the Services that has been partially terminated) but Fujitsu retains the right (acting reasonably) to sample test and check correct implementation of such BNS R&R Required Items.
- (viii) Once BNS R&R Required Items have been implemented then Fujitsu shall provide the Services and comply with the Service Levels to which those Refresh Items relate.
- (ix) With regard to BNS R&R Required Items listed in the BNS Report Part 1, Post Office shall procure and/or implement the BNS R&R Required Items set out in the BNS Report Part 1. In the event that Post Office fails to procure and/or implement the relevant BNS R&R Required Item, then Fujitsu shall not be liable for any service failure directly attributable to Post Office not proceeding with, implementing and/or making available the BNS R&R Required Item listed in the BNS Report Part 1.
- (x) With regard to Refresh Items listed in the BNS Report Part 2, Post Office may at its sole option determine whether to implement all, some, or none of BNS R&R Required Items set out in the BNS Report Part 2. In the event that Post Office decides to proceed with some or none of the Refresh Items listed in the BNS Report Part 2, then Fujitsu shall not be liable for any service failure directly attributable to Post Office not proceeding with, implementing and/or making available the BNS R&R Required Items listed in the BNS Report Part 2.

9 TRANSITION TO TOWERS MODEL

9.1 The Parties agree that the provisions of Schedule E (Termination and the Exit Plan) shall continue to apply to the Transitional Support Services as it does to the Services. Therefore, in the event that Post Office wishes to terminate any element of the Transitional Support Services that are equivalent to the Terminable Services set out in Schedule E it may do so in accordance with its terms.

9.2 Information sharing

10.2.1 Fujitsu acknowledges that as part of its obligations under paragraph 4 of Schedule E that it is required to “provide Post Office with reasonable information and assistance in relation to Post Office’s tender process conducted for the provision of services to replace the Relevant Services or the performance of the Relevant Services by a replacement contractor”.

10.2.2 Fujitsu has agreed to expand this information sharing provision so that during any (i) tender or due diligence process it shall provide bona fide potential Next Suppliers with access to personnel, data and information in order to enable Post Office to run a procurement process in compliance with the Public Contract Regulations 2006 and (ii) transition, implementation and operational phase by granting rights of access to relevant assets including premises and IT to Next Suppliers.

10.2.3 Furthermore, in relation to the confidentiality provision at Clause 61, Fujitsu has agreed that Confidential Information may be disclosed to:

- a) bona fide potential Next Suppliers from the signature date of this CCN 1400 to the extent that such disclosure is reasonably required to comply with the Public Contracts Regulations 2006 (in particular without limitation Regulation 4(3) of the Public Contracts Regulations 2006) to enable any bona fide potential Next Suppliers to prepare a reasonably detailed tender proposal to Post Office and carry out due diligence; and
- b) Next Suppliers to the extent such disclosure is reasonably required to effect transition and implementation.

9.3 Provision of documentation

10.3.1 Post Office acknowledges that an updated draft of the Asset Register has been provided by Fujitsu and this is subject to review and agreement by the parties.

10.3.2 In addition, Fujitsu confirms that it shall provide an updated version of the Exit Strategy document by 31st October 2013 for discussion with Post Office.

10.3.3 For the avoidance of doubt, this activity will not be chargeable by Fujitsu.

10.3.4 Under Clause 30.15.1, Post Office wishes to clarify that access to and use of Horizon Design

Documentation by Post Office and third parties engaged by Post Office includes bona fide potential Next Suppliers (in particular during any tender, due diligence or implementation process) where reasonably required (i) to comply with the Public Contracts Regulations 2006 (in particular without limitation Regulation 4(3)) and (ii) by Post Office for a Design Purpose.

11 GOVERNANCE FOR TRANSITIONAL SERVICES

- 11.1 The parties acknowledge that the current governance structure is set out in Schedule A2.
- 11.2 Fujitsu acknowledges that the supplier that Post Office chooses as its Post Office Service Integrator for the new Towers Model may act as Post Office's managing partner. Subject to paragraphs 11.5 and 11.7 below, the Parties acknowledge and agree that Post Office Service Integrator shall be entitled, on behalf of Post Office, to exercise any rights or perform any obligations of Post Office under this Agreement, provided that only Post Office shall be entitled to exercise its rights under Clauses 47, 58 and 66 of the Agreement and paragraph 7 of Annex 2 to Schedule A2.
- 11.3 For the purposes of the Post Office Service Integrator performing its role as a managing partner for the Post Office and subject to paragraphs 11.2 and 11.5, references in this Agreement to Post Office shall be interpreted to refer to or include Post Office Service Integrator as relevant. Post Office's opinion shall prevail in the event of any dispute as to whether a reference refers to or includes the Post Office Service Integrator. Delegation to the Post Office Service Integrator shall be without prejudice to Post Office's right to exercise its rights under any provision of the Agreement on its own behalf. For the avoidance of doubt, nothing in this paragraph 11 is intended to create a separate contract between Fujitsu and Post Office Service Integrator or to assign or novate this Agreement or any part of it to Post Office Service Integrator.
- 11.4 In the event that Post Office appoints the Post Office Service Integrator to manage some or all of its IT services on its behalf, Fujitsu shall perform all its obligations owed to Post Office under this Agreement to the Post Office Service Integrator as if the Post Office Service Integrator is Post Office. To the extent that Fujitsu fails to perform its obligations under the Agreement, Post Office retains the ability to enforce its rights against Fujitsu and require it to perform those obligations. In the event that either Party considers co-operation and collaboration between Fujitsu, Post Office Service Integrator and other Tower Contractors is not in accordance with this paragraph 11, then either Party may escalate the issue through the Dispute Resolution Procedure.
- 11.5 Without prejudice to Post Office's right to exercise its rights under any provision of the Agreement on its own behalf, in the event that Post Office Service Integrator exercises the rights of Post Office under Clauses 23, 24 or 25 of the Agreement, Fujitsu shall only be required to disclose details of the aggregated price of performing the Services and not details

of pricing for specific Services or details of the cost base it uses to calculate such prices which may indicate Fujitsu' pricing strategy or pricing levels to Post Office Service Integrator.

- 11.6 Without prejudice to paragraph 11.2 above but subject to paragraph 11.7 below, the Parties acknowledge and agree that Post Office Service Integrator shall be entitled to attend any of the meetings described in this Schedule either in addition to Post Office or on behalf of and as the representative of Post Office. The Post Office Service Integrator may in some instances be the sole representative of Post Office at such meetings or governance boards and will be responsible for the relationship relevant to those meetings or governance boards. Where Post Office Service Integrator attends a meeting on behalf of Post Office, Post Office Service Integrator shall be entitled to exercise such rights and perform such obligations as Post Office would be entitled to exercise or perform at such meeting.
- 11.7 Post Office shall ensure that it has a representative at the following governance boards in addition to or instead of Post Office Service Integrator:
- 11.7.1 Executive Relationship;
- 11.7.2 Commercial Relationship; and
- 11.7.3 Acceptance Board Dispute.
- 11.8 As part of its transition to the Towers Model and in order to ensure the smooth and effective delivery of end-to-end services to Post Office, Post Office may require its suppliers of IT services to enter into good faith negotiations and agree non-disclosure agreements with other Tower Contractors and/or other third parties ("NDA(s)") and operating level agreement(s) ("OLA(s)") setting out each supplier's respective obligations and dependencies to Post Office and each other supplier. Fujitsu shall, where reasonably requested by Post Office, use its reasonable endeavours to enter into NDA(s) and OLA(s) with Post Office Service Integrator and/or any Tower Contractors and/or any other third parties within 3 months of such notification by Post Office. In the event that Fujitsu has not or considers it will not be able to enter into NDAs and/or OLAs within such 3 month timescale, Fujitsu shall promptly notify Post Office of any issues preventing compliance with such 3 month timescale and the Parties shall work together to address the issues in good faith within a reasonable timescale to be agreed mutually. In the event that the parties are unable to agree a reasonable timescale, either Party may escalate the matter through the Dispute Resolution Procedure. For the avoidance of doubt, Post Office shall not be a party to any such NDA or OLA.
- 11.9 Post Office may wish to make changes to the governance structure in this Agreement to align with its new Tower Model and to implement changes associated with any OLA. All such changes shall be managed as a change to the Agreement and implemented via the Change Control Procedure. Fujitsu shall be entitled to charge for any additional costs or risks as a result of changes to the existing governance structure in accordance with the Change Control Procedure.

- 11.10 Fujitsu shall collaborate reasonably with Post Office Service Integrator and the Tower Contractors by adopting Good Professional Practice in relation to collaborating and co-operating with Tower Contractors to enable Post Office to maximize the benefit of the strategic IT supply chain and optimal target operating model selected by Post Office for its IT and change transformation programme including by:
- 11.10.1 responding to and following the Post Office Service Integrator's instructions, including meeting all timescales, where provided in accordance with the terms of this Agreement;
 - 11.10.2 save as set out in the Agreement, reporting to the Post Office Service Integrator as if it were Post Office;
 - 11.10.3 co-operating with the Post Office Service Integrator where it seeks to manage and resolve issues between the Tower Contractors including any Incidents;
 - 11.10.4 providing the Services in accordance with collaboration requirements and responsibilities set out in Schedule F.
- For the avoidance of doubt, Fujitsu shall be entitled to charge Post Office for its demonstrable additional costs in complying with this paragraph 11.10 which the Parties shall agree through the Change Control Procedure to the extent to which such costs are not covered by the (i) Charges relating to the other Services provided under this Agreement and (ii) de minimis amount of time being equivalent to 15 man days of additional effort (over and above those activities performed by Fujitsu prior to the implementation of some or all of the Tower model) in any quarter (being January to March, April to June, July to September and October to December) incurred by Fujitsu in complying with this paragraph 11.10.
- 11.11 Fujitsu shall at all times work with Post Office and Post Office Service Integrator, in good faith, to develop governance processes, collaboration arrangements and meeting structures in relation to the provision of the Services in order to:
- 11.11.1 facilitate consistent management, reporting, and sharing of information between Fujitsu, Post Office Service Integrator and Post Office (as applicable); and
 - 11.11.2 support and assist the delivery of the Services to Post Office and the delivery of other relevant Tower services by Post Office Service Integrator and other Tower Contractors, to Post Office.
- 11.12 The Fujitsu Subject Lead for the Executive Relationship (or a suitable alternative in terms of seniority, decision making ability and knowledge of this Agreement) shall attend meetings of the governance board entitled "Supply Chain Member Board" instituted under the agreement between the Post Office Service Integrator and Post Office.

12 ONGOING SUPPORT OF HORIZON PROSECUTIONS

- 12.1 In addition to its obligations under Clauses 25.2 and 25.3, Fujitsu shall provide the Court Case Support Services to Post Office in relation to prosecutions and other disputes (whether civil or criminal) with any third party including but not limited to any fraud, theft, breach of contract or impropriety (the “Court Case Support Services”). The Court Case Support Services shall include any matters whether they relate to Horizon, HNG-X or any other system provided by or on behalf of Fujitsu to Post Office, its agents or its subcontractors (including Post Office Service Integrator and any Tower Contractor). Fujitsu shall provide the Court Case Support Services within the timeframes required by Post Office or the relevant court or other authority.
- 12.2 Without prejudice to Clause 25.3, the Court Case Support Services shall comprise:
- 12.2.1 the provision of copy reports;
 - 12.2.2 the provision of data (including transaction data, event logs, helpdesk call logs, non-pollled data and remuneration data) where such data is held by or in the control of Fujitsu;
 - 12.2.3 the compilation of data (including transaction data, event logs, helpdesk call logs, non-pollled data and remuneration data);
 - 12.2.4 the interpretation of data (including transaction data, event logs, helpdesk call logs, non-pollled data and remuneration data);
 - 12.2.5 the provision of technical reports regarding technical aspects of any system (whether Horizon, HNG-X or otherwise);
 - 12.2.6 live witness evidence at Court if any of the information provided (including without limitation that provided pursuant to paragraphs 12.2.1 to 12.2.5) is challenged to the extent to which Fujitsu provided said information; and
 - 12.2.7 the right of access to Records, including but not limited to information, reports and data, held by or in the control of Fujitsu, and the assistance of Fujitsu’ personnel with appropriate knowledge of the applicable Records (to the extent any such personnel remain employed or contracted to Fujitsu) for any independent experts and/or legal advisors instructed by Post Office and/or any other claimant(s) or defendant(s) and the Prosecution in any mediation, arbitration tribunal, court case or dispute in which Post Office is involved in relation to the Horizon and HNG-X or any other system provided by or on behalf of Fujitsu to Post Office.
- 12.3 The Parties agree that to the extent Fujitsu’ costs for the Court Case Support Services are not

recovered via the Charges relating to the Security Management Service (for example where additional resource is required), Fujitsu shall be entitled to charge (and Post Office shall pay) additional reasonable and demonstrable costs provided Fujitsu can evidence such costs to Post Office's reasonable satisfaction and wherever possible agree them in advance with Post Office.

12.4 For the avoidance of doubt, the Parties agree the provision of the Court Case Support Services may continue after expiry or termination of this Agreement. For the avoidance of doubt, where assistance is requested by the Post Office and/or Next Supplier of Fujitsu then such assistance shall continue to be chargeable after expiry/termination of the Agreement.

12.5 In addition to its obligations under paragraphs 12.1 and 12.2, Fujitsu may make suggestions and recommendations to Post Office and request other involvement which Post Office may (acting reasonably) permit in relation to any claim/ proceedings associated with the Horizon Application and/or HNG-X Application relating to a time when Fujitsu was supporting and/or providing Services associated with said application. Where Fujitsu Services elects to do this itself, such involvement shall be at no additional charge to the Post Office.

13 GENERAL

13.1 For the avoidance of doubt, both parties acknowledge that the warranty at Clause 15.2 of the Agreement was provided upon execution of CCN1200 and is not repeated as a result of entering into this additional term.

13.2 For the avoidance of doubt, save as varied by the above provisions, the provisions of the Agreement (including its Schedules) shall apply to the Transitional Support Services as if they were the Services.

13.3 Terms used in this CCN which are not otherwise defined shall have the meaning given in the Agreement.

13.4 In the event of a conflict between paragraphs 1 to 13 above of this CCN and the revisions to the wording of the Agreement contained below, the revisions to the wording of the Agreement below shall take precedence.

REVISION TO WORDING OF THE AGREEMENT:

CLAUSES:

Contents Page:

In the contents page of the Agreement, the reference to "48. Rights on termination and expiry of this Agreement, Partial Termination and termination of Project HNG-X" shall be deleted and replaced

with “48. Rights on termination and expiry of this Agreement, Partial Termination, expiry of an Expiring Service and termination of Project HNG-X”.

In the contents page of the Agreement, the reference to “Schedule B3.1 – HNG-X Services” shall be deleted and replaced with “Schedule B3.1 - HNG-X Services and Transitional Support Services”.

Recitals:

A new Recital (H) shall be inserted in the Recitals to the Agreement as follows:

“(H) On 2013 the Parties signed CCN 1400 which made certain changes to the Codified Agreement to reflect Post Office’s intention to transition the Services to a new Towers Model. Under CCN 1400, the Codified Agreement was extended for a transitional period until 31 March 2017, with certain Services expiring on 31 March 2015 (unless otherwise extended), to enable Post Office sufficient time to complete the procurement process for transitioning to the Towers Model and to appoint suppliers for each of the Towers (including Replacement Services).”

Main Body of the Clauses:

In Clause 10.2, “or which expire in accordance with Clause 46.3” shall be inserted after “except any terminated in accordance with Clause 47.10”.

In Clause 25.2, “of the Agreement, Partial Termination, expiry of the Agreement or expiry of an Expiring Service” shall be inserted after “On termination” and in the final sentence of Clause 25.2 the reference to “Clause 25” shall be amended to read “Clause 25.2”.

The following shall be added as Clauses 25.8 to 25.12 of the Agreement:

“25.8 In addition to its obligations under Clauses 25.2 and 25.3, Fujitsu Services shall provide the Court Case Support Services to Post Office in relation to prosecutions and other disputes (whether civil or criminal) with any third party including but not limited to any fraud, theft, breach of contract or impropriety (the “Court Case Support Services”). The Court Case Support Services shall include any matters whether they relate to Horizon, HNG-X or any other system provided by or on behalf of Fujitsu Services to Post Office, its agents or its subcontractors (including Post Office Service Integrator and any Tower Contractor). Fujitsu Services shall provide the Court Case Support Services within the timeframes required by Post Office or the relevant court or other authority.

25.9 Without prejudice to Clause 25.3, the Court Case Support Services shall comprise:

25.9.1 the provision of copy reports;

25.9.2 the provision of data (including transaction data, event logs, helpdesk call logs, non-pollled data and remuneration data) where such data is held by or in the control of Fujitsu Services;

25.9.3 the compilation of data (including transaction data, event logs, helpdesk call logs, non-pollled data and remuneration data);

25.9.4 the interpretation of data (including transaction data, event logs, helpdesk call logs, non-pollled data and remuneration data);

25.9.5 the provision of technical reports regarding technical aspects of any system (whether Horizon, HNG-X or otherwise);

25.9.6 live witness evidence at Court if any of the information provided (including without limitation that provided pursuant to Clauses 25.9.1 to 25.9.5) is challenged to the extent to which Fujitsu Services provided said information; and

25.9.7 the right of access to Records, including but not limited to information, reports and data, held by or in the control of Fujitsu Services, and the assistance of Fujitsu Services' personnel with appropriate knowledge of the applicable Records (to the extent any such personnel remain employed or contracted to Fujitsu Services) for any independent experts and/or legal advisors instructed by Post Office and/or any other claimant(s) or defendant(s) and the Prosecution in any mediation, arbitration tribunal, court case or dispute in which Post Office is involved in relation to the Horizon and HNG-X or any other system provided by or on behalf of Fujitsu Services to Post Office.

25.10 The Parties agree that to the extent Fujitsu Services' costs for the Court Case Support Services are not recovered via the Charges relating to the Security Management Service (for example where additional resource is required), Fujitsu Services shall be entitled to charge (and Post Office shall pay) additional reasonable and demonstrable costs provided Fujitsu Services can evidence such costs to Post Office's reasonable satisfaction and wherever possible agree them in advance with Post Office.

25.11 For the avoidance of doubt, the Parties agree the provision of the Court Case Support Services may continue after expiry or termination of this Agreement. For the avoidance of doubt, where assistance is requested by the Post Office and/or Next Supplier of Fujitsu Services then such assistance shall continue to be chargeable after expiry/termination of the Agreement.

25.12 In addition to its obligations under clauses 25.8 and 25.9, Fujitsu Services may make suggestions and recommendations to Post Office and request other involvement which Post Office may (acting reasonably) permit in relation to any claim/ proceedings associated with the Horizon Application and/or HNG-X Application relating to a time when Fujitsu Services was supporting and/or providing Services associated with said application. Where Fujitsu Services elects to do this itself, such involvement shall be at no additional charge to the Post Office."

Clause 30.15.1 shall be amended as follows:

"Subject to Clause 30.15.2, Post Office and a third party engaged by Post Office including but not limited to any bona fide potential Next Suppliers (in particular during any tender, due diligence or implementation process) where reasonably required (i) to comply with the Public Contracts Regulations 2006 (in particular without limitation Regulation 4(3)) and (ii) by Post Office for a Design Purpose, shall be entitled to have access to and use Horizon Design Documentation."

The following shall be added as new clauses at the end of the current Clause 39:

"39.5 Post Office Obligations inserted by CCN 1400 shall be applicable to provisions relating to the Towers Model only including but not limited to Clauses 39A, 39B and 39C and Schedule F. Provisions relating to Post Office Responsibilities shall continue to apply in the same manner as they applied prior to CCN 1400 and shall be unaffected by Post Office Obligations.

39A Effect on Service Levels of Post Office Cause or Tower Contractor Cause

39A.1 This Clause 39A is without prejudice to the obligations of Fujitsu Services to provide the Services in accordance with the Agreement.

39A.2 If Fujitsu Services has failed to provide the Services in accordance with the Service Levels as a direct result of a Post Office Cause, or a Tower Contractor Cause, Fujitsu Services shall continue to provide the Services to the extent it is able in accordance with the Service Levels but may apply for relief as set out in Clause 39A.3.

- 39A.3 To the extent that Fujitsu Services reasonably believes that Fujitsu Services would have provided the Services in accordance with the Service Levels but has failed to do so as a direct result of a Post Office Cause, or a Tower Contractor Cause, Fujitsu Services may make a written submission to Post Office within 3 months of the commencement of the Post Office Cause or the Tower Contractor Cause. Fujitsu Services shall not be entitled to any relief, to the extent that Fujitsu Services cannot demonstrate to Post Office's reasonable satisfaction that:
- 39A.3.1 Fujitsu Services' failure to provide the Services in accordance with the Service Levels is a direct result of a Post Office Cause, or a Tower Contractor Cause (identifying the specific Post Office Obligation or Tower Contractor Responsibility that has not been met);
- 39A.3.2 Fujitsu Services made all reasonable efforts to mitigate the consequences of the relevant Post Office Cause or Tower Contractor Cause, and to continue to provide the Services in accordance with the Service Levels; and
- 39A.3.3 Fujitsu Services' failure to provide the Services in accordance with the Service Levels arose from a cause beyond Fujitsu Services' reasonable control.
- 39A.4 Post Office will consider any submission under Clause 39A.3 and advise Fujitsu Services of its proposal in respect of a submission promptly and in any event within 15 Working Days of receipt. If Fujitsu Services does not accept Post Office's submission, the Parties shall meet within 5 Working Days of Fujitsu Services' receipt of Post Office's proposal and shall use reasonable endeavours to agree the rights and reliefs applicable to Fujitsu Services in line with Clause 39A.5. Either Party may invite other interested Tower Contractors to the meeting and in that event shall inform the other Party.
- 39A.5 Where the Parties agree that Fujitsu Services would have provided the Services in accordance with the Service Levels but has failed to do so as a direct result of a Post Office Cause or a Tower Contractor Cause and has demonstrated compliance with Clauses 39A.3.1 to 39A.3.3 inclusive then:
- 39A.5.1 the period in which the relevant Service was affected by the Post Office Cause or Tower Contractor Cause will not be included in measuring the performance of any affected Service;
- 39A.5.2 Fujitsu Services will not be treated as being in breach of this Agreement to the extent that non-performance or breach is due to the Post Office Cause or Tower Contractor Cause; and
- 39A.5.3 Fujitsu Services will be entitled to the Charges for the relevant Services affected by Post Office Cause or Tower Contractor Cause as if it had not occurred provided that Fujitsu Services mitigates those Charges to the extent that it is able and passes on any reduction in the Charges to Post Office.
- 39A.6 In order to claim the rights and reliefs in Clause 39A.5, Fujitsu Services' submission pursuant to Clause 39A.3 will be provided within 15 Working Days after it has notified Post Office of a claim that Clause 39A.2 applies and that Fujitsu Services is applying for the rights and relief set out in Clause 39A.5.
- 39A.7 In the event of a dispute, either Party may refer the matter for resolution in accordance with schedule A2 and, failing resolution through governance within 15 Working Days, such Party may refer the dispute for resolution in accordance with the Dispute Resolution Procedure.

Pending the resolution of the Dispute both Parties will continue to resolve the causes of, and mitigate the effects of such failure.

39B. Costs incurred due to Post Office Cause or Tower Contractor Cause

39B.1 In this Clause 39B, claims for reimbursement of additional costs and expenses may be claimed insofar as the Parties have not agreed to recompense Fujitsu Services elsewhere in this Agreement. Where the Parties have agreed to recompense Fujitsu Services elsewhere in this Agreement, Fujitsu Services may not make any claim under this Clause 39B.

39B.2 If Fujitsu Services reasonably believes that it has incurred additional costs and expenses as a direct result of steps taken by Fujitsu Services in carrying out any additional work or services to remedy or mitigate an issue caused by a Post Office Cause or Tower Contractor Cause, then Fujitsu Services shall claim for reimbursement of those additional costs and in accordance with the claim process set out in Clause 39B.3.

39B.3 To the extent that Fujitsu Services reasonably believes that Clause 39B.2 applies, Fujitsu Services may make a written submission to Post Office within 3 months of the commencement of the Post Office Cause or Tower Contractor Cause seeking reimbursement of additional costs and expenses necessarily and reasonably incurred as a direct result of steps taken by Fujitsu Services in carrying out any additional work or services to remedy or mitigate an issue caused by a Post Office Cause or Tower Contractor Cause. Fujitsu Services shall not be entitled to any additional costs and expenses, unless Fujitsu Services can demonstrate to Post Office's reasonable satisfaction that:

39B.3.1 Fujitsu Services could not have avoided the effect on the provision of the Services and/or on its ability to perform its obligations under the Agreement by using all reasonable endeavours to eliminate or mitigate the consequences of the delay in accordance with Good Industry Practice and having regard to the scope of the Services for which Fujitsu Services is responsible; and

39B.3.2 costs incurred were reasonable, demonstrable, necessarily and reasonably incurred and that Fujitsu Services used all reasonable endeavours to minimise such costs,

and Fujitsu Services will provide any additional information that Post Office may reasonably require in order to assess the validity of Fujitsu Services' claim.

39B.4 Post Office will consider any submission under Clause 39B.3 and advise Fujitsu Services of its proposal in respect of a submission promptly and in any event within 15 Working Days of receipt. If Fujitsu Services does not accept Post Office's submission, the Parties shall meet within 5 Working Days of Fujitsu Services' receipt of Post Office's proposal and shall use reasonable endeavours to agree the amount of compensation applicable to Fujitsu Services. Either Party may invite other interested Tower Contractors to the meeting and in that event shall inform the other Party.

39B.5 The agreed costs will be shown as an additional amount on the next Operational Charges invoice due to be issued under this Agreement. If no Operational Charges invoice is due to be issued then Fujitsu Services will issue an invoice.

39B.6 In the event of a dispute, either Party may refer the matter for resolution in accordance with schedule A2 and, failing resolution through governance within 15 Working Days, such Party may refer the dispute for resolution in accordance with the Dispute Resolution Procedure. Pending the resolution of the Dispute both Parties will continue to resolve the causes of, and

mitigate the effects of such failure.

- 39B.7 Fujitsu Services acknowledges that in respect of a Post Office Cause or a Tower Contractor Cause, a materiality threshold applies in respect of costs claimed for reimbursement pursuant to Clause 39B.3 and that Fujitsu Services will not be entitled to claim for reimbursement of costs pursuant to that Clause unless and until additional costs and expenses incurred by Fujitsu Services in consequence of the circumstances listed in Clause 39B.2 in respect of each individual Post Office Cause or of each individual Tower Contractor Cause exceed £5,000.

39C Effects of a Fujitsu Dependency Failure

- 39C.1 For the avoidance of doubt, prior to the earlier of notification to Fujitsu Services of the appointment of the Post Office Service Integrator by Post Office or the termination of any Terminable Service and the contracting of a replacement for said service by Post Office with a Tower Contractor under its Towers Model, there shall be no Fujitsu Dependencies.
- 39C.2 Upon agreement of any Fujitsu Dependencies, Fujitsu Services undertakes to notify Post Office as soon as reasonably practicable after becoming aware that it has not, will not, or is unlikely to fulfil any Fujitsu Services Dependency or will be delayed from doing so (a **“Fujitsu Dependency Failure”**). In the event that Post Office has not been notified by Fujitsu Services in accordance with this Clause 39C.2 but Post Office is aware or becomes aware of a Fujitsu Dependency Failure, then Post Office shall notify Fujitsu Services of such Fujitsu Dependency Failure.
- 39C.3 Notwithstanding actions to be taken under any Incident management process to resolve a Fujitsu Dependency Failure, within 5 Working Days after providing notice or receiving notice under Clause 39C.2, Fujitsu Services shall submit a report relating to the Fujitsu Dependency Failure (the **“Fujitsu Dependency Failure Report”**) to Post Office setting out full details of the reasons for, the issues arising out of and the steps which Fujitsu Services is taking to minimise the impact of the Fujitsu Dependency Failure on Post Office and/or the Tower Contractors to the extent to which the potential impact of a particular Fujitsu Dependency Failure was agreed as part of the agreement of the particular Fujitsu Dependency. In addition, it shall notify Post Office of the actions it intends to take to prevent the recurrence of the Fujitsu Dependency Failure in the future.
- 39C.4 Fujitsu Services shall take reasonable steps to perform its obligations under the Agreement and use its reasonable endeavours to take precautions which it ought reasonably to have taken in accordance with Good Professional Practice in order to avoid or mitigate the potential impacts of the Fujitsu Dependency Failure on Post Office, and/or the relevant Tower Contractors.
- 39C.5 Fujitsu Services shall co-operate and work with Post Office, the Tower Contractors and/or any third parties (as reasonably directed by Post Office) to mitigate the Fujitsu Dependency Failure.
- 39C.6 In the event of a Post Office Cause or Tower Contractor Cause, Fujitsu Services shall co-operate, support, collaborate and work with Post Office, other Tower Contractors and/or any third parties (as reasonably directed by Post Office) so that Post Office and/or relevant Tower Contractors are able to mitigate the effect of the Post Office Cause or Tower Contractor Cause.
- 39C.7 Once a Fujitsu Dependency Failure has been resolved and in any event no later than 30 days (or such period as may be agreed by the Parties) after the occurrence of the Fujitsu Dependency Failure, the Subject Leads for the Relationship best qualified to deal with the Fujitsu Dependency Failure, taking into account its nature and the responsibilities of each

Subject Lead, shall convene an occasional meeting of the relevant Relationship in accordance with paragraph 3.3 of Schedule A2 to agree responsibility for the Fujitsu Dependency Failure (including where appropriate the preparation of a root cause analysis).

39C.8 Post Office may make a written request to Fujitsu Services seeking reimbursement of demonstrable additional costs and expenses necessarily and reasonably incurred as a direct result of steps taken by Post Office and/or a Tower Contractor in carrying out any additional work or services to remedy or mitigate an issue caused by a Fujitsu Dependency Failure (the “**Compensation Amount**”). Post Office shall make any claim for a Compensation Amount within 3 months of commencement of the Fujitsu Dependency Failure. Post Office shall not be entitled to any Compensation Amount for itself or any Tower Contractor unless Post Office can demonstrate to Fujitsu Services’ reasonable satisfaction that:

39C.8.1 Post Office and/or the Tower Contractor could not have avoided the effect on the provision or receipt of the relevant services and/or on its ability to perform its obligations under its agreement(s) by using all reasonable endeavours to eliminate or mitigate the consequences of the delay in accordance with Good Industry Practice; and

39C.8.2 costs incurred were reasonable, demonstrable, necessarily and reasonably incurred and that Post Office and/or the Tower Contractor used all reasonable endeavours to minimise such costs,

and Post Office will provide any additional information that Fujitsu Services may reasonably require in order to assess the validity of Post Office’s request.

39C.9 Fujitsu Services will consider any request under Clause 39C.8 and advise Post Office of its proposal in respect of the Compensation Amount promptly and in any event within 15 Working Days of receipt. If Post Office does not accept Fujitsu Services’ proposal, the Parties shall meet within 5 Working Days of Post Office’s receipt of Fujitsu Services’ proposal and shall use reasonable endeavours to agree the Compensation Amount applicable. Either Party may invite other interested Tower Contractors to the meeting and in that event shall inform the other Party.

39C.10 The agreed Compensation Amount will be shown as a credit on the next Operational Charges invoice due to be issued under this Agreement. If no Operational Charges invoice is due to be issued then Post Office will issue a credit note.

39C.11 In the event of a dispute under this clause 39C, either Party may refer the matter for resolution in accordance with Schedule A2 and, failing resolution through governance within 15 Working Days, such Party may refer the dispute for resolution in accordance with the Dispute Resolution Procedure. Pending the resolution of the Dispute both Parties will continue to resolve the causes of, and mitigate the effects of such failure.

39C.12 Post Office acknowledges that in respect of a Fujitsu Dependency Failure, a materiality threshold applies in respect of costs claimed for reimbursement pursuant to clause 39C.8 and that Post Office and/or any other Tower Contractor will not be entitled to claim for reimbursement of costs pursuant to that clause unless and until additional costs and expenses incurred by Post Office and/or any other Tower Contractor in consequence of the circumstances listed in clause 39C.8 in respect of each individual Fujitsu Dependency Failure exceed £5,000.”

The initial sentence of Clause 44.2.2 prior to sub bullet a) shall be amended to read as follows:

“44.2.2 Subject to Clause 44.2.2A, the aggregate liability of Post Office for all Defaults and any liability arising from a Post Office Cause:”

A new Clause 44.2.2A shall be inserted immediately after the end of the current Clause 44.2.2 (as amended above) as follows:

“44.2.2A With respect to any liability of Post Office for any liability arising from a Tower Contractor Cause, Post Office’s liability in any Financial Year shall in no event exceed the higher of:

- (a) the aggregate liability set out in Clause 44.2.2; or
- (b) the amount Post Office is able to recover under its contract with the relevant Tower Contractor for the default that gave rise to the Tower Contractor Cause.”

Clause 44.2.3 shall be amended to read as follows:

“44.2.3 The aggregate liability under this Agreement of Fujitsu Services for all Defaults and any Compensation Amount payable as a result of a Fujitsu Dependency Failure:”

Clause 44.6 shall be amended to read as follows:

“44.6 Subject always to Clause 44.1, in no event shall either Party be liable to the other Party for indirect or consequential loss or damage. However:

- a) Fujitsu Services acknowledges and agrees that it shall not be entitled to claim that a loss incurred by a Tower Contractor is an indirect loss solely because it was not incurred by the Post Office. As such, any loss incurred by a Tower Contractor that would have been a direct loss if it had been incurred by the Post Office shall, for the purposes of determining a Compensation Amount, be deemed to be a direct loss; and
- b) Post Office acknowledges and agrees that all claims that Fujitsu Services may make for relief under Clause 39A.3 or Clause 39A.5.3 and for compensation under Clause 39B.3 including for any payments under Clause 39B.5 shall be made to Post Office and not any of the Tower Contractors and that all payments of such relief or compensation shall be by Post Office and not any Tower Contractor.”

A new sub-clause shall be added at Clause 44.7.3 as follows:

“44.7.3 any compensation arising out of a Fujitsu Dependency Failure due to Post Office, Post Office Service Integrator or a Tower Contractor.”

Clause 46.1 of the Agreement shall be deleted and replaced with the following:

“46.1 The term of this Agreement shall, unless terminated earlier in accordance with the provisions of Clause 47 or extended in accordance with the provisions of Clause 46.2, be for a period commencing on the 28 July 1999 and ending on 31 March 2017.”

Clause 46.2 of the Agreement shall be deleted and replaced with the following:

“46.2 If Post Office wishes to extend the term of this Agreement, it shall notify Fujitsu Services in writing at least 18 months before the expiry of this Agreement, and the Parties shall meet within 20 Working Days of receipt of such notice and shall use their reasonable endeavours to

agree an extension to the term of this Agreement. Fujitsu Services acknowledges that Post Office is particularly concerned regarding a material increase in the operational expenditure in the event that it needs to extend the terms of the Agreement beyond 31st March 2017. To this end, Fujitsu Services agrees that it shall use reasonable endeavours to avoid any material increase in the operational charges in the event of such an extension. In order to avoid such an increase the parties acknowledge that it may be necessary to upgrade or refresh elements of the infrastructure via a project (chargeable to the Post Office) and/or to switch off non-essential elements of the remaining Services. Such amendments and/or changes shall be included in any agreement to extend the term.”

New Clause 46.3 shall be inserted as follows:

“46.3 Each Expiring Service shall, unless terminated earlier in accordance with the provisions of Clause 47 or extended in accordance with the provisions of paragraph 10 of Schedule E, be provided for the period up to 31 March 2015 on which date such Expiring Service shall expire. For the avoidance of doubt, no Partial Termination Charge or Termination Charge shall be payable by Post Office in relation to an Expiring Service on the expiry of such Expiring Service on 31 March 2015 (except the POLSAP Applications Support Service which shall expire on 31 March 2016). Liquidated damages shall continue to apply during any extension in accordance with Clause 18 save in the case of a mini extension of the Engineering Service where the Actual Engineering Visits in any month exceeds the related Excepted Engineering Volume by 10%. In such instances, the calculation for liquidated damages in respect of the Counter Availability SLT shall be based on the average downtime for each of the hardware components over the previous three months (not including the month in question), instead of the actual downtime in the month for each of those components. This shall be calculated using the reported downtime for each problem type prefaced “HD” in the Local Failure section of the SLT report produced in accordance with Annex A to the CCD Branch Network Service Description (SVM/SDM/SD/0011). For the avoidance of doubt, all other provisions of the Agreement shall continue to apply during any extension period.”

Sub-clause (a) of Clause 47.10.2 shall be deleted and replaced with the following:

“(a) Post Office may terminate the provision of any Terminable Service on or after the earliest date for termination or occurrence of the event required for termination of that Service specified in Annex 1 to Schedule E by giving Fujitsu Services not less than 3 months’ notice in writing (or 6 months’ notice in writing in the event of termination of the Service Desk Service and 1 month’s notice in writing for CMT Services). In the event such notice is given a Partial Termination Charge shall be paid by Post Office to Fujitsu Services upon such Partial Termination. For the avoidance of doubt, it is noted that during the 6 months’ notice period for the Service Desk Service, Post Office retains the option to “ramp down” the services, noting that it must take account of Post Office’s and the Next Supplier’s obligations (where relevant) to consult with any staff potentially subject to transfer under the TUPE Regulations.”

In Clause 47.5, “or expiry of an Expiring Service” shall be inserted after “pursuant to Clause 47.10” in line 3 and after “Partial Termination of a Terminable Service” in line 5.

The title to Clause 48 shall be deleted and replaced with “**Rights on termination and expiry of this Agreement, Partial Termination, expiry of an Expiring Service and termination of Project HNG-X**”.

In Clause 48.1, “or the expiry of any Expiring Service” shall be inserted after “any reason whatsoever” and “or if expiry is in respect of an Expiring Service” shall be inserted after “if termination is in

respect of Project HNG-X or a Terminable Service”.

In Clause 48.2.1, “or expiry” shall be inserted after “that are the subject of termination” in line 3.

In Clause 48.3, “in respect of the expiry of an Expiring Service or” shall be inserted after “or in respect of termination of Project HNG-X or”.

In Clause 48.4, “expires or is terminated, an Expiring Service expires” shall be inserted after “In the event that this Agreement”.

Clause 48.4.2 shall be deleted and replaced with the following:

“48.4.2 Fujitsu Services shall, after being given notice of termination, or on the expiry of the Agreement or expiry of an Expiring Service render all practicable assistance to Post Office, if requested, to the extent necessary to effect an orderly assumption by Post Office or a replacement contractor of the services theretofore performed by Fujitsu Services under this Agreement and Post Office shall reimburse Fujitsu Services for such assistance at the rates set out at paragraph 12 of Schedule D1.”

In Clause 48.4.3, “or expiry” shall be inserted after “Upon termination” in line 1 and “subject of termination” in line 6.

In Clause 48.6, “or Expiring Service” shall be inserted after “to a Terminable Service” in line 4 and after “those shared between one Terminable Service” in line 5.

At the end of Clause 48.7.2, the comma shall be deleted, and “; or” shall be inserted and then the following new Clause 48.7.3 shall be added:

“48.7.3 an Expiring Service expires pursuant to Clause 46.3,”.

In Clause 48.7, “or expiry is in respect of an Expiring Service” shall be inserted after “is in respect of a Terminable Service”.

In Clause 48.8.4, 48.8.5, 48.8.6, 48.10.4 and 48.10.5, “or expiry” shall be inserted after “at the date of termination”.

Clause 61.3 of the Agreement shall be deleted and replaced with the following:

“61.3 From the date of signature of CCN 1400, notwithstanding any other provision of this Agreement, Post Office shall be entitled to use Confidential Information and disclose Confidential Information to:

- (i) bona fide potential Next Suppliers to the extent that such disclosure is reasonably required to comply with the Public Contracts Regulations 2006 (in particular without limitation Regulation 4(3) of the Public Contracts Regulations 2006) to enable any bona fide potential Next Suppliers to prepare a reasonably detailed tender proposal to Post Office and carry out due diligence; and/or
- (ii) Next Suppliers to the extent such disclosure is reasonably required to effect transition and implementation,

Post Office shall ensure that prior to any Confidential Information being disclosed to any such bona fide potential Next Suppliers and/or Next Suppliers, such potential bona fide potential Next Suppliers and/or Next Suppliers shall enter into an Agreed Form NDA and shall immediately inform Fujitsu Services if it has reason to believe that the bona fide potential Next Suppliers and/or Next Suppliers is in breach of the undertakings contained in that

confidentiality agreement.”

Clause 66.1 of the Agreement shall be deleted and replaced with the following:

“66.1 Fujitsu Services undertakes that its obligations hereunder are and will continue to be effectively guaranteed by the Fujitsu Guarantees until 31 March 2015. For the period from 1 April 2015 to 31 March 2017, Fujitsu Services undertakes that its obligations hereunder will continue to be effectively guaranteed by Fujitsu Services Holdings plc under the Fujitsu Services Holdings plc guarantee dated 31 December 2002 (as amended). The guarantee given by Fujitsu Limited shall lapse on 31 March 2015.

In Clause 75.6, “to the expiry of an Expiring Service pursuant to Clause 46.3 or” shall be inserted after “no later than six months prior”.

In Clause 75.12, “, expiry or partial expiry” shall be inserted after “on any termination or partial termination”.

SCHEDULE 1 – INTERPRETATION:

The following new definitions shall be inserted in Schedule 1:

Term	Definition
“Actual Engineering Service Visits”	has the meaning given in 5.12.6 of Schedule D1;
“Agreed Monthly Reduction”	means: (a) as at 1 st April 2013, the amount of fifteen thousand, five hundred and fifty pounds (£15,550); and (b) on each anniversary of 1 st April 2013, means the amount set out in paragraph (a) above as indexed (as an Indexed Charge) in accordance with paragraphs 16.2 and 16.2A of Schedule D1;
“Compensation Amount”	shall have the meaning set out in Clause 39C.8;
“Court Case Support Services”	shall have the meaning set out in Clause 25.8;
“Credence/MDM Service”	means the Service referred to in row 21 of Table A of Schedule B3.1;
“Expected Engineering Volume”	has the meaning given in paragraph 5.12.4 of Schedule D1;
“Expiring Services”	means: (i) the CMT Service, Credence/MDM Service, Engineering Service, Service Desk Service, Operational Business Change (Branch Change) Service, POLSAP Hosting Service and Salesforce Support Service, each of which have an expiry date of 31 st March 2015; and (ii) POLSAP Applications Support Service which has an expiry date of 31 st March 2016;
	means with respect to:

<p>“Fujitsu Dependency”</p>	<p>(a) Post Office (including the Post Office Service Integrator to the extent to which it acts as the managing partner of Post Office):</p> <ul style="list-style-type: none"> (i) a current Fujitsu Services obligation under this Agreement (including as set out in Schedule F);and (ii) any additional obligations which Post Office and Fujitsu Services agree as part of the impact analysis performed in contemplation of the appointment of the Post Office Service Integrator by Post Office and/or the Partial Termination or termination of any Terminable Service on which Post Office is wholly or partially dependent in order that it may fulfil its own obligations under any agreement relating to the Towers Model; and <p>(b) a Tower Contractor, any obligations which Post Office and Fujitsu Services agree as part of the impact analysis performed in contemplation of the appointment of the Post Office Service Integrator by Post Office and/or the Partial Termination or termination of any Terminable Service on which any Tower Contractor (which is the Next Supplier with respect to the relevant Terminable Service) is wholly or partially dependent in order that it may fulfil its own obligations under any agreement relating to the Towers Model. For the avoidance of doubt, this may include:</p> <ul style="list-style-type: none"> (i) obligations that Fujitsu Services currently has to Post Office under the Agreement (including as set out in Schedule F) on which the Tower Contractor is dependant to deliver its services to Post Office under any agreement relating to the Towers Model; and (ii) additional obligations which the parties agree as part of the impact analysis;
<p>“Good Industry Practice”</p>	<p>means the exercise of that degree of skill, care, prudence, efficiency, foresight and timeliness as would be expected from a leading company within the relevant industry or business sector;</p>

“Good Professional Practice”	means good practices, methods and procedures (or one of a range of practices, methods and procedures) which would be adopted by a leading supplier exercising in the general conduct of its undertaking that degree of skill, diligence, prudence and foresight which would ordinarily and reasonably be expected from a leading supplier engaged in the business of providing services which are the same as or similar to the Services;
“Mini Extension Report”	has the meaning given in paragraph 10.1.5 of Schedule E;
“OLA(s)”	has the meaning given in paragraph 9.7 of Schedule A2;
“POLSAP Applications Support Service”	means the Service referred to in row 20 of Table A of Schedule B3.1;
“POLSAP Hosting Service”	means the Service referred to in row 19 of Table A of Schedule B3.1;
“POLSAP Services”	means the POLSAP Hosting Service and the POLSAP Applications Support Service;
“Post Office Cause”	any breach by Post Office of any of Post Office’s Obligations (except to the extent that it is the result of any act or omission by Post Office to which Fujitsu Services has given its prior consent);
“Post Office IT & C”	means the internal business functions of Post Office known as Information Technology & Change;
“Post Office Obligations”	means a Post Office express obligation on which Fujitsu Services is wholly or partially dependent in order that it may fulfil Fujitsu Services’ obligations under this Agreement insofar as those express obligations of Post Office relate to the Towers Model;
“Post Office Service Integrator”	means the supplier appointed by Post Office to act as its service integrator and service desk provider who may also act as its managing partner with respect to the Towers Model, including managing some elements of the Services provided by Fujitsu Services and the Replacement Services provided by a Next Supplier;
R&R Required Items	means those elements of the Branch Network Service that need refreshing or upgrading or a change to the terms of support associated with any spares, hardware, software or firmware which form part of the current Branch Network Service as detailed in the BNS Report Part 1 and/or Part 2 (as relevant);
“Ramp Down Period”	has the meaning given in paragraph 11.2.1 of Schedule E;
“Ramp Down Report”	has the meaning given in paragraph 11.1.1 of Schedule E;

“Rate Card”	means the rate card set out in paragraph 10.4 of Schedule D.1 and any references in this Agreement to “rate card” shall be construed to be references to this defined term;
“Refresh Items”	means the hardware, software and spares stock which Fujitsu Services identifies and notifies to Post Office and Post Office agrees that it may need to purchase or refresh in accordance with paragraph 1.3.2(e) of Schedule B3.3 and/or paragraphs 10.1.7, 10.1.8 and/or 10.1.9 of Schedule E;
“Tower”	means a package of IT and related services to be provided by a single supplier as part of the Towers Model;
“Tower Contractor”	means a supplier providing a category of technical services under an agreement to perform the role of a Tower in the Post Office’s Tower Model together with Post Office Service Integrator;
“Tower Contractor Cause”	means a failure by a Tower Contractor to carry out a Tower Contractor Responsibility;
“Towers Model”	means the multi supplier sourcing model under which Post Office will procure IT services for each Tower and for service integration and design using Post Office Service Integrator, including Replacement Services, from a number of different suppliers;
“Tower Contractor Responsibility”	means the responsibilities of an individual Tower Contractor (i) expressly allocated to that Tower Contractor as set out in the CRD entitled “Tower Contractor Responsibilities” reference TOW/CR/001, together with (ii) additional responsibilities which will directly impact the Services as a result of the appointment of the Post Office Service Integrator by Post Office and/or the Partial Termination or termination of any Terminable Service on which Fujitsu Services is wholly or partially dependent in order that it may fulfil its own obligations under this Agreement;
“Variable Services”	has the meaning given in paragraph 11.1.1 of Schedule E;
“Varied Indexed Charges”	means the Indexed Charges for the following Services insofar as they are provided from 1 April 2015: <ul style="list-style-type: none"> * Systems Management Service; * Reference Data Management Service; * Third Line Software Support Service; * Management Information Service; * Service Management Service;

	<ul style="list-style-type: none"> * Reconciliation Service; * Security Management Service; * Branch Network Resilience Service; and * Applications Support Service (4th Line).
The definitions below shall be deleted and replaced in Schedule 1 with the following new definitions:	
Term	Definition
“General Exit Plan”	means the plan set out in Annex 2 to Schedule E to be developed and maintained in accordance with Schedule E setting out the steps to be followed in relation to termination or expiry of this Agreement, Partial Termination and/or expiry of an Expiring Service, as applicable depending on the applicable Exit Scenario;
"Next Supplier"	means the next supplier (if any) nominated by Post Office (whether this be Post Office, another subsidiary of Royal Mail Group Limited or another third party including without limitation a supplier to a Tower) to take over, from Fujitsu Services, the performance of some or all of the Services and/or the provision of Replacement Services;
“Operational Services”	<p>means:</p> <p>(a) in the period up to 31 March 2015, the Services referred to in Table A of Schedule B3.1; and</p> <p>(b) in the period from 1 April 2015, the Transitional Support Services, the POLSAP Applications Support Services (through to 31 March 2016) and any Expiring Services that are extended in accordance with paragraph 10 of Schedule E;</p>
“Relevant Services”	<p>means:</p> <p>(a) in the event of the expiry or termination of this Agreement, all of the Services then being performed by Fujitsu Services which include for the avoidance of doubt, any Development Services in progress at the date of expiry or termination;</p> <p>(b) in the event of the expiry of an Expiring Service, the Expiring Service that is the subject of such expiry; or</p> <p>(c) in the event of Partial Termination, the Terminable Service(s) that are the subject of such termination;</p>
“Replacement Service”	means a service that closest matches a Relevant Service that, following termination or expiry of that Relevant Service, is procured by Post Office

	from a Next Supplier or performed by Post Office itself;
“Royal Mail Group” or “Post Office Group”	means Royal Mail Holdings plc and its Subsidiary Companies;
“Transfer Services”	means: (a) the Services described in Schedule E to be provided by Fujitsu Services in the circumstances described in that Schedule; and (b) any assistance provided by Fujitsu Services pursuant to Clause 48.4.2, the basis for charging for which is set out at paragraph 12 of Schedule D1;

SCHEDULE A2 – GOVERNANCE:

A new paragraph 9 shall be inserted into Schedule A2 as follows:

“9. GOVERNANCE FOR TRANSITIONAL SUPPORT SERVICES AND THE TOWERS MODEL

- 9.1 Fujitsu Services acknowledges that the supplier that Post Office chooses as its Post Office Service Integrator for the new Towers Model may act as Post Office’s managing partner. Subject to paragraphs 9.4 and 9.6 below, the Parties acknowledge and agree that Post Office Service Integrator shall be entitled, on behalf of Post Office, to exercise any rights or perform any obligations of Post Office under this Agreement, provided that only Post Office shall be entitled to exercise its rights under Clauses 47, 58 and 66 of the Agreement and paragraph 7 of Annex 2 to Schedule A2.
- 9.2 For the purposes of the Post Office Service Integrator performing its role as a managing partner for the Post Office and subject to paragraphs 9.1 and 9.4, references in this Agreement to Post Office shall be interpreted to refer to or include Post Office Service Integrator as relevant. Post Office’s opinion shall prevail in the event of any dispute as to whether a reference refers to or includes the Post Office Service Integrator. Delegation to the Post Office Service Integrator shall be without prejudice to Post Office’s right to exercise its rights under any provision of the Agreement on its own behalf. For the avoidance of doubt, nothing in this paragraph 9 is intended to create a separate contract between Fujitsu Services and Post Office Service Integrator or to assign or novate this Agreement or any part of it to Post Office Service Integrator.
- 9.3 In the event that Post Office appoints the Post Office Service Integrator to manage some or all of its IT services on its behalf, Fujitsu Services shall perform all its obligations owed to Post Office under this Agreement to the Post Office Service Integrator as if the Post Office Service Integrator is Post Office. To the extent that Fujitsu Services fails to perform its obligations under the Agreement, Post Office retains the ability to enforce its rights against Fujitsu Services and require it to perform those obligations. In the event that either Party considers co-operation and collaboration between Fujitsu Services, Post Office Service Integrator and other Tower Contractors is not in accordance with this paragraph 9, then either Party may escalate the issue through the Dispute Resolution Procedure.
- 9.4 Without prejudice to Post Office’s right to exercise its rights under any provision of the Agreement on its own behalf, in the event that Post Office Service Integrator exercises the

rights of Post Office under Clauses 23, 24 or 25 of the Agreement, Fujitsu Services shall only be required to disclose details of the aggregated price of performing the Services and not details of pricing for specific Services or details of the cost base it uses to calculate such prices which may indicate Fujitsu Services' pricing strategy or pricing levels to Post Office Service Integrator.

- 9.5 Without prejudice to paragraph 9.1 above but subject to paragraph 9.6 below, the Parties acknowledge and agree that Post Office Service Integrator shall be entitled to attend any of the meetings described in this Schedule either in addition to Post Office or on behalf of and as the representative of Post Office. The Post Office Service Integrator may in some instances be the sole representative of Post Office at such meetings or governance boards and will be responsible for the relationship relevant to those meetings or governance boards. Where Post Office Service Integrator attends a meeting on behalf of Post Office, Post Office Service Integrator shall be entitled to exercise such rights and perform such obligations as Post Office would be entitled to exercise or perform at such meeting.
- 9.6 Post Office shall ensure that it has a representative at the following governance boards in addition to or instead of Post Office Service Integrator:
- 9.6.1 Executive Relationship;
- 9.6.2 Commercial Relationship; and
- 9.6.3 Acceptance Board Dispute.
- 9.7 As part of its transition to the Towers Model and in order to ensure the smooth and effective delivery of end-to-end services to Post Office, Post Office may require its suppliers of IT services to enter into good faith negotiations and agree non-disclosure agreements with other Tower Contractors and/or other third parties ("**NDA(s)**") and operating level agreement(s) ("**OLA(s)**") setting out each supplier's respective obligations and dependencies to Post Office and each other supplier. Fujitsu Services shall, where reasonably requested by Post Office, use its reasonable endeavours to enter into NDA(s) and OLA(s) with Post Office Service Integrator and/or any Tower Contractors and/or any other third parties within 3 months of such notification by Post Office. In the event that Fujitsu Services has not or considers it will not be able to enter into NDAs and/or OLAs within such 3 month timescale, Fujitsu Services shall promptly notify Post Office of any issues preventing compliance with such 3 month timescale and the Parties shall work together to address the issues in good faith within a reasonable timescale to be agreed mutually. In the event that the Parties are unable to agree a reasonable timescale, either Party may escalate the matter through the Dispute Resolution Procedure. For the avoidance of doubt, Post Office shall not be a party to any such NDA or OLA.
- 9.8 Post Office may wish to make changes to the governance structure in this Agreement to align with its new Tower Model and to implement changes associated with any OLA. All such changes shall be managed as a change to the Agreement and implemented via the Change Control Procedure. Fujitsu Services shall be entitled to charge for any additional costs or risks as a result of changes to the existing governance structure in accordance with the Change Control Procedure.
- 9.9 Fujitsu Services shall collaborate reasonably with Post Office Service Integrator and the Tower Contractors by adopting Good Professional Practice in relation to collaborating and co-operating with Tower Contractors to enable Post Office to maximize the benefit of the strategic IT supply chain and optimal target operating model selected by Post Office for its IT and change transformation programme including by:

- 9.9.1 responding to and following the Post Office Service Integrator's instructions, including meeting all timescales, where provided in accordance with the terms of this Agreement;
- 9.9.2 save as set out in the Agreement, reporting to the Post Office Service Integrator as if it were Post Office;
- 9.9.3 co-operating with the Post Office Service Integrator where it seeks to manage and resolve issues between the Tower Contractors including any Incidents;
- 9.9.4 providing the Services in accordance with collaboration requirements and responsibilities set out in Schedule F.

For the avoidance of doubt, Fujitsu Services shall be entitled to charge Post Office for its demonstrable additional costs in complying with this paragraph 9.9 which the Parties shall agree through the Change Control Procedure to the extent to which such costs are not covered by the (i) Charges relating to the other Services provided under this Agreement and (ii) de minimis amount of time being equivalent to 15 man days of additional effort (over and above those activities performed by Fujitsu Services prior to the implementation of some or all of the Tower model) in any quarter (being January to March, April to June, July to September and October to December) incurred by Fujitsu Services in complying with this paragraph 9.9.

- 9.10 Fujitsu Services shall at all times work with Post Office and Post Office Service Integrator, in good faith, to develop governance processes, collaboration arrangements and meeting structures in relation to the provision of the Services in order to:
 - 9.10.1 facilitate consistent management, reporting, and sharing of information between Fujitsu Services, Post Office Service Integrator and Post Office (as applicable); and
 - 9.10.2 support and assist the delivery of the Services to Post Office and the delivery of other relevant Tower services by Post Office Service Integrator and other Tower Contractors, to Post Office.
- 9.11 The Fujitsu Subject Lead for the Executive Relationship (or a suitable alternative in terms of seniority, decision making ability and knowledge of this Agreement) shall attend meetings of the governance board entitled "Supply Chain Member Board" instituted under the agreement between the Post Office Service Integrator and Post Office."

Annex 1 to Schedule A2:

Annex 1 to Schedule A2 shall be deleted and replaced with the following:

Annex 1 to Schedule A2

Relationships

The Parties acknowledge that the job titles of the Relationship members identified in this Annex 1 may change over time (particularly if either Party introduces any new internal management structure) and that should this occur the appropriate attendees would be the persons holding the equivalent position to those identified below.

Executive Relationship	
Post Office Members	Purchasing Director for Post Office (Subject Lead for Executive Responsibilities) Head of Change and IS (Subject Lead for SIP-Related Responsibilities) and Post Office Service Integrator (at Post Office discretion)

Fujitsu Services Members	Business Unit Director (Subject Lead)
Responsibilities	<p>Executive Responsibilities</p> <ul style="list-style-type: none"> * Monitoring the overall success of the relationship, including resolution of any Disputes escalated for Executive Review under the Dispute Resolution Procedure. * Approval of new initiatives (HNG-X and non-HNG-X). * Overseeing management by the Commercial Relationship of matters arising in respect of Market Testing under Schedule D6. * Monitoring the performance of Fujitsu Services' obligations in connection with this Agreement for the purposes of determining matters relevant to Fujitsu Services' appointment as Preferred Systems Integrator and disclosing the results of such monitoring to Fujitsu Services in accordance with Schedule A1. * Gain Share and Strive monitoring, including agreement of baselines. <p>SIP-Related Responsibilities</p> <ul style="list-style-type: none"> * Strategic direction and use of SIP resource – (a) agreeing the quantity and type of SIP resource to be provided by Fujitsu Services and (b) approving the programmes and initiatives to which the SIP resource or any Fujitsu Services SIP Team Members shall be applied in order to best achieve the Joint Objectives set out in Recitals E(d) to (g) (inclusive). * Agreeing the sharing of any benefits accruing from a cost saving initiative or future development work in accordance with the principles of Schedule D3 relating to the SIP and overseeing the management, operation and delivery of the SIP under Schedule B1.2. * Reviewing and managing opportunities for the Preferred Systems Integrator and the SIP; maintaining a list of such opportunities in a Working Document. * Post Office benefits realisation monitoring. * Assisting with the aim of achieving the Joint Objective set out in recital E(g), including co-ordinating visits from time to time by agreed members of Post Office staff to any Fujitsu Services laboratories so as to have access to Fujitsu Services research and technical expertise.
Service Management Relationship	
Post Office Members	Head of Operations Control (Subject Lead) and/or Post Office Service Integrator

Fujitsu Services Members	Customer Service Director (Subject Lead)
Responsibilities	<ul style="list-style-type: none"> * Ensuring continuous improvement in the service management environment through pro-active management. * Reviewing Operational Services performance, including against agreed Service Levels and agreeing remedies payable (if any) in accordance with the relevant terms of this Agreement. * Reviewing network performance. * Reviewing operational reliability of Infrastructure, tracking MTBF rates and considering/recommending remedial courses of action (e.g. full or partial technological refresh or Service Level relief). * Resolving operational issues including, but not limited to, those arising from non-conformance to agreed Service Levels. * Reviewing future change plans to ensure the live environment is prepared for Operational Services. * Capacity management in relation to Service Management Services. * Monitoring Operational Business Change processes.
Frequency	Monthly
Other general information	There will be a monthly service review meeting for which Fujitsu Services shall prepare reports in the formats agreed from time to time.
Commercial Relationship	
Post Office Members	<p>Purchasing Manager (Subject Lead, in relation to procurement, ordering and approval of changes to the contract clauses and schedules)</p> <p>Contract Manager (Subject Lead, in relation to commercial, business, governance and other issues)</p> <p>and Post Office Service Integrator (at Post Office's discretion)</p>
Fujitsu Services Members	Director, Commercial (Subject Lead)
Responsibilities	<ul style="list-style-type: none"> * Management and administration of the Agreement. * Agreeing amendments to the Agreement subject to the Change Control Procedure. * Overseeing the ordering, invoicing and payment process in Schedule D2. * Overseeing the carrying out of Work Orders. * Reviewing changes to the CCD entitled "Standard Terms and Conditions for Work Orders" (BP/STD/003). * Agreeing Commercial Terms in relation to Work Orders. * Reviewing performance of and, where necessary, improvements to the Change Control Procedure. * Management reviews of Open Book, Gain Share and Market Testing. * First level escalation for Disputes about the interpretation of this

	<ul style="list-style-type: none"> * Agreement, about invoice amounts or terms, and about other matters referred to the Commercial Relationship. * Monitoring, reviewing and reporting of events and progress and issue resolution in respect of Market Testing under Schedule D6. 												
Frequency	Monthly												
<p><u>Programme/Release Relationship</u></p> <p>Each of the following boards shall be established for each relevant programme or Release (including Project HNG-X save in relation to the HNG-X Acceptance Board and the HNG-X Acceptance Dispute Board which shall be constituted as described in Schedule B6.3.)</p>													
<table border="1"> <thead> <tr> <th colspan="2">Programme /Release Board(s)</th></tr> </thead> <tbody> <tr> <td>Post Office Members</td><td> Business Partner relevant to the subject matter of the programme or Release (Subject Lead), Programme and/or Release manager, Design Authority (if appointed), and Business change manager (if appointed), and/or Post Office Service Integrator; and Commercial manager (as required) </td></tr> <tr> <td>Fujitsu Services Members</td><td> Fujitsu Services' SI Director (Subject Lead) Programme and/or Release manager Others, as appropriate for the programme or Release. </td></tr> <tr> <td>Responsibilities</td><td> <ul style="list-style-type: none"> * Delivery of programmes and Releases to time and budget. * Managing and resourcing Work Packages which relate to major development programmes. * Managing contingency budgets approved in Work Orders including, where appropriate, delegating authority to appropriate managers. * Directing the holding of meetings of the 'Joint Release Authorisation Board'. * Project management and governance in accordance with this Agreement or, to the extent not in conflict or inconsistent with this Agreement, PRINCE 2 standard practice. For example: <ul style="list-style-type: none"> * review and resolution of operational issues arising in design, development and testing; and * review progress and performance against plan. <p>Notwithstanding the Parties' use of PRINCE 2, or any other design or project management methodology, the provisions of this Agreement shall not be varied by such use unless the Parties agree otherwise in accordance with the Change Control Procedure.</p> </td></tr> <tr> <td>Frequency</td><td>As determined by the Subject Leads.</td></tr> <tr> <td>Other general information</td><td> <ul style="list-style-type: none"> * There will be one 'Programme/Release Board' for each major programme/ Release. * The Subject Leads will discuss current and future demand for such </td></tr> </tbody> </table>		Programme /Release Board(s)		Post Office Members	Business Partner relevant to the subject matter of the programme or Release (Subject Lead), Programme and/or Release manager, Design Authority (if appointed), and Business change manager (if appointed), and/or Post Office Service Integrator; and Commercial manager (as required)	Fujitsu Services Members	Fujitsu Services' SI Director (Subject Lead) Programme and/or Release manager Others, as appropriate for the programme or Release.	Responsibilities	<ul style="list-style-type: none"> * Delivery of programmes and Releases to time and budget. * Managing and resourcing Work Packages which relate to major development programmes. * Managing contingency budgets approved in Work Orders including, where appropriate, delegating authority to appropriate managers. * Directing the holding of meetings of the 'Joint Release Authorisation Board'. * Project management and governance in accordance with this Agreement or, to the extent not in conflict or inconsistent with this Agreement, PRINCE 2 standard practice. For example: <ul style="list-style-type: none"> * review and resolution of operational issues arising in design, development and testing; and * review progress and performance against plan. <p>Notwithstanding the Parties' use of PRINCE 2, or any other design or project management methodology, the provisions of this Agreement shall not be varied by such use unless the Parties agree otherwise in accordance with the Change Control Procedure.</p>	Frequency	As determined by the Subject Leads.	Other general information	<ul style="list-style-type: none"> * There will be one 'Programme/Release Board' for each major programme/ Release. * The Subject Leads will discuss current and future demand for such
Programme /Release Board(s)													
Post Office Members	Business Partner relevant to the subject matter of the programme or Release (Subject Lead), Programme and/or Release manager, Design Authority (if appointed), and Business change manager (if appointed), and/or Post Office Service Integrator; and Commercial manager (as required)												
Fujitsu Services Members	Fujitsu Services' SI Director (Subject Lead) Programme and/or Release manager Others, as appropriate for the programme or Release.												
Responsibilities	<ul style="list-style-type: none"> * Delivery of programmes and Releases to time and budget. * Managing and resourcing Work Packages which relate to major development programmes. * Managing contingency budgets approved in Work Orders including, where appropriate, delegating authority to appropriate managers. * Directing the holding of meetings of the 'Joint Release Authorisation Board'. * Project management and governance in accordance with this Agreement or, to the extent not in conflict or inconsistent with this Agreement, PRINCE 2 standard practice. For example: <ul style="list-style-type: none"> * review and resolution of operational issues arising in design, development and testing; and * review progress and performance against plan. <p>Notwithstanding the Parties' use of PRINCE 2, or any other design or project management methodology, the provisions of this Agreement shall not be varied by such use unless the Parties agree otherwise in accordance with the Change Control Procedure.</p>												
Frequency	As determined by the Subject Leads.												
Other general information	<ul style="list-style-type: none"> * There will be one 'Programme/Release Board' for each major programme/ Release. * The Subject Leads will discuss current and future demand for such 												

	* boards.
Acceptance Boards (for each Release)	
Post Office Members	<p><i>Mandatory attendees:</i></p> <p>Head of Change and IS (or designate) – Chair, HNG-X Programme Manager (or designate), Requirements & Acceptance Manager, HNG-X Acceptance Manager, HNG-X Design Authority, and/or Post Office Service Integrator</p> <p><i>Optional attendees:</i></p> <p>Testing Manager in each case for the relevant Acceptance activity, Post Office Commercial Manager</p>
Fujitsu Services Members	<p><i>Mandatory attendees:</i></p> <p>SI Director (or designate) Commercial Director (or designate) HNG-X Programme Director HNG-X Acceptance Manager HNG-X Solution Architect</p> <p><i>Optional attendees:</i></p> <p>Testing Manager in each case for the relevant Acceptance activity.</p>
Responsibilities	* To agree the Acceptance status of the relevant Release and provide a recommendation to the ‘Joint Release Authorisation Board’.
Frequency	As required to monitor progress towards each Acceptance Gateway.
Acceptance Dispute Board	
Post Office Members	<p><i>Mandatory attendees:</i></p> <p>Head of Change and IS (Chair) HNG-X Programme Manager HNG-X Acceptance Manager HNG-X Design Authority; and/or Post Office Service Integrator; and Post Office Commercial Manager</p> <p><i>Optional attendees:</i></p> <p>Testing Manager in each case for the relevant Acceptance activity.</p>
Fujitsu Services	<p><i>Mandatory attendees:</i></p> <p>SI Director</p>

Members	<p>Commercial Director HNG-X Programme Director HNG-X Acceptance Manager HNG-X Solution Architect</p> <p><i>Optional attendees:</i> Testing Manager</p> <p>in each case for the relevant Acceptance activity.</p>
Responsibilities	<ul style="list-style-type: none"> * Consider and resolve Acceptance disputes arising under Schedule B6.3. * Consider and resolve Acceptance disputes arising under Schedule B1.1.
Frequency	As and when required to resolve issues arising during the Acceptance activity.

Joint Release Authorisation Board

Post Office Members	<p>Head of Operations Control (or nominated representative) (Subject Lead)</p> <p>Delivery Integration and Assurance manager, and/or</p> <p>Post Office Service Integrator</p>
Fujitsu Services Members	<p>Fujitsu Services' SI Director (Subject Lead)</p> <p>Customer Service Director and the appropriate Customer Service Introduction Manager.</p>
Responsibilities	Agree the criteria and processes by which Releases will be authorised for release into field trial or live operation and carry out readiness reviews of stakeholders accordingly.
Frequency	As and when directed by the 'Programme/Release Board'.

Demand Planning Board

Post Office Members	<p>Head of Change and IS (Subject Lead)</p> <p>+ other representatives as agreed from time to time, and/or</p> <p>Post Office Service Integrator</p> <p><i>Optional attendee:</i> Head of Contract Management</p>
Fujitsu Services Members	<p>Development Director (Subject Lead)</p> <p>Commercial Director</p> <p>+ other representatives as agreed from time to time</p>
Responsibilities	<ul style="list-style-type: none"> * Communication of service development plans – Post Office and Fujitsu Services * Agree high level planning assumptions for future developments of services

	<ul style="list-style-type: none"> * Joint planning to manage the allocation of pre-paid or pre-committed resources and any progressive commitment to incremental resource above that level including: <ul style="list-style-type: none"> * Agreement of the Inner and Outer Core Team, (including any subsequent replacements required) * Agreement of the Standing Team, (including any subsequent replacements required) * In accordance with Annex 3 to Schedule A2 initiate, monitor and ensure progress on development of service definitions and terms and conditions for additions to the contracted services * Recommend additions to contracted services, including introduction of the Inner Core, Outer Core and Standing Team, (that will then be formally introduced by CCN) * Oversight of agreeing Work Packages
Frequency	Monthly

Annex 3 to Schedule A2:

Paragraphs 1 and 2 of Annex 3 to Schedule A2 shall be deleted and replaced with the following new paragraphs 1 and 2:

“1. INNER CORE TEAM TO 31ST MARCH 2015

- a) The Parties shall agree an Inner Core Team of resources for the period up to 31st March 2015 under the auspices of the Demand Planning Board. The Inner Core Team for such period shall consist of those Fujitsu Services personnel who have specialist knowledge and experience of the infrastructure and/or processes used to support Post Office’s needs under the Agreement and whose loss would cause a significant increase in cost or time for the implementation of future change whilst new staff were trained in or re-discovered that key knowledge.
- b) The Inner Core Team for the period up to 31st March 2015 is initially set at 9 full time posts covered by 12 people. Post Office shall have the final say on posts, skill sets and who is included within the Inner Core Team from the list of candidates recommended by Fujitsu Services but shall not unreasonably refuse candidates and shall provide reasons where it reasonably refuses. The Demand Planning Board shall record in its minutes which areas of the business Fujitsu Services feel is not sufficiently covered to enable mitigation actions to be taken if necessary.
- c) Limited changes: The Inner Core Team shall be fixed (in terms of variety of skill sets and numbers of posts and persons) from the date of signature of CCN1271c and such elements may not be varied prior to 31st March 2015 other than under the process set out in paragraph 3 below in relation to skill sets only.
- d) The additional provisions regarding the Inner Core Team set out in paragraphs 11 and 12 below shall apply with effect from 1st April 2015 except that paragraph 11 will not apply in the event that the Inner Core Team is terminated by Post Office pursuant to paragraph 12 below.

2. OUTER CORE TEAM TO 31st MARCH 2015

- a) The Parties shall agree an Outer Core Team of resources for the period up to 31st March 2015 under the auspices of the Demand Planning Board. The Outer Core Team shall consist of those Fujitsu Services personnel who have specialist knowledge and experience of the infrastructure and/or processes used to support Post Office's needs under the Agreement and whose loss would cause a significant increase in cost or time for the implementation of future change whilst new staff were trained in or re-discovered that key knowledge.
- b) The Outer Core Team for the period up to 31st March 2015 is initially set at 15 full time posts covered by 18 people. Post Office shall have the final say on posts, skill sets and who is included within the Outer Core Team from the list of candidates recommended by Fujitsu Services but shall not unreasonably refuse candidates and shall provide reasons where it reasonably refuses. The Demand Planning Board shall record in its minutes which areas of the business Fujitsu Services feel are not sufficiently covered to enable mitigation actions to be taken if necessary.
- c) Right to cancel Outer Core Team: Post Office shall have the right to cancel the Outer Core Team effective from the second anniversary of signature of CCN1271c. Post Office may exercise such option in writing to the Fujitsu Services Commercial Director up to 21 months from signature of CCN1271c only. If such break option is not activated, the Outer Core Team shall continue in place as normal until 31st March 2015.
- d) Limited Changes: The Outer Core Team shall be fixed (in terms of variety of skill sets and numbers of posts and persons) from the date of signature of CCN 1271c and such elements may only be varied:
 - i) in relation to numbers of persons and posts only, on Post Office giving 9 months' notice after that date. Post Office shall not reduce the numbers of persons and/or posts of the Outer Core Team as initially set by more than 20% during the initial 2 years from signature of CCN1271c. During years 3-5 from signature of CCN1271c, assuming Post Office has not invoked the break option at point 2(b) above, Post Office may reduce the numbers of persons and/or posts of the Outer Core Team by up to 20% in total of the size existing at the second anniversary of signature of CCN1271c during the remainder of the Term of the Agreement. Should Post Office not have utilised the full 20% reduction during the initial 2 years, then the remaining balance is not carried over to the 3rd-5th years.
 - ii) In relation to skill sets only, under the process set out in point 3) below."

Paragraph 6 of Annex 3 to Schedule A2 shall be deleted and replaced with the following new paragraph 6:

"6. STANDING TEAM TO 31st MARCH 2015

- a) The Parties shall agree a Standing Team of resources for the period up to 31st March 2015 under the auspices of the Demand Planning Board. The Standing Team during such period shall consist of an agreed number of personnel per grade sufficient to meet the Fujitsu Services forecasted minimum level of resources required, over and above the Inner Core Team and the Outer Core Team, to match the minimum Fujitsu Services forecasted workload anticipated within the next rolling 9 month period. This is initially set at 20.9 full time posts covered by 23 people. Post Office may terminate individual resource from this team on 3 months' notice after completion of the first 9 months. Post Office shall have the final say on what quantity of personnel for each grade is included within the Standing Team from the recommended list provided by Fujitsu Services. For replacements, Fujitsu Services shall

recommend its suggested candidate plus at least 1 other qualified candidate and Post Office may request further candidates where, for good reason, neither of the submitted candidates is acceptable. Fujitsu Services remains the final arbiter on who fills each post, as long as they meet the required qualifications and experience.”

—
New paragraphs 11, 12 and 13 shall be inserted in Annex 3 to Schedule A2 as follows:

“11. INNER CORE TEAM FROM 1st APRIL 2015

- 11.1 During the period from 1st April 2015, unless terminated in accordance with paragraph 12 below or increased or decreased in accordance with paragraph 11.3 below, the Inner Core Team shall be set at 16 full time posts covered by 25 people. Post Office shall have the final say on posts, skill sets and who is included within the Inner Core Team from the list of candidates recommended by Fujitsu Services but shall not unreasonably refuse candidates and shall provide reasons where it reasonably refuses. In selection of the Inner Core Team Post Office shall take into account that during the period when Transitional Support Services are provided and Post Office is in transition to the Towers Model a different mix of skills may be required to retain the knowledge required to deliver the Services while protecting the reputations of Post Office and Fujitsu Services. The Demand Planning Board shall record in its minutes which areas of the business Fujitsu Services feel is not sufficiently covered to enable mitigation actions to be taken if necessary.
- 11.2 The Charges for the Inner Core Team shall be calculated on a discounted basis in accordance with Schedule D1. This discount shall be applied monthly as a credit to the operating charge.
- 11.3 Post Office may increase or decrease the size of the Inner Core Team before or after 1st April 2015 by giving three (3) months’ notice to Fujitsu Services.
- 11.4 Removal of members of the Inner Core Team in accordance with paragraph 11.3 above will impact the discounting as per paragraph 10.4B of Schedule D1.”

12. TERMINATION OF THE INNER CORE TEAM

- 12.1 Post Office may terminate the requirement for the Inner Core Team with effect from 1st April 2015, without payment of any charge to Fujitsu Services, upon providing written notice to this effect to Fujitsu Services on or before 30th September 2014. In the event of any such termination, the provisions of paragraph 11 above shall not apply.

13. OUTER CORE TEAM AND STANDING TEAM FROM 1st APRIL 2015

- 13.1 During the period from 1st April 2015, the Outer Core Team shall be initially set as a commitment to spend £150,000 per month on Development Resources.
- 13.2 The full time posts supplied in the Outer Core team can be changed but require a three month notice period and Post Office must confirm its requirement for resources 3 months in advance.
- 13.3 The discount structure for the Outer Core team is included in 10.4B of Schedule D1. This discount shall be applied monthly as a credit to the operating charge.
- 13.4 There will be no Standing Team during the period from 1st April 2015.”

SCHEDULE B3.1 – HNG-X SERVICES:

The title of Schedule B3.1 shall be deleted and replaced with “HNG-X Services and Transitional Support Services”.

The wording “and Transitional Support Services” shall be added after “HNG-X Services” in paragraphs 1.1, 1.2 and 3.1.

The wording “and Transitional Support Service” shall be added after “HNG-X Service” in paragraphs 1.3, 1.3.1, 1.3.3 and 1.3.5.

The current Table A in paragraph 2.1 shall be deleted and replaced with the following:

	Operational Service	Initial CCD title and reference	Trigger Event	New CCD/Schedule title and reference	Brief HNG-X Service Description	Brief Transitional Service Support Description
1	Service Desk Service	Horizon Systems Helpdesk: Service Description (CS/SER/002)	Trigger Point T2 (Service Desk Change).	Service Desk: Service Description (SVM/SDM/SD/00 01)	The provision of first and second line support to Post Office Branches and other designated groups through the provision of a support desk function.	Expiring Service
2	Engineering Service	Not applicable	This Service has no predecessor and shall be applicable from Trigger Point T1 (Amendment Date)	Engineering Service: Service Description (SVM/SDM/SD/00 02)	Service comprises an on-site replacement or repair service for broken or faulty Equipment at Branches together with associated back-up, support and administrative functions.	Expiring Service
3	Operational Business Change (Branch Change) Service	Operational Business Change Branch CCDs	Commencement of HNG-X Project Workstream X4 (HNG-X Application Rollout)	Operational Business Change (Branch Change) Service: Service Description (SVM/SDM/SD/00 14)	This service supports physical changes in Post Office Branch Infrastructure through the provision of a range of services. The service supports both planned and unplanned changes. The charge for this element of the Operational Business Change (Branch Change) Service is the fixed charge referred to in paragraph 5.2 of Schedule D1.	Expiring Service
4	Data Centre Operations Service	Service Description for Data Centre Operations Service (CS/SER/007) Service Description for the SAP Hosting Service (CS/SER/022)	Commencement of HNG-X Project Workstream X2 (Migrate Data Centre to HNG-X Configuration).	Data Centre Operations Service: Service Description (SVM/SDM/SD/00 03)	Service for managing the HNG-X Central Infrastructure. The Data Centre Operations Service also includes the POLSAP Services. If the circumstances set out in paragraph 6.1 of Schedule D1 arise, Post Office shall pay additional Operational Charges for the Data Centre Operations Service to Fujitsu Services. The POLSAP elements of this	Service for managing the HNG-X Central Infrastructure. If the circumstances set out in paragraph 6.1 of Schedule D1 arise, Post Office shall pay additional Operational Charges for the Data Centre Operations Service to Fujitsu Services.

					Service shall form part of the POLSAP Service with effect from 1 April 2014.	
5	Branch Network Service	Not applicable	This Service has no predecessor and shall be applicable from Trigger Point T1 (Amendment Date)	Branch Network: Service Description (SVM/SDM/SD/00 11)	Service for managing and supporting the Branch Telecom Infrastructure.	Service for managing and supporting the Branch Telecom Infrastructure.
6	Central Network Service	Not applicable	This Service has no predecessor and shall be applicable from Trigger Point T1 (Amendment Date)	Central Network Service: Service Description (SVM/SDM/SD/00 12)	Service for managing and supporting the Central Telecom Infrastructure.	Service for managing and supporting the Central Telecom Infrastructure.
7	Systems Management Service	Service Description for Systems Management Service (CS/SER/008)	Commencement of HNG-X Project Workstream X4 (HNG-X Application Rollout)	Systems Management Service: Service Description (SVM/SDM/SD/00 06)	Event management and software distribution services.	Event management and software distribution services.
8	Reference Data Management Service	Fujitsu Services / Post Office Ltd Interface Agreement for Operational Business Change - Reference Data (CS/PRD/058)	Commencement of HNG-X Project Workstream X4 (HNG-X Application Rollout)	Reference Data Management Service: Service Description (SVM/SDM/SD/00 13) Fujitsu Services / Post Office Ltd Interface Agreement for Operational Business Change - Reference Data (CS/PRD/058)	Service for the management of Reference Data.	Service for the management of Reference Data.
9	Third Line Software Support Service	Service Description for Third Line Software Support Service (CS/SER/009), subject to the proviso that Fujitsu Services shall not be obliged to provide Third Line Software Support Services in respect of Configured POL FS or the SAP Loading Applications.	Commencement of HNG-X Project Workstream X4 (HNG-X Application Rollout)	Third Line Support Service: Service Description (SVM/SDM/SD/00 04)	Service for the diagnosis of new software Incidents occurring in Branches and the Data Centre.	Service for the diagnosis of new software Incidents occurring in Branches and the Data Centre.
10	Management Information Service	Management Information Service: Service Description (CS/SER/015) Transaction Benchmark Service: Service Description (CS/SER/010)	Commencement of HNG-X Project Workstream X4 (HNG-X Application Rollout)	Management Information Service: Service Description (SVM/SDM/SD/00 16)	The Service provides a mechanism for the reporting and publishing of Fujitsu Services' achievement of Service Levels and Service Level Targets. The service also provides data for the settlement of	The Service provides a mechanism for the reporting and publishing of Fujitsu Services' achievement of Service Levels and Service Level Targets. The service also provides data for the settlement of

					liquidated damages, and provides a vehicle for the request of information regarding data captured on the HNG-X Service Infrastructure. The Management Information Service also includes: The Transaction Benchmarking Service.	liquidated damages, and provides a vehicle for the request of information regarding data captured on the HNG-X Service Infrastructure. The Management Information Service also includes: The Transaction Benchmarking Service.
11	Service Management Service	Service Management Service: Service Description (CS/SER/014) Horizon Capacity Management and Business Volumes (PA/PER/033)	Commencement of HNG-X Project Workstream X4 (HNG-X Application Rollout)	Service Management Service: Service Description (SVM/SDM/SD/00 07)	The objectives of the Service are to monitor, manage and maintain the delivery of the Operational Services. This Service also includes: The Capacity Management Service The Release management service.	The objectives of the Service are to monitor, manage and maintain the delivery of the Operational Services. This Service also includes: The Capacity Management Service The Release management service.
12	Reconciliation Service	On Line Services Reconciliation & Incident Management (NB/PRO/002) On Line Services Data Reconciliation Service (CS/SER/018) APS Reconciliation and Incident Management (CS/PRO/128) TPS Reconciliation and Incident Management (CS/PRO/111)	Commencement of HNG-X Project Workstream X4 (HNG-X Application Rollout)	Reconciliation Service: Service Description (SVM/SDM/SD/00 15)	This Service provides end-to-end reconciliation and incident management procedures required to investigate, report and resolve reconciliation and business incidents.	This Service provides end-to-end reconciliation and incident management procedures required to investigate, report and resolve reconciliation and business incidents.
13	Security Management Service	Service Description for the Security Management Service (CS/SER/016)	Commencement of HNG-X Project Workstream X4 (HNG-X Application Rollout)	Security Management Service: Service Description (SVM/SDM/SD/00 17)	This Service provides a wide range of security related activities required for ISO 27001 compliance.	This Service provides a wide range of security related activities required for ISO 27001 compliance.
14	Application Support Service (Fourth Line)	Not applicable	This Service has no predecessor and shall be applicable from Trigger Point T1 (Amendment Date)	Application Support Service (Fourth Line): Service Description (SVM/SDM/SD/00 05)	Service provides support for software and system errors which cannot be resolved by the Third Line Software Support Service.	Service provides support for software and system errors which cannot be resolved by the Third Line Software Support Service.
15	CMT Service	Not applicable	This Service has no predecessor and shall be applicable from Trigger Point T1 (Amendment Date)	Communications Management Team: Service Description (SVM/SDM/SD/00 19)	Service provides a value add function above the standard incident and problem management service provided by the Service Desk and the Service Management Service.	Expiring Service
16	Branch Network Resilience	Branch Network Resilience Service	This Service shall cease to be	This Service will be withdrawn after its Trigger Event	The Branch Network Resilience (BNR) Service will provide	The Branch Network Resilience (BNR) Service will provide

	Service	Description (CS/SER/031)	provided at Trigger Point T6 (Counter Application Rollout Complete)		an automatically invoked ISDN backup network for agreed strategic ADSL Branches and a backup GSM "on demand" service that would support all Branches against prolonged outages. If the circumstances set out in paragraph 6.3 of Schedule D1 arise, Post Office shall pay additional Operational Charges for the Branch Network Resilience to Fujitsu Services.	an automatically invoked ISDN backup network for agreed strategic ADSL Branches and a backup GSM "on demand" service that would support all Branches against prolonged outages. If the circumstances set out in paragraph 6.3 of Schedule D1 arise, Post Office shall pay additional Operational Charges for the Branch Network Resilience to Fujitsu Services.
17	POL MI Hosting Service	Not applicable	This Service has no predecessor and shall be applicable from POL MI Event 1	POL MI Hosting Service: Service Description (POLMI/SVM/SD M/SD/001)	Service provides hosting for certain Post Office back office MI systems The operational Charges for this Service are included in Operational Charges for Data Centre Operations Service, Central Network Service and the Systems Management Service.	Service provides hosting for certain Post Office back office MI systems The operational Charges for this Service are included in Operational Charges for Data Centre Operations Service, Central Network Service and the Systems Management Service.
18	Salesforce Support Service	Not applicable	15 th August 2012	Salesforce Support Service Service Description (SVM/SDM/SD/19 77)	The provision of support services for elements for the two instances of Salesforce within the Finance Specialists Salesforce Solution and the Stakeholder Salesforce Solution.	Expiring Service but it shall not have the right of a mini extension
19	POLSAP Hosting Service	Not applicable	1 st April 2014	POLSAP Hosting Service Service Description (SVM/SDM/SD/21 91)	The provision of hosting by Fujitsu Services.	Expiring Service without the option of a mini extension
20	POLSAP Applications Support Service	Not applicable	1 st April 2014	POLSAP Applications Support Service Service Description (SVM/SDM/SD/23 06)	The provision of the POLSAP applications supported by Fujitsu Services.	Expiring Service (expiry date is 31 st March 2016 and it shall not have the right of a mini extension)
21	Credence/ MDM Service	Not applicable	1 st April 2014	Credence /MDM Service Service Description (SVM/SDM/SD/21 92)	The provision of the Credence/MDM application hosted and supported by Fujitsu Services.	Expiring Service without the option of a mini extension.

The following rows shall be added to the bottom of the Associated CCDs table at paragraph 4.1:

	Document Reference	Document Title
49	SVM/SDM/SD/2191	POLSAP Hosting Service Service Description
50	SVM/SDM/SD/2306	POLSAP Applications Support Service Service Description
51	SVM/SDM/SD/2192	Credence/MDM Service Service Description

**SCHEDULE B3.3 – HNG-X CENTRAL AND TELECOMMUNICATIONS
INFRASTRUCTURE**

The following shall be added at new paragraph 1.3.2(e):

(e) With regard to the BNS Report Part 1 and BNS Report Part 2 (as defined below):

- (i) Within 1 month of date of signature of CCN 1400, Fujitsu Services shall agree with Post Office via the Change Control Procedure the preparation of a comprehensive study of the current Branch Network which shall, as a minimum, cover the following aspects of the current Branch Network Service:
- (a) Branch Routers. The availability and any changes required to maintain Sarian/Digi firmware support through to 31st March 2017 (note hardware is part of the Engineering Service);
 - (b) Branch Routers. The compatibility of the current branch routers with expected changes in WAN technologies (where WAN provider engaged as part of study);
 - (c) Cisco Summary Router firmware and hardware support. What options are there given that this product goes “end of supported life” with Cisco in mid 2015;
 - (d) ADSL. What changes, if any, are expected with the TalkTalk LLU copper product prior to end of March 2017;
 - (e) ADSL. What changes, if any, are expected with the BT IP Connect copper product prior to end of March 2017;
 - (f) C&W Energis / RemoteConnect. Confirm what if any changes may be required with respect to the PSTN Bootloader access; and
 - (g) Utimaco NT4 VPN. Confirmation that the date goes forward to March 2017,

with respect to any known issues which may affect the Branch Network Service prior to 31st March 2017 (the “BNS Report Part 1”). If requested by Post Office within 2 weeks of date of signature of CCN 1400 Fujitsu Services shall also include in this study some or all of the following:

- (h) ADSL – Kingston copper ADSL;
- (i) VSAT branch hardware (Disk, IDU etc);
- (j) VSAT Atlantic Bird, Euro Bird and Italy Base Station;
- (k) Cisco Internet Branch Routers (at VSAT, BFPO and KDSL) firmware support;
- (l) Orange/Voda – roadmap for 2G and 3G technologies;
- (m) Orange/Voda – SIM cards standards;
- (n) Orange/Voda – data centre connectivity issues; and
- (o) C&W Energis / Remote Connect – ISDN / PSTN branch connectivity; and
- (p) BT individual ISDN2e lines,

to determine if there are any other issues which may affect the Branch Network Service prior to 31st March 2017 (the “**BNS Report Part 2**”). The BNS Report Part 1 and the BNS Report Part 2 (if any) shall be referred to as the “**BNS Report**”. Fujitsu Services shall produce Part 1 of the report within 3 months of the signature of the Change Note and if requested by Post Office in accordance with clause (e) (i)

above Part 2 of the report within 4 months of the signature of the Change Note.

- (ii) The preparation of the report shall be chargeable to the Post Office, the cost of the BNS Report Part 1 shall be capped at £70,000 (exc. VAT) and the cost of the BNS Report Parts 1 and 2 combined shall be capped at £120,000 (exc. VAT).
- (iii) The Parties shall jointly review the BNS Report and shall use reasonable endeavours to challenge the BNS Report and work with third parties to minimise and mitigate the elements of the Service that need refreshing, upgrading or a change to the terms support associated with any spares, hardware, software or firmware which form part of the current Branch Network Service. The Parties shall use reasonable endeavours to agree any changes to the BNS Report within 30 Working Days of the date that the BNS Report is delivered to Post Office.
- (iv) The Parties acknowledge and agree that the preferred outcome is that no changes to the infrastructure of the Branch Network Service are required. The Parties shall work collaboratively together so as to achieve this outcome so as to ensure that no or minimal capital expenditure is required from Post Office.
- (v) If the Parties are unable to agree the BNS Report then the Subject Leads for the Relationship best qualified to deal with the BNS Report, taking into account its nature and the responsibilities of each Subject Lead, shall convene an occasional meeting of the relevant Relationship in accordance with paragraph 3.3 of Schedule A2 to agree the BNS Report. If the matter is not resolved at a Relationship level its shall be escalated via the existing Dispute Resolution Procedure.
- (vi) Once agreed, any items identified in the BNS Report shall be deemed to be BNS R&R Required Items.
- (vii) Post Office may purchase such BNS R&R Required Items from any Tower Contractor or any other third party. Until 31st March 2015, as set out in Schedule B1 (Branch Hardware Implementation), only Fujitsu Services may implement such BNS R&R Required Items into the Services (at Post Office's additional cost, where such costs are not recoverable under the Charges) unless the relevant Service is partially terminated in accordance with Schedule E, paragraph 9.1. After 31st March 2015, Post Office may request the appropriate Tower Contractor to implement the BNS R&R Required Items (where the previous way to implement such an item was performed by an element of the Services that has been partially terminated) but Fujitsu Services retains the right (acting reasonably) to sample test and check correct implementation of such BNS R&R Required Items.
- (viii) Once BNS R&R Required Items have been implemented then Fujitsu Services shall provide the Services and comply with the Service Levels to which those Refresh Items relate.
- (ix) With regard to BNS R&R Required Items listed in the BNS Report Part 1, Post Office shall procure and/or implement the BNS R&R Required Items set out in the BNS Report Part 1. In the event that Post Office fails to procure and/or implement the relevant BNS R&R Required Item, then Fujitsu Services shall not be liable for any service failure directly attributable to Post Office not proceeding with, implementing and/or making available the BNS R&R Required Item listed in the BNS Report Part 1.
- (x) With regard to Refresh Items listed in the BNS Report Part 2, Post Office may at its sole option determine whether to implement all, some, or none of BNS R&R Required Items set out in the BNS Report Part 2. In the event that Post Office decides to proceed with some or none of the Refresh Items listed in the BNS Report Part 2, then Fujitsu Services shall not be liable for any service failure directly attributable to Post Office not proceeding with, implementing and/or making available the BNS R&R Required Items listed in the BNS Report Part 2."

SCHEDULE D1 – CHARGES:

A new paragraph 1.9 shall be inserted as follows:

“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.”

Paragraph 2.2 of Schedule D1 shall be deleted and replaced with the following:

“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 Application Support Service (Fourth Line);
- 2.2.6 CMT Service;
- 2.2.6A POLSAP Hosting Service;
- 2.2.6B POLSAP Applications Support Service
- 2.2.6B Credence/MDM Service,

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,

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.”

A new paragraph 2.3A shall be inserted into Schedule D1 after paragraph 2.3.6 as follows:

“2.3A In the event that Post Office elects to reduce the Service Level for “Calls answered within 30 seconds” for the Service Desk Service from 90% to 80%, then the monthly Charges for the Service Desk Service (as calculated in accordance with paragraph 2.3 above) will be reduced by the Agreed Monthly Reduction.”

A new paragraph 2.11 shall be inserted into Schedule D1 as follows:

“2.11 In respect of the Salesforce Support Service, Post Office shall pay to Fujitsu Services in respect of each month the aggregate of the fixed and variable charge for such Service set out in Annex B to this Schedule D1.”

A new paragraph 5.12 shall be inserted as follows:

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 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 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 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.

The following rows shall be added to the table in paragraph 10.4 of Schedule D1:

Grade	Rate per hour On Shore	Rate per hour Near Shore	Rate per hour Offshore (India)
Exit Manager	£167.03	N/A	N/A
Transition Director	£196.22	N/A	N/A

The heading 'Core and Standing Teams to 31st March 2015' shall be added before paragraph 10.4A.

In paragraph 10.4A, the words "Where members of" shall be deleted and replaced with "During the period up to 31st March 2015, where members of".

A new heading and paragraph 10.4B shall be inserted in Schedule D1 as follows:

"Core and Standing Teams from 1st April 2015

10.4B During the period from 1st 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. 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.

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 30th September 2014 but prior to 1 October 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) Where Post Office removes a full time post from the Inner Core Team on or after 1 October 2016, Post Office shall repay to Fujitsu Services an amount equal to the 18% discount that would have been applied in the period from the date of such removal until 31st March 2017 only (e.g. if 3 months remains to 31st March 2017, then Post Office shall only be required to repay 3 months discount). 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.

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 after 31st March 2015, 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 31st 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 1st April 2015 to 31st March 2017 is based upon the following table:

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%

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 1st April 2015 to 30th June 2015 on or before 31st 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 1st April 2015 to 31st March 2017 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 31st December 2014.
- (vi) There are no individual resource rate card reductions in addition to this mechanism.

In paragraph 10.6.2, replace “Senior Consultant Manager” with “Senior Consultant Manager or Exit Manager”.

In paragraph 10.6.3 replace “Senior Manager Principal Specialist” with “Senior Manager Principal Specialist or Transition Director”.

In paragraph 16.1, after “are referred to in this” delete “paragraph 16.1” and replace with “paragraph 16”.

Paragraph 16.2 shall be deleted and replaced with the following new paragraphs 16.2, 16.2A and 16.2B:

“16.2 During the period up to 31st 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 31st March 2006 up to the Financial Year ending 31st 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

31st March 2010.

16.2A During the period from 31st March 2015 up to 31st March 2017, 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.

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 31st March 2015 up to 31st March 2017, the Varied Indexed Charges shall be indexed as follows:

16.2B.1 In respect of each Financial Year subsequent to the Financial Year ending 31st 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 31st March 2015 in which the RPI Percentage is 5% or greater, each of the Varied Indexed Charges shall be indexed in accordance with the following formula:

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

16.2B.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 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)."

In paragraph 16.3, "(including but not limited to the Varied Indexed Charges from 31st March 2015)" shall be inserted after "The RPI Percentage applicable to the Indexed Charges".

The following rows shall be added to the bottom of the Associated CCDs table at paragraph 17.1:

	Document Reference	Document Title
24	SVM/SDM/SD/2191	POLSAP Hosting Service Service Description
25	SVM/SDM/SD/2306	POLSAP Applications Support Service Service Description
26	SVM/SDM/SD/2192	Credence/MDM Service Service Description

Annex A to Schedule D1:

Annex A, Part 1

The current table at Part 1 of Annex A (Branch and Counter Position Limits) shall be deleted and replaced with the following new table:

		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

Annex B to Schedule D1:

For the avoidance of doubt the spreadsheet below includes all price changes agreed CCNs up to 31st March 2013 (but not any other contract changes) and specifically included the following CCNs which are subsequent to version 8 of the contract : CCN1311b, CCN1307a, CCN1315, CCN1316a, CCN1317, CCN1318a, CCN1313c, CCN1320a, CCN1326, CCN1321, CCN1325a, CCN1327a, CCN1323b, CCN1323, CCN1330, CCN1331, CCN1332a, CCN1328b and CCN1343a.

The excel spreadsheet in Annex B shall be amended to reflect the revised prices and services for years ending March 2014 and March 2015, and also to include additional columns and service prices for year ending March 2016 and 2017 all as shown in Annex 5 to this to CCN 1400. For the avoidance of doubt there shall be no changes to Annex B for prior years.

Annex E to Schedule D1:

The following rows shall be added to the table in Annex E:

Number of CCN.	Row Changed in Annex B (Description)	Value (£) of Change	Effective Date of Change
CCN1400	Data Centre Operations Service: Fixed Charge	(minus £63,659.11 per month)	1 April 2014
	Applications Support Service (4 th Line) :Fixed Charges	(minus £133,802.42per month)	1 April 2014
	Service Desk Service: Fixed Charges	minus £3,506.26 per month)	1 October 2013
	Service Desk Service: Unit charge per counter position	(minus £1.05 per month)	1 October 2013
	Service Desk Service: Service Management element	(minus £0.09 per month)	1 October 2013
	Service Desk Service :Fixed Charges	(minus £807.15 per month)	1 April 2014
	Service Management Service Charges: Fixed Charges	(minus £9,203.55per month)	1 April 2014
	Central Network Service: Fixed Charge	(minus £2,185.15per month)	1 April 2014
	Systems Management Service: Fixed Charge	(minus £2,621.95per month)	1 April 2014
	Security Management Service: Fixed Charge	(minus £728.38per month)	1 April 2014
	POLSAP Hosting Services	£42,661.24 per month	1 April 2014
	POLSAP Applications Support Services	£134,609.58per month	1 April 2014
	Credence/MDM Service	£35,736.91per month	1 April 2014

SCHEDULE D6 – MARKET TESTING:

At the end of paragraph 3.4 in Schedule D6, the following words shall be inserted “up to and including 31st March 2015. After 31st March 2015, the Parties acknowledge and agree that there shall be no Benchmarking of Testable Services.”

SCHEDULE E – TERMINATION AND THE EXIT PLAN:

In paragraph 1.1 of Schedule E, “expiry of an Expiring Service,” shall be inserted after “termination of this Agreement”.

In paragraph 1.6 of Schedule E, “, expiry of an Expiring Service” shall be inserted after “to termination of the Agreement”.

Paragraph 3.1 of Schedule E shall be deleted and replaced with the following:

“The Asset Register, Exit Strategy and Exit Plans shall be developed and maintained in accordance

with this paragraph 3.”

Paragraphs 3.3 to 3.8 of Schedule E shall be deleted and replaced with the following:

3.3 Updated Asset Register and Exit Strategy for transition

- 3.3.1 Fujitsu Services shall provide an updated version of the Asset Register to Post Office by 30th April 2013 which they shall keep up to date throughout the remainder of the Term in accordance with the terms of the Agreement.
- 3.3.2 Fujitsu Services shall provide an updated version of the Exit Strategy document to Post Office by 31st October 2013, such version to take into account Post Office's intention to transition to a Towers Model.
- 3.3.3 For the avoidance of doubt, Fujitsu Services shall not charge Post Office for the production of the updated versions of the Asset Register and Exit Strategy in accordance with paragraphs 3.3.1 and 3.3.2 above.

3.4 Exit Plans for transition

- 3.4.1 Fujitsu Services shall, within 2 months of receipt of a request from Post Office, provide to Post Office part 1 of the Exit Plan (excluding aspects of the Exit Plan which are dependent on the identity of the Next Supplier) for such Services as Post Office may specify.
- 3.4.2 Fujitsu Services shall provide to Post Office part 2 of the Exit Plan (including aspects of the Exit Plan which are dependent on the identity of the Next Supplier) following notification to Fujitsu Services by Post Office as to who the Next Supplier is and the nature of the transition process that Post Office and the Next Provider requires. Fujitsu Services shall provide part 2 of the Exit Plan within 2 months of receipt of this notification from Post Office provided that, subject to paragraph 3.4.3 below, such notification is received 2 months or longer after the date the request for the part one of the Exit Plan was made in accordance with paragraph 3.4.1 (i.e. the creation of part one of the Exit Plan and part two of the Exit Plan shall not run concurrently). For the avoidance of doubt, Post Office shall provide this information on or before the date it gives written notice of termination of the Terminable Service.
- 3.4.3 For the avoidance of doubt, Post Office may elect to request only part 2 of the Exit Plan (without requesting part 1) by notifying Fujitsu Services who the Next Supplier is and the nature of the transition process that Post Office and the Next Provider requires. In the event that Post Office requests part 2 of the Exit Plan only, Fujitsu Services shall provide such Exit Plan in accordance with paragraph 3.4.2 above including all aspects of the Exit Plan which are dependent and which are not dependent on the identity of the Next Supplier.
- 3.4.4 Post Office shall not make a request for an Exit Plan for the following Services in accordance with paragraph 3.4.1 or 3.4.2 above earlier than
 - (a) for an Expiring Service, 24 months prior to the expiry date of such Expiring Service;
 - (b) for a Service other than an Expiring Service, 36 months prior to the expiry date of such Service;
 - (c) for a Terminable Service in the event of termination, within one week after

notice of termination of such Terminable Service; or

- (d) for any Service in the event of termination, within one week after notice of termination of this Agreement.

3.4.5 Following any request for an Exit Plan, Fujitsu Services shall provide reasonable assistance to Post Office for the purposes of determining the implications at that time of the Exit Scenarios.

3.4.6 The Parties shall work together in good faith to review and revise (if appropriate) part one and part two of the Exit Plan to Post Office's reasonable satisfaction within 2 months of receipt by Fujitsu Services of Post Office's request for each Exit Plan.

3.5 Charges for development of Exit Plans

3.5.1 All work performed by Fujitsu Services in writing and reviewing any Exit Plans associated with any Expiring Service (but excluding the POLSAP Applications Support Service) shall be performed by Fujitsu Services for no additional charge. For the avoidance of doubt, this includes Exit Plans prepared after 31st March 2015. Fujitsu Services may make a charge for the POLSAP Applications Support Exit Plan which shall be agreed through the Change Control Procedure but this charge is capped at £25,000 plus VAT.

3.5.2 All work performed by Fujitsu Services in writing and reviewing any Exit Plans associated with any Service other than an Expiring Service shall be chargeable by Fujitsu Services in accordance with the Rate Card.

3.6 Each Exit Plan produced by Fujitsu Services shall:

- (a) include all of the matters referred to in paragraph 3.8; and
- (b) be documented in a CCD which, in respect only of the Relevant Services to which it relates, shall supersede and replace Annexes 2 and 3 to this Schedule E.

3.7 Fujitsu Services shall ensure that each Exit Plan produced in accordance with paragraphs 3.4.1 and 3.4.2 is kept up-to-date on a general basis and takes account of any significant changes to this Agreement.

3.8 Each Exit Plan produced in accordance with paragraphs 3.4.1 and 3.4.2 shall cover:

- (a) the duties, roles and responsibilities of the Parties;
- (b) the practical steps needed to be taken by Fujitsu Services and Post Office;
- (c) the relevant time scales and milestones;
- (d) in the case of termination or expiry of the Agreement or termination of a Terminable Service or expiry of an Expiring Service, each of the matters set out in Annex 2 to this Schedule E;
- (e) in the case of termination of Project HNG-X, each of the matters set out in Annex 3 to this Schedule E; and
- (f) in all cases to the extent not covered by the matters referred to in (d) or (e) (as

applicable), each of the matters referred to in paragraph 3.9 which are applicable to the Exit Strategy.

3.9 Matters for inclusion in the Exit Plan:

- (a) Post Office's procurement exercises (if any) associated with the Proposed Exit Strategy (if and to the extent that Post Office shall have provided details of such exercises to Fujitsu Services);
- (b) information about all of the matters covered by Clause 48 (at a level adequate to enable structured planning and transition) including:
 - (i) transfer and/or return (as appropriate) of the various assets (including Project Assets) and Property of any member of the Royal Mail Group;
 - (ii) granting of licences by Fujitsu Services;
 - (iii) transfer of agreements potentially to be assigned, novated or otherwise transferred;
 - (iv) access to such source code as Post Office is entitled to have access upon termination of the Relevant Services and documentation;
 - (v) provision of assistance by Fujitsu Services up to the date of termination of this Agreement, the Terminable Service(s) in question or Project HNG-X or date of expiry of the Expiring Service(s) (as applicable);
 - (vi) provision of assistance to the Next Supplier (if any) by Fujitsu Services after the date of termination of this Agreement or the Terminable Service in question; and
 - (vii) the handling of Fujitsu Services employees to whom employment is to be offered under Clause 48.4.3 and those employees who shall transfer pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006, including (as a minimum) information on employee terms of employment in relation to each employee to whom the offer is made and those to whom the Transfer of Undertakings (Protection of Employment) Regulations 2006 applies;
- (c) procedures and arrangements (if any) that are reasonably necessary to decommission the Infrastructure and/or Relevant Services or elements thereof in order to effect an orderly transfer on termination or expiry;
- (d) run-down of Relevant Services and transition from the Relevant Services to Replacement Services;
- (e) responsibilities in relation to handling any due diligence exercises to be carried out by potential Next Suppliers, including access to information, the relevant Infrastructure and Fujitsu Services and Fujitsu Services' sub-contractor personnel;
- (f) provision of information relating to on-going performance and issues in relation to the Relevant Services (including performance statistics and details of any outstanding Incidents); and
- (g) in the event of termination of a Terminable Service, the changes to this Agreement

(if any) necessary to enable Fujitsu Services to continue providing the remaining Services and the identification of any dependencies that will need to be satisfied by Post Office or the Next Supplier for the continued provision of the remaining Services, all of which shall be dealt with under the Change Control Procedure.

- 3.10 The Exit Strategy and the Exit Plans shall at all times be developed and revised by agreement between the Parties under the Change Control Procedure such that they are consistent with the principles set out in this Schedule E (as it may be amended from time to time under the Change Control Procedure).
- 3.11 Each Party shall act and negotiate reasonably in agreeing the contents of the Exit Strategy and the Exit Plans and shall not unreasonably require the exclusion of matters which the other Party reasonably requests should be included or the inclusion of matters which the other Party reasonably requests should be excluded.
- 3.12 Any failure to agree the Exit Strategy or a revision to the Exit Plans shall not prejudice the rights and/or obligations of either Party pursuant to this Schedule.
- 3.13 Fujitsu Services and Post Office will discharge their respective responsibilities and perform their obligations as set out in this Schedule and, when required by the Exit Strategy or Exit Plans, in accordance with that document.
- 3.14 To the extent that there is an inconsistency between the terms of the Exit Strategy or Exit Plans and this Schedule then, unless expressly stated otherwise in this Schedule, the terms of this Schedule shall prevail.”

Paragraph 4.1 shall be amended to read as follows:

- “4.1 Subject to Post Office procuring that each bona fide potential Next Supplier and/or Next Supplier enters into an Agreed Form NDA or any other form of non-disclosure agreement mutually agreed by Post Office, Fujitsu Services and such bona fide potential Next Supplier and/or Next Supplier, Fujitsu Services will:
- 4.1.1 Provide Post Office with reasonable information and assistance in relation to Post Office’s tender process conducted for the provision of services (i) to replace the Relevant Services or the performance of the Relevant Services by a replacement contractor; and/or (ii) in relation to any Tower;
- 4.1.2 During any tender or due diligence process:
- (a) provide bona fide potential Next Suppliers with access to personnel, data and information (via either a real or virtual data room); and
- (b) co-operate with bona fide potential Next Suppliers,
- in order to enable Post Office to run a procurement process in compliance with the Public Contracts Regulations 2006 (in particular without limitation Regulation 4(3) of the Public Contracts Regulations 2006) for all bona fide potential Next Suppliers (which may include Fujitsu Services).
- 4.1.3 During any transition, implementation and operational phase by Next Supplier(s), grant rights of access to relevant assets (including remote access for IT related assets), premises, subcontractor contracts and third party contracts.

For the avoidance of doubt, to the extent to which such information provision, support and/or assistance in accordance with this paragraph 4.1 results in Fujitsu Services incurring

additional costs which it is able to evidence are over and above the Charges and in particular without limitation are not a second charge for obligations already set out in the Agreement (including but not limited to keeping documentation up to date) such costs shall be recoverable from the Post Office.”

Delete 6.2.5 (a) and 6.2.5 (b) and replace with the following:

“(a) "Lost Profit" means the present value of the lost profit that would have been due to Fujitsu Services during the remainder of the term of the Agreement.

- (i) in the case of termination of the Agreement, in relation to all Relevant Services; or
- (ii) in the case of Partial Termination, in relation to the Relevant Service that has been terminated,

in each case calculated as at the date of termination of the Agreement or Partial Termination, or as at the date of commencement of the Ramp Down Period in the event the Relevant Service is subject to a Ramp Down Period, as the case may be, according to the following formula:

Lost Profit = $AP_0 + AP_1/(1+r) + AP_2/(1+r)^2 + [\text{series to continue on same calculation basis until}] + AP_{nn}/(1+r)^{nn}$.

Where the Relevant Service being terminated is subject to a Ramp Down Period, then the profit included within the Charges paid or payable by Post Office during the Ramp Down Period shall be recognised in the calculation of the Lost Profit payable by deducting the amount calculated in accordance with the following from the Lost Profit (as calculated above):

(10/100) multiplied by the total amount of the Charges paid or payable by Fujitsu Services for the Relevant Service during the Ramp Down Period

(b) "nn" means the numbering applied to Financial Years, where in respect of the Financial Year in which termination occurs or the Ramp Down Period commences (as the case may be), $nn = 0$; in respect of the next Financial Year, $nn = 1$; for the Financial Year after that $nn = 2$ and so on for each successive Financial Year in the period after such termination :

- (i) to 31st March 2015 in the event of Partial Termination of the Expiring Services (excluding the POLSAP Applications Support Service) , save as set out in paragraph (ii) below; or
- (ii) in the event that Post Office elects to extend the Service Desk Service, Engineering Service, the OBC Branch Service and/or, CMT Services in accordance with paragraph 10 below, and any such Service is subject to Partial Termination, to the date on which such Service (as extended) would have expired; and
- (iii) in the event of Partial Termination of the POLSAP Applications Support Service, to 31st March 2016; and
- (iv) for all other Services, to 31 March 2017.”

New paragraphs 9, 10, 11 and 12 shall be inserted in Schedule E as follows:

“9. **ADDITIONAL EXIT PROVISIONS APPLICABLE TO TRANSITION**

9.1 Impact of termination or expiry during transition

- 9.1.1 From 1st April 2015, it is anticipated that Post Office will initiate a number of Partial Terminations of Services as it moves to its new procurement model. To support the transition following these Partial Terminations there may be a resulting change in the scope and charging for the central support Services (Service Management Service, Management Information Service, and Security Management Service). In addition, the Services may be impacted by the termination or expiry of the Engineering Service, Operational Business Change Service and CMT Service.
- 9.1.2 The impact of any Partial Termination on the remaining Services shall be assessed in accordance with the provisions of paragraph 2.2 of Schedule E.
- 9.1.3 The impact of any expiry of an Expiring Service shall be assessed in accordance with the provisions of paragraph 2.2 of Schedule E.

9.2 Spares Stock

- 9.2.1 Post Office shall be responsible for the provision of all spares stock for Expiring Services (excluding POLSAP Applications Support Service) from 1st April 2015. For the avoidance of doubt, all spares stock procured by or on behalf of Post Office shall form part of the Branch Infrastructure.
- 9.2.2 Post Office may request in writing that Fujitsu Services source the spares stock for Branch Infrastructure on Post Office's behalf (including spares stock identified in a Mini Extension Report). In such circumstances and subject to the availability of such spares, Fujitsu Services shall procure said spares at Post Office's cost. Fujitsu Services shall also be entitled to charge for the storage of these spares. In the event that Post Office extends the Engineering Service, Fujitsu Services shall not be entitled to charge for those spares that it estimates it will require to deliver the Services during the period for which the Engineering Service is extended. Fujitsu Services will continue to be able to charge for the storage of any other spares procured on behalf of Post Office during such period.

- 9.3 It is noted that at the time of entering into CCN 1400, both parties acknowledge that it is not possible to predetermine all of the potential impact (including changes to the relevant cost base) of the removal of the Service Desk Service and the impact of the removal of other subsequent Terminable Services (whether before or after 31st March 2015) on the remaining Operational Services and/or Transition Support Services. To this end, the provisions of paragraph 2 (Partial Termination) of Schedule E (Termination and the Exit Plan) shall apply in each instances and Fujitsu Services shall be required to impact each expiry and/or termination and the Charges for the remaining services shall be varied according to any increase or decrease in the remaining costs incurred by Fujitsu Services in delivery of the remaining services.

10. **MINI EXTENSIONS**

- 10.1 In the event that Post Office requires any or all of the Expiring Services (excluding Credence/MDM Service, the Salesforce Support Service, POLSAP Hosting Service and POLSAP Applications Support Service) to continue beyond 31st March 2015, then the following provisions shall apply:

- 10.1.1 Post Office shall only be able to extend a particular service for fixed 6 month periods. In the event that Post Office requires an additional period beyond 30th September 2015 then Post Office must also elect for an additional fixed 6 month extension period.
- 10.1.2 In order to extend one of these Expiring Services (excluding POLSAP Applications Support Services), Post Office shall give a minimum of 6 months' written notice, i.e. in the first instance, such written notice must be received by Fujitsu Services prior to 30th September 2014.
- 10.1.3 For the avoidance of doubt, liquidated damages (where applicable) shall continue to apply during any mini extension in accordance with clause 18 save in the case where the Actual Engineering Visits in any month exceeds the related Expected Engineering Volume by 10%. In such instances, the calculation for liquidated damages in respect of the Counter Availability SLT shall be based on the average downtime for each of the hardware components over the previous three months (not including the month in question), instead of the actual downtime in the month for each of those components. This shall be calculated using the reported downtime for each problem type prefaced "HD" in the Local Failure section of the SLT report produced in accordance with Annex A to the CCD Branch Network Service Description (SVM/SDM/SD/0011).
- 10.1.3A The Credence/MDM service, the Salesforce Support Service and POLSAP Hosting Service are not extendable beyond 31st March 2015 in accordance with the terms above. The POLSAP Applications Support Service is not extendable beyond 31st March 2016 in accordance with the terms above.
- 10.1.3B In the event that the Service Desk Service continues beyond 31st March 2015, there shall be no reduction in contracted for Service Levels during the extended period.

Mini Extension Reports

- 10.1.4 Fujitsu Services shall, acting as the informed supplier, ensure that its personnel inform the Service Management Relationship (as defined in Schedule A2) as soon as it is aware of any issues that may impact on the provision of Expiring Services (excluding POLSAP Applications Support Service) beyond March 2015 (be it by Fujitsu Services or the Next Supplier) on a reactive basis. Where such issues are agreed they shall be formally recorded in the minutes and become Refresh Items. If agreement is not reached in the Service Management Relationship then the Parties shall escalate the matter using the Dispute Resolution Procedure.
- 10.1.5 Additionally, to inform the mini extension request Post Office may elect to commission via a CT, a report identifying any items of risk that would need to be addressed in order for the relevant Service(s) to continue to operate during any Mini Extension in accordance with the Agreement immediately prior to the extension. This report shall be prepared on a pro-active basis with Fujitsu Services consulting relevant sub-contractors as necessary. Such report shall be delivered to Post Office within 3 months of the agreement date of the CT (the "**Mini Extension Report**"). The report shall be delivered on a time and materials basis but the cost of such report shall be capped at £30,000.
- 10.1.6 Post Office will review the Mini Extension Report and the Parties shall use reasonable endeavours to agree any changes within 15 Working Days of the date the Mini Extension Report is delivered to Post Office. If the Parties are unable to agree the report then the matter shall be escalated via the existing Dispute Resolution

Procedure.

- 10.1.7 Once agreed, any items identified in the Mini Extension Report shall be deemed to be Refresh Items.
- 10.1.8 If matters relating to potential Refresh Items have been referred to the Dispute Resolution Procedure but not yet resolved and result in a service failure during any mini extension period, then the potential Refresh Items attributable to the service failure shall become Refresh Items.
- 10.1.9 Post Office may at its sole option determine whether to implement all, some, or none of the Refresh Items set out in the Mini Extension Report and/or Service Management Relationship minutes and/or Dispute Resolution Procedure resolutions. For the avoidance of doubt, Post Office may purchase Refresh Items from any Tower Contractor or any other third party but, as set out in Schedule B1 (Branch Hardware Implementation) only Fujitsu Services may implement such Refresh Items into the Services (at Post Office's additional cost, where such costs are not recoverable under the Charges) to the extent it still provides the applicable Service. In the event that Post Office decides to proceed with some or none of the Refresh Items then Fujitsu Services shall not be liable for any service failure directly attributable to Post Office not proceeding with and/or making available the Refresh Items. In the event that Post Office decides to proceed with some or all of the Refresh Items then, for the avoidance of doubt, Fujitsu Services' obligations to provide the Services in accordance with the Service Levels shall be unaffected to the extent to which Post Office procures and/or provides the Refresh Items within the agreed timescales.
- 10.1.10 Furthermore, if Post Office does not elect to procure the Mini Extension Report and to the extent that Fujitsu Services has fulfilled its obligations under paragraph 10.1.4 of this Schedule E, then, should the service be impacted by the non-availability, refresh or support of hardware and software, or of spares after 31st March 2015 an appropriate adjustment to service level performance shall be made in relation to failures directly caused by the lack of availability, refresh or support of those spares, hardware or software.

10A SPARES STOCK

- 10A.2 Prior to the termination/expiry of any of the Services, Fujitsu Services will notify Post Office promptly after it becomes aware (or ought reasonably to have become aware), of any:
 - 10A.2.1 software or hardware used in the performance of the Services; or
 - 10A.2.2 spares stocks for Branch Infrastructure,

which is becoming end-of-life and/or coming out of support in the two years after the planned expiry of the Service.
- 10A.3 Post Office shall be responsible for the provision of all spares stock from 1st April 2015 required for the provision of Expiring Services (excluding POLSAP Applications Support Service). For the avoidance of doubt, Post Office may request that Fujitsu Services source the spares stock on Post Office's behalf. In such circumstances and subject to the availability of such spares, Fujitsu Services shall procure said spares at Post Office's cost. Fujitsu Services shall also be entitled to charge for the storage of these spares.
- 10A.4 In the event that Post Office extends the Engineering Service, Fujitsu Services shall not be entitled to charge for those spares that it estimates it will require to deliver the Services during the period for which the Engineering Service is extended. Fujitsu Services will continue to be able to charge for the storage of any other spares procured on behalf of Post Office during such period where such spares are stored by Fujitsu Services.

10B RAMP DOWN CHARGES

- 10B.1 Once a particular Operational Service, Counter Positions or Branches is/are supported by a Next Supplier or any other supplier (and not Fujitsu) it/they shall cease to be “Counter Positions” or “Branches” for such Operational Service.
- 10B.2 For the avoidance of doubt, a single Branch or Counter Position may be supported by Fujitsu in relation to one Operational Service but may be supported by a Next Supplier in relation to another Operational Service. As illustrated in the example in paragraph 1.9 of Schedule D1, that Branch or Counter Position supported by Fujitsu would be included in the variable charge calculation for the Operational Service but not the Branch or Counter Position supported by the Next Supplier.

11 RAMP DOWN OF TRANSITIONAL SUPPORT SERVICES

- 11.1 In order to facilitate the transition to the new Towers Model, the Parties shall work together to ascertain to what extent the elements of the Transitional Support Services are variable as follows:

11.1.1 Upon request from Post Office, Fujitsu Services shall prepare a report (the “**Ramp Down Report**”), within 5 months of the request, for Post Office identifying for each Terminable Service within the Transitional Support Services which elements of such Terminable Service are: (i) potentially variable in that certain parts of that Service provided by Fujitsu Services may be reduced during a ramp down period and the Charges reduced accordingly (“**Variable Services**”); and (ii) fixed (for which no savings will realistically be achievable ahead of the exit of that particular service). The Ramp Down Report shall be written on the basis of an “order of magnitude”. Fujitsu Services shall not be required to disclose any commercially sensitive information in the Ramp Down Report concerning how the Services are delivered. Without prejudice to Clause 24 and Schedule D4, Fujitsu Services shall not be required to provide Open Book information as outlined in Schedule D4 for the purposes of the Ramp Down Report. For the avoidance of doubt, the Ramp Down Report shall include the operational charge reduction which Post Office could expect (comprising the cost of the network plus the additional margin) as the result of cessation or decommissioning of individual central network circuits. For avoidance of doubt Post Office acknowledges that in terminating a circuit it may be required to incur termination charges from the circuit provider (charged by Fujitsu Services on a pass through basis) and any additional costs associated with the impact on the remaining circuits (for example a loss of discounts associated with a certain volume of circuits) and/or Services. The provision of the report shall be agreed via the Change Control Procedure and be chargeable by Fujitsu Services up to a maximum amount of £15,000 excluding VAT.

- 11.1.2 The Parties acknowledge and agree that the more commoditised Services, such as Data Centre Operations, should be capable of being Variable Services. In the Ramp Down Report, Fujitsu Services shall identify the variable elements of such commoditised Services and the associated reduction in the Charges for such variable elements during a Ramp Down Period. For more bespoke Services, such as Applications Support Service (4th Line), Fujitsu Services shall use reasonable endeavours to identify any variable elements and the associated cost drivers, however if this not possible Fujitsu Services shall explain in the Ramp Down Report:

- a) why this is the case; and
- b) any information Fujitsu Services will need to be able to provide the information required to be included in the Ramp Down Report.

- 11.1.3 Upon receipt of the Ramp Down Report, Post Office shall review this report and

provide feedback to Fujitsu Services. The Parties shall promptly meet to discuss Post Office's feedback and based on the agreed outputs of the meeting, Fujitsu Services shall amend the Ramp Down Report and the details of which Services will constitute Variable Services. This process shall be completed within 6 months of the date of the request for the report from Post Office.

11.1.4 Once the Ramp Down Report is agreed, if requested by Post Office, Fujitsu Services shall apply the relevant principles contained in the Ramp Down Report when developing the pricing mechanism for the relevant Exit Plan which shall apply during the ramp down of the relevant Variable Service.

11.1.5 Where a cost saving is achieved by Fujitsu Services as a result of the reduction of volumes or scope of a Variable Service to be delivered by Fujitsu Services during the Ramp Down Period these cost savings will be passed on to Post Office as a reduction in the Charges.

11.1.6 Any Disputes in relation to this paragraph 11 shall be resolved in accordance with the Dispute Resolution Procedure.

11.2 Post Office shall, on termination of a Variable Service, be permitted to ramp down such Variable Service. This shall work as follows:

11.2.1 On or after providing notice to terminate a Variable Service, Post Office shall notify Fujitsu Services of any period during which it wishes to ramp down such Variable Service (the "**Ramp Down Period**") and how it wishes to ramp down such Variable Service. Any such Ramp Down Period shall not extend beyond the expiry of the Agreement.

11.2.2 For a minimum of the relevant termination notice period following the receipt of the notice to terminate such Variable Service, that Variable Service shall continue to be delivered (and paid for) in full.

11.2.3 During the relevant termination notice period, Fujitsu Services shall produce an Exit Plan in accordance with paragraph 3 of this Schedule E which shall set out how the Variable Service will be ramped down and the reductions in the Charges resulting from such ramp down.

11.2.4 The Variable Service shall be ramped down from the end of the relevant termination notice period, except that Post Office may elect to ramp down the Service Desk Service at any stage after the first 3 months of any termination notice period for such Service.

11.2.5 Where a Variable Service is terminated, the impact on the remaining Transitional Support Services shall be determined and any variations to the remaining Services (including any changes to the Charges) shall be agreed between the Parties and implemented in accordance with the Change Control Procedure.

Annex 1 to Schedule E:

The following rows shall be added to the bottom of the table at Annex 1:

Terminable Service	Termination Category	Date or Event from which Termination Notice can be given	Indicative Impacts
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POLSAP Hosting Service	Terminable as an individual Service	Signature of CCN 1400	Reference Data Management Service, Data Centre Operations Service and POLSAP Applications Support Service
POLSAP Applications Support Service	Terminable as an individual Service	Signature of CCN 1400	Reference Data Management Service, Data Centre Operations Service and POLSAP Hosting Service
Credence/MDM Service	Terminable as an individual Service	Signature of CCN 1400	Reference Data Management Service and Data Centre Operations Service.

The following row shall be amended in the table at Annex 1:

Terminable Service	Termination Category	Date or Event from which Termination Notice can be given	Indicative Impacts
Data Centre Operations Service and Central Network Service	Service terminable jointly (not as individual Services)	Trigger Point T6 (Counter Application Roll out Complete)	Termination of Data Centre Operations Service and Central Network Service impacts on the Reconciliation Service, Reference Data Management Service, and "multi-service" SLTs (such as Branch and Counter Position availability), Banking Transaction times and data file delivery SLTs. In addition the POLSAP Hosting Service and Credence/MDM Service shall be impacted.

Annex 2 to Schedule E:

The current table at Annex 2 shall be deleted and replaced with the new following table:

Row No	Activity and Responsibility	Time Scales (Working Days or period from start of implementation of General Exit Plan or other specified event)	
		Notice of termination	Notice of termination for any

		given for any reason is 6 months or less	reason is more than 6 months, or in the event of expiry of this Agreement or an Expiring Service
1	Post Office shall appoint a manager responsible for implementing the General Exit Plan.	1 day.	1 day.
2	At the request of Post Office, Fujitsu Services shall appoint a manager who shall be responsible for implementing the General Exit Plan, to include but not be limited to: <ul style="list-style-type: none"> * participating in the planning and resourcing of transferring responsibility for the provision of the Relevant Services or equivalent services to the Next Supplier; * managing Fujitsu Services' involvement in that process and committing their resources to it, and managing the timescales concerned; and * organising Fujitsu Services' management and control for the processes described below. 	3 days.	5 days.
3	At the request of Post Office, Fujitsu Services shall procure that its sub-contractors used in the provision of the Relevant Services shall meet with Post Office to discuss, in as co-operative manner as is reasonably practicable, the ongoing provision of the Relevant Services with a view to achieving the results of the General Exit Plan.	As and when reasonably requested by Post Office after notice of termination given.	As and when reasonably requested by Post Office after notice of termination given or in the event of expiry of this Agreement or an Expiring Service.
4	Fujitsu Services shall deliver to Post Office for its approval a detailed transition plan to enable transition of the Relevant Services to the Replacement Services. Such plan shall include, but not be limited to a timetable of events, resources, assumptions, dependencies, activities, and responsibilities.	No later than 2 months after receipt of the views of Post Office in accordance with paragraph 3.4.2 of Schedule E.	No later than 2 calendar months after receipt of the views of Post Office in accordance with paragraph 3.4.2 of Schedule E.
5	Fujitsu Services shall deliver to Post Office the most recent versions of all internal documentation available to Fujitsu Services which are used for support of the Relevant Services and relevant Applications, Business Capabilities and/or Support Facilities.	7 days.	14 days.
6	Fujitsu Services shall make available to Post Office on reasonable notice appropriate expert staff who shall provide to Post Office such explanations to Post Office as are reasonably necessary to facilitate Post Office's understanding of the documentation referred to in row 5.	No later than 2 months after notice of termination given.	No later than 2 months after notice of termination given.
7	Fujitsu Services shall deliver to Post Office the following: <ul style="list-style-type: none"> * an inventory of Post Office Data, plus any other related data available for transfer or deletion; * the definition of all data available for transfer or deletion; * a proposed physical transfer method and method of deletion; and * a proposed method for testing the integrity and completeness of the data transferred and the completeness of the data deleted. <p>In the case of Partial Termination or expiry of an Expiring Service this only applies to the extent that such Post Office Data relates to the Relevant Service or is reasonably relevant for the provision of Replacement Services for the Relevant Service.</p>	Within 1 month from notice of termination of this Agreement.	At least 4 months prior to termination or expiry of this Agreement or an Expiring Service.

8	<p>Fujitsu Services shall deliver to Post Office an up to date version of the Asset Register together with:</p> <ul style="list-style-type: none"> * a list of all assets eligible for transfer to Post Office in accordance with Clause 48.1 and the relevant terms of such transfer; and * a list identifying all other assets, other than human resources, skills and know how, that are ineligible for transfer but which are essential to the delivery of the Relevant Services. The purpose of each component shall be included in the list. 	Within 1 month from notice of termination of this Agreement.	At least 4 months prior to termination or expiry of this Agreement or an Expiring Service.
9	Post Office to deliver notification to Fujitsu Services of specific data it wishes to be transferred in accordance with the provisions of row 7, and Post Office and Fujitsu Services to enter into good faith discussions to develop a data transfer plan.	Within 1 month from date of delivery of the items set out in row 7.	Within 2 months from date of delivery of the items set out in row 7.
10	Post Office to deliver notification to Fujitsu Services of specific assets it wishes to be transferred in accordance with Clause 48.1, and Post Office and Fujitsu Services to enter into good faith discussions to develop a plan for asset transfer. Such plan shall cover both passing of title to assets and any physical transfer required.	As soon as reasonably practicable from date of delivery of the list of all assets eligible for transfer to Post Office referred to in row 8.	Within 3 months from date of delivery of the list of all assets eligible for transfer to Post Office referred to in row 8.
11	<p>Post Office and Fujitsu Services to enter into good faith negotiations to identify and specify any training requirements related to the transfer of data and/or assets pursuant to rows 9 and 10 above. Such training shall include, at Post Office's request, technical training in respect of:</p> <p>development; networks; operations; configuration and change management; system administration; platform management; and security.</p>	As soon as reasonably practicable from delivery of both the list of assets and of data referred to in rows 7 and 8.	Within 1 month from delivery of both the list of assets and of data referred to in rows 7 and 8.
12	<p>Fujitsu Services to produce and Post Office to approve in respect of the Relevant Services:</p> <ul style="list-style-type: none"> * a training strategy, which details the required courses and their objectives; * training materials (include assessment criteria); and * a training plan of the required training events. 	Within 1 month from notice of termination of this Agreement.	At least 3 months prior to termination or expiry of this Agreement or an Expiring Service.
13	Fujitsu Services and Post Office shall co-operate in commencing testing and proving the data transfer and deletion plan in respect of the Relevant Services, such that transfer may be concluded in accordance with the agreed plan. In the case of termination or expiry of the Agreement or (in accordance with Post Office's reasonable directions) of a Terminable Service, once the transfer of Post Office Data to Post Office in accordance with this requirement is complete, all remaining Post Office Data to which this requirement applies and held by Fujitsu Services shall either be destroyed in the case of termination and expiry of the Agreement or, in the case of termination or expiry of a Terminable Service, only destroyed in accordance with Post Office's reasonable directions. For the purpose of this requirement, "destroyed" means physical destruction of the media upon which such data are held or irretrievable	As soon as reasonably practicable after agreement of the data transfer plan referred to in row 9.	The later of 5 months after the date of notice of termination and 3 months after agreement of the data transfer plan referred to in row 9.

	deletion of data from such media (including, without limitation, by reformatting those media).		
14	<p>At the request of Post Office, Fujitsu Services shall:</p> <ul style="list-style-type: none"> * in the case of properties owned or controlled by Fujitsu Services, permit Post Office and its appointed agents; and * in the case of properties not owned or controlled by Fujitsu Services, use reasonable endeavours to arrange, reasonable access to such properties used by Fujitsu Services to provide the Relevant Services. 	Throughout the period between commencement of implementation of the General Exit Plan and completion of transition to the Next Supplier ("Exit Term").	Throughout the Exit Term.
15	At the request of Post Office, Fujitsu Services shall provide all reasonable assistance and allow for the decommissioning and transfer of the relevant assets listed in the Asset Register (as updated in accordance with the provisions of row 8) and those notified by Post Office in accordance with the provisions of row 10 that are located on Fujitsu Services' premises (including premises leased or licensed by Fujitsu Services) in accordance with Post Office's reasonable instructions to Post Office's specified location in the UK (or the location of any Next Supplier), including but not limited to physical access to such assets.	Throughout the Exit Term.	Throughout the Exit Term.
16	Fujitsu Services shall transfer data in an agreed electronic format (where possible) or such other available format to Post Office and make the same available at Post Office's request to the Next Supplier.	On satisfactory completion of the relevant testing mentioned in row 13.	On satisfactory completion of the relevant testing mentioned in row 13.
17	<p>Fujitsu Services shall:</p> <ul style="list-style-type: none"> * make available two copies in the agreed electronic format of all back-up, archival and operational data including, without limitation all databases developed in relation to the Relevant Services which are licensed for use by Post Office pursuant to this Agreement or in which Post Office owns the Intellectual Property Rights; and * make and deliver up to Post Office printouts of Post Office Data as Post Office may reasonably require and which Fujitsu Services can reasonably produce in respect of the Relevant Services. 	Following a reasonable interval following termination of this Agreement. Such interval to be agreed by the Parties during Phase One.	Following a reasonable interval following termination of this Agreement or expiry of an Expiring Service. Such interval to be agreed by the Parties during Phase One.
18	Fujitsu Services shall transfer to Post Office the scripts used by the Service Desk, all existing work arounds to known problems, its problem management records and its incident management records (in each case as relevant to the Relevant Services and relevant Applications, Business Capabilities and Support Facilities) in a format to be agreed between the Parties.	1 month before termination of this Agreement with an update of such information up to and including the date of termination of this Agreement to be sent to Post Office in the agreed format within one month of the date of termination of this Agreement.	2 months before termination of this Agreement with an update of such information up to and including the date of termination of this Agreement to be sent to Post Office in the agreed format within one month of the date of termination of this Agreement.
19	Fujitsu Services shall provide reasonable office accommodation for three Post Office or Next Supplier personnel.	Throughout the Exit Term.	Throughout the Exit Term.
20	Fujitsu Services shall destroy or return to Post Office (as directed by Post Office):	Following a reasonable interval	Following a reasonable interval following termination

	<p>* all manuals and all other materials supplied by Post Office to Fujitsu Services (relating to the Relevant Services) and subsequently updated in enabling them to service Post Office's requirements; and</p> <p>* all tapes and disks and other equipment and related software supplied to Fujitsu Services by Post Office during the provision of the Relevant Services,</p> <p>to the extent such manuals, materials, tapes, disks, equipment and/or software relate to the Relevant Services and are not required for the provision by Fujitsu Services of any continuing Services.</p>	<p>following termination of this Agreement. Such interval to be agreed by the Parties during Phase One.</p>	<p>of this Agreement or an Expiring Service. Such interval to be agreed by the Parties during Phase One.</p>
21	<p>Post Office shall notify Fujitsu Services of any transition requirements to be provided to Next Supplier after the date of Partial Termination or date of termination of this Agreement, as applicable.</p>	<p>At least 2 months prior to termination of this Agreement.</p>	<p>At least 2 months prior to termination or expiry of this Agreement or an Expiring Service.</p>
22	<p>Fujitsu Services shall transfer to Post Office its relevant configuration management information in a format to be agreed between the Parties.</p>	<p>At least one month prior to termination of this Agreement.</p>	<p>At least one month prior to termination or expiry of this Agreement or an Expiring Service.</p>
23	<p>Fujitsu Services shall provide to Post Office an anonymised list with details of the terms and conditions of employment of all Fujitsu Services personnel (and those personnel of its relevant sub-contractors) who are then wholly or mainly employed or engaged in the performance of the Relevant Services, to the extent such personnel may be subject to the Transfer of Undertakings (Protection of Employment) Regulations 2006 if such Services were transferred (including, as a minimum, information on (i) numbers of personnel (employees, contractors and temporary staff), (ii) salaries and other benefits, bonuses and pensions arrangements, (iii) where readily available to Fujitsu Services, skills sets and employment grades, (iv) age and length of service profile, (v) locations of personnel and (vi) such key employee policies as shall be generally known to the relevant employees and relevant to their terms of employment or reasonable expectations).</p> <p>For the avoidance of doubt, this provision is without prejudice to any statutory obligations of Fujitsu Services to provide information on employee liabilities and other employee information to Post Office in the event of termination or expiry of this Agreement where the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply.</p>	<p>As soon as possible following notice of termination being given.</p>	<p>In the case of early termination of this Agreement or Partial Termination, as soon as possible following notice of termination being given.</p> <p>In the case of expiry of this Agreement or an Expiring Service, no later than 3 months prior to the date of expiry.</p>

COMMERCIAL TERMS or CHARGES APPLICABLE IN RESPECT OF THIS CCN
(if any): N/A

LIST OF AGREEMENT SCHEDULES AFFECTED:

Contract Clauses
Schedule 1 – Interpretation
Schedule A2 – Governance
Schedule B3.1 – HNG-X Services
Schedule B3.3 – HNG-X Central and Telecommunications Infrastructure
Schedule D1 – Charges
Schedule D6 – Market Testing
Schedule E – Termination and the Exit Plan

New CCDs and/or CRDs

Reference	Title	Approved Version and date or Target Date
SVM/SDM/SD/2191	POLSAP Hosting Service Service Description	30/03/2014
SVM/SDM/SD/2306	POLSAP Applications Support Service Service Description	30/03/2014
SVM/SDM/SD/2192	Credence/MDM Service Service Description	30/03/2014
TOW/CR/001	Tower Contractor Responsibilities (attached at Annex 3 to this CCN1400)	As per the date of this CCN

AMENDED CCDs and/or CRDs:

Reference	Title	Previous Approved Version & Date	Target Date for agreement of new version
SVM/SDM/SD/0001	Service Desk Service Service Description	5.0 16/09/2010	30/3/2014
SVM/SDM/SD/0002	Engineering Service Service Description	5.0 03/07/2012	30/3/2014
SVM/SDM/SD/0003	Data Centre Operations Service Description	3.0 08/10/2009	30/3/2014
SVM/SDM/SD/0005	Applications Support Service Service Description	4.0 24/08/2010	30/3/2014
SVM/SDM/SD/0006	Systems Management Service Service Description	2.0 26/08/2009	30/3/2014
SVM/SDM/SD/0007	Service Management Service Service Description	2.0 05/11/2010	30/3/2014

SVM/SDM/ SD/0011	Branch Network Service Description	4.0 04/03/2010	30/3/2014
SVM/SDM/ SD/0012	Central Network Service Description	3.0 21/01/2010	30/3/2014
SVM/SDM/ SD/0013	Reference Data Management Service Service Description	2.0 24/08/2006	30/3/2014
SVM/SDM/ SD/0017	Security Service Service Description	3.0 15/10/2010	30/3/2014
TOW/CR/00 1	Contract Controlled and Contract Referenced Document List		30/3/2014
Policies and Standards:			
Service Levels (including any Service Level relief required):			
The CCDs identified in Annex 1 will be amended in line with the principles set out in that Annex by the above target dates.			
P.O. Ltd Responsibilities: as detailed within this CCN 1400			
<p>Other: In order that Fujitsu Services can supply the Transitional Support Services, Post Office agrees that it shall contract with Fujitsu Services to carry out and complete the programme of refresh projects described in CT 1250b in accordance with the agreed programme plan to ensure that critical HNG-X Central Infrastructure and software components will be supportable within the period from 1st April 2015 up until 31st March 2017.</p>			

ANNEX 1**Summary of amendments to CCDs**

SERVICE DESK SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0001)
<ul style="list-style-type: none"> * To be amended to remove all scope relating to the POLSAP Services with effect from 1st April 2014, including that which was previously introduced by CCN1270, CCN1277, CCN1293, CCN1327a, and add to POLSAP APPLICATIONS SUPPORT SERVICE DESCRIPTION CCD reference SVM/SDM/SD/2306 * To be amended to reflect new service levels following benchmarking as in Annex 2 to this CCN.
ENGINEERING SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0002)
<ul style="list-style-type: none"> * To be amended to contain details of Service Levels as per the document 'Annex 2 - Amendments to Service Levels for CCN1400'
DATA CENTRE OPERATIONS SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0003)
<ul style="list-style-type: none"> * To be amended to remove all scope relating to the Credence Application with effect from 1st April 2014, including that which was previously introduced by CCN1252a, CCN1273, CCN1291, CCN1325a, CCN1318a, and add to a new CCD CREDENCE/MDM SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/2192) * To be amended to remove all scope relating to the POLSAP Services with effect from 1st April 2013, including that which was previously introduced by CCN1270, CCN1277, CCN1293, CCN1327a, and add to a new CCD POLSAP HOSTING SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/2191).
APPLICATION SUPPORT SERVICE 4TH LINE SERVICE DESCRIPTION (SVM/SDM/SD/0005)
<ul style="list-style-type: none"> * To be amended to remove all scope relating to the POLSAP Services with effect from 1st April 2014, including that which was previously introduced by CCN1270, CCN1277, CCN1293, CCN1327a, and add to a new CCD POLSAP APPLICATIONS SUPPORT SERVICE SERVICE DESCRIPTION (reference SVM/SDM/SD/2306). *
SYSTEM MANAGEMENT SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0006)
<ul style="list-style-type: none"> * To be amended to remove all scope relating to the Credence Application with effect from 1st April 2014, including that which was previously introduced by CCN1252a, CCN1273, CCN1291, CCN1325a, CCN1318a, and add to a new CCD CREDENCE/MDM SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/2192).
SERVICE MANAGEMENT SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0007)
<ul style="list-style-type: none"> * To be amended to remove all scope relating to the Credence Application with effect from 1st April 2014, including that which was previously introduced by CCN1252a, CCN1273,

CCN1291, CCN1325a, CCN1318a, and add to a new CCD CREDENCE/MDM SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/2192).

BRANCH NETWORK SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0011)

- * To be amended to contain details of Service Levels as per the document 'Annex 2 - Amendments to Service Levels for CCN1400'. It shall be noted that, the inclusion of Branch Network Services as a Transitional Support Service was not included in the Belfast Refresh Programme contracted for under CT1250b. It is acknowledged that it is unclear at the date of CCN 1400 what refresh activities may be required (if any) as, a number of factors are outside both Parties' control (for example whether a change in the ADSL lines by TalkTalk results in a requirement to replace Branch Routers).
- * Fujitsu Services shall prepare a comprehensive report in accordance with (and subject to) the provisions of paragraph 1.3.2e) of Schedule B3.3.
- * For elements of the Branch Network Service that are not covered by the components referenced in the BNS Report, Fujitsu Services will continue to deliver Branch Network Service to the current Service Levels assuming there is no change in availability of the existing third party services. If there is a change to the current availability of these services then this would constitute a Change and managed via the Change Control Procedure on the principle that any remedial work to replace or upgrade the third party service and/or impacted elements of the Services shall be chargeable to Post Office in accordance with the Rate Card or as agreed between the Parties. To the extent to which such elements directly cause a failure to the Branch Network Service prior to implementation of the Change, then Fujitsu Services shall not be liable and an appropriate adjustment to the service level performance shall be made.

CENTRAL NETWORK SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0012)

- * To be amended to remove all scope relating to the Credence Application with effect from 1st April 2014, including that which was previously introduced by CCN1252a, CCN1273, CCN1291, CCN1325a, CCN1318a, and add to a new CCD CREDENCE/MDM SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/2192).

SECURITY MANAGEMENT SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0017)

- * To be amended to remove all scope relating to the Credence Application with effect from 1st April 2014, including that which was previously introduced by CCN1252a, CCN1273, CCN1291, CCN1325a, CCN1318a, and add to a new CCD CREDENCE/MDM SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/2192).

POLSAP HOSTING SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/2191)

- * New Service Description
- * Target Effective Date 1st April 2014
- * To contain the scope relating to the POLSAP Hosting Service that was previously introduced by CCN1270, CCN1277, CCN1293, CCN1327a into the following Service Descriptions, (which will also be removed from them):
 1. DATA CENTRE OPERATIONS SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0003)
- * To contain details of Service Levels as per the document 'Annex 2 - Amendments to Service Levels for CCN1400'. To be amended to state that this is an Expiring Service and will expire no later than 31st March 2015.

POLSAP APPLICATIONS SUPPORT SERVICE SERVICE DESCRIPTION (reference SVM/SDM/SD/2306)

- * New Service Description
- * Target Effective Date 1st April 2014.
- * To contain the scope relating to the POLSAP Applications Support Service that was previously introduced by CCN1270, CCN1277, CCN1293, CCN1327a into the following Service Descriptions, (which will also be removed from them):
 1. SERVICE DESK SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/0001)
 2. APPLICATION SUPPORT SERVICE 4TH LINE SERVICE DESCRIPTION (SVM/SDM/SD/0005)
- * To contain details of Service Levels as per the document 'Annex 2 - Amendments to Service Levels for CCN1400'. To be amended to state that this is an Expiring Service and will expire no later than 31st March 2016.

CREDENCE/MDM SERVICE SERVICE DESCRIPTION (SVM/SDM/SD/2191)

- * New Service Description
- * Target Effective Date 1st April 2014
- * To contain the scope relating to the Credence Application that was previously introduced by CCN1252a, CCN1273, CCN1291, CCN1325a, CCN1318a into the following Service Descriptions, (which will also be removed from them):
 1. DATA CENTRE OPERATIONS SERVICE SERVICE DESCRIPTION
(SVM/SDM/SD/0003)
 2. SERVICE MANAGEMENT SERVICE SERVICE DESCRIPTION
(SVM/SDM/SD/0007)
 3. CENTRAL NETWORK SERVICE SERVICE DESCRIPTION
(SVM/SDM/SD/0012)
 4. SYSTEM MANAGEMENT SERVICE SERVICE DESCRIPTION
(SVM/SDM/SD/0006)
 5. SECURITY MANAGEMENT SERVICE SERVICE DESCRIPTION
(SVM/SDM/SD/0017)
- * To contain details of Service Levels as per the document 'Annex 2 - Amendments to Service Levels for CCN1400'. To be amended to state that this is an Expiring Service and will expire no later than 31st March 2015.
- * This Service may be split into two separate Services dealing with the Credence and MDM elements through the Change Control Procedure.

Annex 2**Amendments to Service Levels as a result of CCN1400****1. SERVICE DESK SERVICE SLT AMENDMENTS****1.1 SERVICE DESK SERVICE**

SLT	Description
Replace 80% with 90%	Calls answered within 30 seconds

No Liquidated Damages shall apply.

2. SERVICE LEVELS TO BE APPLIED TO NEW TERMINABLE SERVICES**2.1 POLSAP APPLICATIONS SUPPORT SERVICE**

SLT	Description
>=99.5%	Availability of Service with full redundancy (99.5%)
0	Maximum Downtime permitted during a single outage (10 working hours)
100%	Completion Time for Overnight Run of the batch schedule (07:30)
1.5 seconds	Maximum Average time for each SAP transaction

* As more particularly described in Tables 10 and 13 of the Data Centre Service Description (as will be amended as part of the updating of the Service Descriptions)

No Liquidated Damages shall apply.

2.2 POLSAP HOSTING SERVICE

There shall be no service levels for the POLSAP Hosting Service and no Liquidated Damages shall apply.

2.3 CREDENCE/MDM SERVICE

There shall be no service levels for the Credence Service and no Liquidated Damages shall apply.

3. SERVICE LEVEL TARGET AMENDMENTS TO APPLY AFTER THE EXIT OF POST OFFICE FROM THE SERVICE DESK SERVICE**3.1 ENGINEERING SERVICE**

Analysis of the impact of the removal of Service Desk Service has identified that elements of the Engineering service levels are also further impacted by the removal of the Service Desk Service. The Engineering Call to Fix resolutions include an amount which are resolved by the Service Desk Service, hence from the date of termination of the Service Desk Service the Engineering Service SLTs will each be amended by the amounts in the table below to reflect this situation.

SLT Description to be amended to the following	SLT to be amended as follows:
Branch Infrastructure - Call to Fix (Note measured from receipt of call by Fujitsu Services from the Service Desk of the Next Supplier – hence reduction to target time in some instances)	

Base unit A Priority - 3 Hr Response	In each instance Service Level Target to be reduced by 3 percent (eg original SLT 95%, new SLT 92%)
Base unit A Priority - 5 Hr 55 Engineer Incident to Fix	Post Office acknowledge that this reduction is after any other SLT adjustment which may be in force in respect of extended Engineering hours agreed separately under Commercial Terms
Base unit A Priority - 7 Hr 55 End to End Incident to Fix	
Base unit A Priority - 3 Hr Subsequent Response	
Peripheral A Priority - 3 Hr Response	
Peripheral A Priority - 3 Hr 55End to End Incident to Fix	
Peripheral A Priority - 7 Hr 55 End to End Incident to Fix	
Peripheral A Priority - 3 Hr Subsequent Response	
Priority C - End of Next Business Day (flexible structure)	
Priority C - End of Next Business Day + 2 hours (flexible structure)	

3.2 BRANCH NETWORK SERVICE

Calculations of LDs shall specifically exclude the period of time during an incident where a resolution action is with a third party such as the provider of Service Desk Service – but the amount of this shall be calculated and informed to Post Office as if Fujitsu Services were liable. In order to do this Annex [a] to the Branch Network Service Description shall be amended to clearly show the availability and associated LDs (if any) based on the current method and (2) excluding time where a resolution action is with a third party such as the provider of Service Desk Service.

3.3 OTHER SERVICE LEVELS

All other Service Level Targets continue as currently stated in the Agreement (as amended by paragraphs 1 and 2 of this Annex 2 to CCN1400) during this period

4. SERVICE LEVEL TARGET AMENDMENTS TO APPLY DURING THE PROVISION OF TRANSITIONAL SUPPORT SERVICES FROM 1ST APRIL 2015.

4.1 BRANCH AVAILABILITY SLT

In the event that the Engineering Service is not extended (or in the event that it is, after it expires and/or is terminated) the Counter and Branch availability SLT for the Branch Network Service shall be amended as detailed below allowing for the following principles:

- o The SLT for Branch Availability shall be amended from 99.55% to 99.64% for both critical and core periods
- o The SLT for Counter Availability shall be amended from 99.34% to 99.64% for both critical and core periods
- o SLT reported performance to be based only on areas of service provided by Fujitsu Services (or their subcontractors) under the Horizon Agreement
- o Fujitsu Services shall not have a liability for Failure Events under the Horizon Agreement which are associated with the Services which Fujitsu Services no longer provides unless the Failure Events have been caused or contributed to by Fujitsu Services' failure to deliver its obligation or services under the Horizon Agreement.
- o The amended SLTs reflect the fact that Fujitsu Services shall have a reduced liability for Local Failures (purely related to the Branch Network Service) and the Local Allowance per Counter Position per calendar month shall be reduced by 70%. This shall be reflected by adding the following two rows to the bottom of Table 5 under sub clause 6 (v) of paragraph 2.3.5.1.7:

2015/2016	0.78 hours	0.54 hours	1.32 hours	£3.50
2016/2017	0.78 hours	0.57 hours	1.35 hours	£3.50

4.5 POLSAP HOSTING SERVICE and CREDENCE/MDM SERVICES

These Services shall no longer be provided and the Service Levels shall no longer apply.

4.6 OTHER TRANSITIONAL SUPPORT SERVICES

There shall be no changes to other Service Level Targets as stated in the Agreement and amended by paragraph 3 of this Annex 2 to CCN1400.

Annex 3

The attached document is the CRD entitled “Tower Contractor Responsibilities” (ref TOW/CR/001).

IN STRICT COMMERCIAL CONFIDENCE



Tower Contractor Responsibilities

Author(s)	Senior Associate Lawyer (CMS)	Laura Lucy
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Sign off authority	Head of Service Management	Dave Hulbert
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Circulation	Fujitsu Services - POA	

1. Document Control

Version History

VERSION	DATE	CHANGE DETAILS
1.0		Initial Version based on vendor responsibilities within Post Office IT “Tower” Supply Chain contracts

Change Control

All requests for changes to this document should be sent to the Document Approver: dave.hulbert@postoffice.co.uk

References / Related / Dependent / Parent Documents

REFERENCE	DOCUMENT REFERENCE	TITLE	VERSION	DATE
		Horizon Agreement		
		Tower Supplier Agreements		

Electronically Distributed Documents

Any problems, comments or improvement opportunities are to be sent to Change Controller above. If not receiving this document direct from the PSO, readers may wish to ensure it is the latest version by checking with the Change Controller.

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Terms and Abbreviations

Where there is a conflict between the definitions contained in this CRD and the Agreement, the definitions in this CRD shall take precedence in relation to this document only.

References in this CRD shall be interpreted as follows:

TERM	MEANING
“Audit”	shall refer to a formal inspection and verification to check whether a standard or set of guidelines is being followed, that records are accurate, or that efficiency and effectiveness targets are being met.
“Availability Management”	means the process by which the level of availability delivered in all Tower Contractor Services is matched to or exceeds current and future agreed needs of the business, in a cost-effective manner.
“Availability”	shall refer to a Configuration Item being accessible to the users and/or Tower Contractor Service performing its agreed function when required.
“Business Continuity”	” shall refer to the business process responsible for managing risks that could seriously affect the business.
“Capability Uplift”	shall refer to an increase in a specific Capability.
“Capability”	shall refer to the ability of an organisation, person, process, application, IT service or other configuration item to carry out an activity.
“Capacity Management”	” ensures that the capacity of Tower Contractor Services and the components are able to deliver Tower Contractor Services to meet or exceed agreed Tower Contractor Service Level targets in an efficient and effective manner. Capacity Management considers all resources required to deliver the Tower Contractor Service, and plans for short, medium and long term business requirements.
“Capacity Plan”	shall refer to the plan used to manage the resources required to deliver Tower Contractor Services in order to meet the Tower Contractor Service Levels.
“Change Evaluation”	shall refer to assessment of changes, before those changes are allowed to proceed to the next phase in their lifecycle.
“Change Management”	shall refer to the process during which changes are made with minimal disruption to the Tower Contractor Services, ensuring that changes are deployed in a controlled way, such that they are evaluated, prioritized, planned, tested, implemented and documented.
“Client”	shall refer to any Post Office business client or customer, including DVLA and the Bank of Ireland, and “Clients” shall have a corresponding meaning.
“Configuration Items”	shall refer to any component that is used in the delivery of the Tower Contractor Service.

“Configuration Management”	has the meaning defined in the ITIL framework.
“Continual Tower Contractor Service Improvement (CSI)”	manages improvements to Tower Contractor Service performance by continually measuring/reporting and making improvements to the processes and Tower Contractor Services to increase efficiency and effectiveness (including cost effectiveness) for Post Office’s business.
“Contract Compliance”	shall refer to analyzing, reviewing, recording and reporting on Supply Chain Member compliance with contractual commitments.
“Crisis Management”	shall refer to the process responsible for managing the wider implications of business continuity.
“Cross Supply Chain”	shall refer to all of the Supply Chain Members collectively.
“Customer Satisfaction Survey”	shall refer to the measurement method to regularly assess customer satisfaction.
“Data Controller”	shall have the same meaning as set out in the Data Protection Act 1998.
“Deliverables and Obligations Tracker”	shall refer to a tracking tool identifying contract deliverables and obligations, categorisation, and dependencies relating to such contracts, and allowing relevant commitments to be tracked.
“Demand Management”	means the methodology which aligns supply with demand by predicting and regulating the consumption of integrated Tower Contractor Services and enables the pro-active management of service needs (demand) versus business constraints (supply).
“Disaster Recovery”	shall refer to the process, policies and procedures related to preparing for recovery or continuation of technology infrastructure critical to an organization after a natural or human-induced disaster.
“Effective Date”	shall refer to the date on which the agreement for Tower Contractor Services is signed by Post Office and the relevant Tower Contractor.
“Enterprise Architecture”	shall refer to a comprehensive operational framework that explores all of organisations functional areas while defining how technology benefits and serves the organisation’s overall mission.
“Event Management”	monitors the environment and manages all Events to allow for normal operation by detecting and escalating exceptional conditions.
“Event”	shall refer to a change of state (including security breaches) that has for the management of a Configuration Item or Tower Contractor Service.
“Financial Model”	shall refer to the financial model to enable Post Office to identify how the Tower Contractor calculates the charges.
“Framework Contractor”	shall refer to any third party Supply Chain Member that has been appointed as one of Post Office’s framework Supply Chain Members (either to Post Office’s IT consulting, products or solution delivery frameworks, or any future Post Office framework).
“Governance Library”	” shall refer to a repository for all documents relating to the contracts and Supply Chain Member relationships.
“Incident”	” shall refer to an unplanned interruption to a Tower Contractor

	Service or a reduction in the quality of a Tower Contractor Service.
“Incident Management”	shall refer to all Tower Contractor Service-affecting Incidents which may be failures, faults, or bugs and restores the Tower Contractor Service as quickly and efficiently as possible to the required Tower Contractor Service Levels while minimizing any adverse impact on business operations.
“Incumbent Contractor”	” shall refer to any existing contractor of services to Post Office as at the Effective Date (excluding any Tower Contractor and Fujitsu Services as a provider of the services within this Agreement).
“Information Security Management System”	shall refer to the framework of policy, processes, standards, guidelines, and tools that ensures Post Office can achieve its Information Security Management objectives.
“Information Security Management”	shall refer to the processes relating to managing a defined level of security on information and Tower Contractor Services. This includes managing confidentiality, integrity, and availability of data.
“Information Sharing Strategy”	shall refer to knowledge management and data sharing strategy to provide Supply Chain Members the know-how and data needed to provide all their Tower Contractor Services in accordance with agreed requirements and for Post Office to obtain full benefit of all IT Services.
“Innovation”	” shall refer to the process of identifying and introducing improvements resulting in an elevated level of business execution.
“Issue Management”	maintains and tracks status of all services engagement-related issues from initiation through resolution.
“IT Tower Contractor Service Continuity Management (ITSCM)”	shall refer to the process of ensuring that identified services will be available during abnormal situations.
“IT Tower Contractor Service Continuity”	shall refer to the process of assessing and managing risks to Tower Contractor Services by examining assets, threats, and vulnerabilities, developing appropriate countermeasures, creating an IT Tower Contractor Service Continuity plan, and managing any disaster situations that occur.
“Key performance indicator (KPI)”	shall refer to a metric that is used to help manage a service, process, plan, project or other activity. Key performance indicators are used to measure the achievement of critical success factors.
“Knowledge Management”	shall refer to the process that allows the sharing of perspectives, ideas, experience and information, and ensures that these are available in the right place at the right time to enable informed decisions.
“Law”	shall refer to any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any regulatory body, delegated or subordinate legislation or notice of any regulatory body.
“Major Incident”	shall refer to management of a Major Incident in accordance with the

Management”	Major Incident management process developed by each Tower Contractor.
“Major Incident”	shall refer to the highest category of impact for an Incident. A major incident results in significant disruption to the business.
“Operations Manual”	shall refer to a document known as an Operating Level Agreement which describes how the Tower Contractor and a relevant third party (or two third parties as the case may be), will work together to seek to ensure the seamless interoperation of the Tower Contractor Services or the services provided to Post Office by the relevant third party.
“Operations Manual”	shall refer to the manual to be developed and supplied by the Tower Contractor setting out the detail of the operations of the Tower Contractor Services, and unless otherwise agreed in writing between the parties, a user guide for Post Office’s users of the Tower Contractor Services.
“Post Office Data”	<p>shall refer to:</p> <p>(a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are:</p> <ul style="list-style-type: none"> (i) supplied to the Tower Contractor (and/or their sub-contractors) by or on behalf of Post Office; or (ii) which the Tower Contractor (and/or their sub-contractors) is required to generate, process, store or transmit pursuant to the relevant Tower Contractor Agreement; and <p>(b) any Personal Data for which Post Office is the Data Controller; and</p> <p>(c) any Personal Data for which any Service Recipient is the Data Controller and Post Office is the Data Processor,</p> <p>to the extent that any of the same are, or but for the Tower Contractor’s default would have been, in the Tower Contractors custody power or control.</p>
“Problem Management”	shall refer to the process responsible for managing the lifecycle of all problems with the aim of preventing problems and resulting incidents from happening, to eliminate recurring incidents and to minimize the impact of incidents that cannot be prevented.
“Project Management”	shall refer to the application of knowledge, skills and techniques to execute projects effectively and efficiently.
“Quality Assurance”	shall refer to the process that maintains and gradually improves business-aligned Tower Contractor Service quality.
“Relationship”	shall refer to the interaction between Supply Chain Members.

Management”	
“Release and Deployment Management”	shall refer to the process which provides planning, scheduling and control for the build, test and deployment of Releases.
“Release”	shall refer to the collection of hardware, software, documentation, processes, or other components required to implement one or more approved Changes to Tower Contractor Services.
“Request Fulfilment”	shall refer to the process of handling Tower Contractor Service Requests throughout their lifecycle.
“Resolver Groups”	means those parties operating as operational support after first level support.
“Risk Management”	shall refer to the process responsible for identifying, assessing and controlling risks.
“Root Cause”	means the underlying or original cause of an incident or problem.
“Satisfaction Management”	defines objectives for customer satisfaction and analyses the status of customer satisfaction. The process includes the identification of root causes of potential dissatisfactions and the derivation of measures to attain the desired level of customer satisfaction.
“Security Management”	shall refer to the processes relating to managing a defined level of security on information and Tower Contractor Services.
“Security Requirements”	shall refer to a formal statement of what is needed to comply with the information security policies and standards in schedules 2.3 (Standards) and 2.5 (Security Management Plan) and the requirements in schedule 2.1 (Tower Contractor Service Requirements) of the relevant Tower Contractor Agreement.
“Service Recipient”	means Post Office, any member of Post Office Group together with: <ul style="list-style-type: none"> (a) any person or entity providing services to Post Office or any member of Post Office Group, where such entity is required to use the Services or obtain the benefit of the Services; (b) any person or entity that Post Office, or any member of Post Office Group, supplies services to pursuant to an agreement between Post Office Group member and that third party, where such third party is required to use the Services or obtain the benefit of the Services; (c) other entities notified by Post Office to Tower Contractors from time to time, and includes the employees, contractors, agents and representatives, but only in their capacities as such, of the entities identified in paragraphs (a) to (c) above, but excludes any Tower Contractor.
“SISD Operations Manual”	shall refer to the manual to be developed and supplied by the Post Office Service Integrator pursuant to the agreement between Post Office and the Post Office Service Integrator.
“Solution Design”	shall refer to the design of an end to end solution to meet a set of

	business requirements. Such design must include or address business operation, technical architecture/design and service operation
“Supply Chain Member”	shall refer to any Tower Contractor, any Framework Contractor, or any Incumbent Contractor, and “Supply Chain Members” shall have a corresponding meaning.
“Tower Contractor Agreement”	shall refer to the agreement between a Tower Contractor and Post Office.
“Tower Contractor Service and Asset Configuration Management (SACM)”	shall refer to the process that ensures that relevant assets and Configuration Items are controlled, and that reliable information is available to Tower Contractor Service Management processes and functions when and where it is needed.
“Tower Contractor Service Catalogue Management”	shall refer to the process responsible for providing and maintaining the service catalogue and for ensuring that it is available to those who are authorized to access it.
“Tower Contractor Service Catalogue”	means a database or structured documents with information about all Tower Contractor Services, including those available for deployment. The Tower Contractor Service Catalogue includes information about deliverables, prices, contact points, ordering and request processes.
“Tower Contractor Service Design”	shall refer to a stage in the lifecycle of a Tower Contractor Service. Tower Contractor Service design includes the design of the services, governing practices, processes and policies required to realize the service provider’s strategy and to facilitate the introduction of Tower Contractor Services into supported environments.
“Tower Contractor Service Knowledge Management System”	shall refer to a set of tools and databases that are used to manage knowledge and information.
“Tower Contractor Service Level Agreement (SLA)”	shall refer to an agreement between an IT service provider and a customer. A service level agreement describes the IT service, documents service level targets, and specifies the responsibilities of the IT service provider and the customer.
“Tower Contractor Service Level Failure”	shall refer to a failure to deliver any part of the Tower Contractor Services in accordance with the Tower Contractor Service Levels.
“Tower Contractor Service Level Management”	shall refer to the process responsible for setting up Tower Contractor Service Level Agreements and ensuring that all Tower Contractor Service Management processes, OLAs, and underpinning contracts are appropriate for the agreed Tower Contractor Service Level targets. Tower Contractor Service Level Management monitors and reports on Tower Contractor Service Levels.
“Tower Contractor Service Level”	shall refer to the level of service required to be provided, as prescribed in the relevant Tower Contractor Agreement.
“Tower Contractor Service Management Tools and Interfaces”	shall refer to all the necessary tools and interfaces needed to ensure Tower Contractor Service Management requirements.
“Tower Contractor	shall refer to a set of specialized organizational capabilities for

Service Management”	providing value to customers in the form of Tower Contractor Services.
“Tower Contractor Service Portfolio”	is used to manage the entire lifecycle of all services, and includes three categories: service pipeline (proposed or in development), service catalogue (live or available for deployment), and retired services.
“Tower Contractor Service Requests”	shall refer to a contact made by a customer requesting a new or changed service. Tower Contractor Service Requests differ from Incidents in that they do not record a failure or defect in the IT systems. Tower Contractor Service Requests include but are not limited to: information, advice, a standard change which is low risk, frequently performed, and low cost, or access to a Tower Contractor Service.
“Tower Contractor Service Strategy”	shall refer to a stage in the lifecycle of a Tower Contractor Service. Tower Contractor Service strategy defines the perspective, position, plans and patterns that a service provider needs to execute to meet an organization’s business outcomes. Tower Contractor Service strategy includes the following processes: strategy management for IT services, service portfolio management, financial management for IT services, demand management, and business relationship management.
“Tower Contractor Service Validation and Testing”	shall refer to validating and testing new or changed Tower Contractor Services are fit for purpose and fit for use.
“Tower Contractor Service(s) Portfolio Management”	means the process responsible for managing the Tower Contractor Service Portfolio. Tower Contractor Service Portfolio Management considers Tower Contractor Services in terms of the business value that they provide.
“Tower Contractor Service”	shall refer to the service provided by a Tower Contractor under its agreement with Post Office.
“Transition Planning and Support”	shall refer to the process responsible for planning all Tower Contractor Service Transition processes and coordinating the resources that they require. These Tower Contractor Service Transition processes include Change Management, Tower Contractor Service Asset and Configuration Management, Release and Deployment Management, Tower Contractor Service Validation and Testing, Evaluation, and Knowledge Management
Tower Contractor Service Management Acceptance Testing (SMAT)	shall refer to the testing activity required to enable the Tower Contractor to provide the Tower Contractor Services to the new application or service being introduced.

Introduction

Key Objectives

The key objectives of these Tower Contractor Responsibilities are set out in paragraph 1 of Schedule F.

Common Requirements

Post Office and Fujitsu Services acknowledge and agree that the requirements set out below shall be substantially the same for all Tower Contractors (for the avoidance of doubt “Tower Contractor” excludes Fujitsu Services as a provider of the services within the Agreement).
:

Tower Contractor Responsibilities

Post Office will procure that all Tower Contractors perform the following Tower Contractor Responsibilities:

Ref #	Tower Contractor Responsibilities
2.1.0	Tower Contractors shall:
2.1.1	<p>Work with Post Office, all other Tower Contractors and other third parties to develop Cross Supply Chain governance processes, Operations Manuals and meeting structures in relation to the provision of the Tower Contractor Services to Post Office as required by their agreements with Post Office. Such governance processes and meeting structures shall:</p> <ul style="list-style-type: none">(a) facilitate consistent management, reporting, and sharing of information between each Supply Chain Member and Post Office (as applicable);(b) support and assist the delivery of Tower Contractor Services by Supply Chain Members in accordance with agreed service requirements and service levels for those Tower Contractor Services; and(c) improve the efficiency and effectiveness of the provision of Tower Contractor Services to Post Office. <p>Such governance processes and meeting structures may, if agreed with Post Office, involve escalation to Post Office of any issues which the Tower Contractor, acting reasonably and professionally, considers it is unable to resolve without intervention or input from Post Office.</p>

2.1.2	<p>In relation to any Cross Supply Chain governance meetings required or developed in accordance with a Tower Contractor Agreement and Supply Chain Member Operations Manuals:</p> <ul style="list-style-type: none">(a) participate in such governance meetings and lead as set out in schedule 8.1 (Governance) of a Tower Contractor Agreement; and(b) ensure that Post Office and other Supply Chain Members have access to the artefacts used in support of such governance meetings.
2.1.3	<p>Assist Post Office at stakeholder meetings and strategy forums as directed by Post Office (including representation or participation at meetings with the National Federation of Sub-postmasters).</p>
2.1.4	<p>Establish and maintain positive, collaborative and effective working relationships with:</p> <ul style="list-style-type: none">(a) Post Office's relevant internal functions; and(b) all other Supply Chain Members or potential Supply Chain Members of Tower Contractor Services, <p>to demonstrably deliver effective, efficient, fit for purpose, stable and measurable benefits to Post Office.</p>
2.1.5	<p>Deliver demonstrable improvements in the capability of Post Office's personnel and other Supply Chain Members (where relevant), including transferring relevant skills, knowledge, and information to those personnel, in the course of providing the Tower Contractor Services to Post Office.</p>
2.1.6	<p>Within thirty (30) days of the Effective Date, create and then maintain specialist knowledge, data and information in connection with its provision of the Tower Contractor Services, and share that specialist knowledge, data and information with Post Office, including but not limited to relevant insights and implications for Post Office with respect to market trends, developments, and Good Industry Practice in:</p> <ul style="list-style-type: none">(a) Tower Contractor Service Management;(b) Project Management;(c) Change Management;(d) ICT;(e) disruptive technologies;

	<ul style="list-style-type: none"> (f) architecture practices; (g) architecture standards, principles, roadmaps and blueprints; (h) Security Management; (i) compliance with Law and any policies and standards of Post Office; and (j) other subject matter which may improve or support the improvement of the capability of Post Office, its personnel and its Supply Chain.
2.1.7	Develop an Operations Manual that specifies the processes and procedures of the Tower Contractor in the provision the Tower Contractor Services to Post Office and other Supply Chain Members. Such manual shall be maintained and updated as necessary during the term of a Tower Contractor Agreement, and must be provided to Post Office within three (3) months of the Effective Date.
2.1.8	Provide and deliver operational information to the IT supply chain as relevant to the Tower Contractor Services acquired by Post Office, as required by Post Office (including as required by Post Office when it is bidding for the award of contracts, or when it is procuring for new solutions or services).
2.1.9	Provide tools (including ITIL-based tools), systems and processes to enable consistent and process-driven delivery of the Tower Contractor Services and effective integration and inter-operation with the other Supply Chain Members, in accordance with the designs, policies and standards specified by Post Office.
2.1.10	Proactively support and contribute to the innovative and continuous improvement of practices, models and methods for undertaking Tower Contractor Service Management in relation to the Tower Contractor Services.
2.1.11	Unless directed otherwise by Post Office, deliver Tower Contractor Service Management processes in relation to the Tower Contractor Services which are aligned to ITIL as defined in schedule 2.3 (Standards) of a Tower Contractor Agreement.
2.1.12	<p>Within six (6) months of the official publication of a new ITIL edition, prepare and provide to Post Office an impact assessment report, which shall set out any impact on the provision of the Tower Contractor Services to Post Office as a consequence of any changes or additions to ITIL requirements or protocols set out in that new ITIL edition. After providing such impact assessment report to Post Office, the Tower Contractor shall:</p> <ul style="list-style-type: none"> (a) agree with Post Office the steps required to resolve or mitigate any negative

	<p>impact of such changes or additions to ITIL requirements or protocols (liaising with other Supply Chain Members as necessary); and</p> <p>(b) the Tower Contractor shall use reasonable endeavours to implement or deliver any such agreed resolution or mitigation steps.</p>
2.1.13	Unless directed otherwise by Post Office, within eighteen (18) months of the official publication of a new ITIL edition, ensure that Tower Contractor Service Management processes in relation to the Tower Contractor Services are aligned to the new ITIL protocols and requirements as set out in that ITIL edition,.
2.1.14	When directed by Post Office, co-operate with and support other Supply Chain Members in the design, delivery, transition, operation and improvement of Tower Contractor Services to Post Office.
2.1.15	As requested by Post Office, develop and deliver proposals to Post Office including in relation to: (a) enhancements to existing Tower Contractor Services; or (b) new Tower Contractor Services. The Tower Contractor must lead and manage any such requested proposals in accordance with any timescales or service levels agreed with Post Office.
2.1.16	As requested by Post Office, deliver all required assurance reports and data relating to the provision of the Tower Contractor Services to Post Office to the frequency as agreed with Post Office.
2.1.17	The Tower Contractor should implement any remediation plan for its service at no cost to Post Office and support Post Office across Towers or lead within its own Tower, the creation, implementation and maintenance of any service remediation plans, with the aim of promptly resolving or mitigating any Tower Contractor Service or Tower Contractor Service Level Failures (or related risks or issues). The Tower Contractor must obtain the approval of Post Office before implementing any material new initiatives or changes.
2.1.18	Support Post Office in developing, maintaining, working to or complying with any agreements or arrangements that Post Office has or may enter into with any third parties (including Clients) in relation to the Tower Contractor Services, including any Tower Contractor Service Level Agreements, memorandum of understandings or similar agreements and/or arrangements.
2.1.19	Support Post Office across all Towers or lead within its own Tower, the creation, design, implementation, management and enforcement of processes and procedures applicable to Supply Chain Members as necessary to ensure that all Tower Contractor Services (and Tower Contractor Service components) are managed and

	<p>provided to Post Office in a seamless and end-to-end manner. Without limitation, this means that the Tower Contractor shall:</p> <ul style="list-style-type: none"> (a) comply with such processes and procedures; and (b) support Post Office in ensuring that such processes and procedures are set out in OLAs between applicable Supply Chain Members.
2.1.20	<p>As directed by Post Office support good faith negotiations of all appropriate OLAs between Supply Chain Members in relation to the provision of Tower Contractor Services to Post Office.</p>
2.1.21	<p>Use reasonable endeavours to ensure that any OLAs or other agreements the Tower Contractor enters into with other Supply Chain Members in relation to any Tower Contractor Services to Post Office shall, at a minimum, set out:</p> <ul style="list-style-type: none"> (a) a description of: <ul style="list-style-type: none"> I. the parties; II. the purpose, scope, services to be provided; III. the required access permissions, tools / equipment, personnel, contacts and escalation levels; and IV. review periods and dates. (b) The manner in which the parties will work together to ensure compliance with: <ul style="list-style-type: none"> I. standards, regulations and security policies applicable to the delivery of the Tower Contractor Services described or referred to; and II. the agreed requirements and service levels applicable to the Tower Contractor Services described or referred to. (c) Provisions to ensure that, in the multi-Supply Chain Member environment that Supply Chain Members participate in, there is effective operation of processes and techniques necessary to ensure that all Tower Contractor Services (including Tower Contractor Service components) are managed and provided to Post Office in a seamless and end-to-end manner. Such processes and techniques shall include: <ul style="list-style-type: none"> I. inter-Supply Chain Member Relationship Management processes including escalation routes; II. Tower Contractor Service Management processes;

	<p>III. inter-Supply Chain Member Business Continuity and Disaster Recovery support and Crisis Management;</p> <p>IV. tools access and sharing processes including integration, data interchange, the sharing of tools and the provision of access to tools owned and deployed by one party or Supply Chain Member;</p> <p>V. knowledge sharing processes;</p> <p>VI. reporting processes;</p> <p>VII. associated with the creation and management of Enterprise Architecture and technology roadmaps;</p> <p>VIII. Tower Contractor Service Validation and Testing processes; and</p> <p>IX. project management and delivery processes.</p> <p>(d) The responsibilities of each party (including in relation to timing), and any dependencies on other Supply Chain Members, Post Office or third parties, that may impact or limit those responsibilities.</p> <p>(e) The procedures to be followed (including escalation or governance procedures) in the event of a failure or likely failure of one or more party in meeting their obligations.</p> <p>(f) A dispute resolution procedure whereby the parties must attempt to resolve any dispute between each applicable Supply Chain Member.</p> <p>(g) A process for handling any inter-Supply Chain Member billing arrangements.</p>
2.1.22	As directed by Post Office, contribute and support the implementation and execution of relevant OLAs and related documentation between Supply Chain Members in order to achieve the agreed requirements and Tower Contractor Service Levels applicable to Tower Contractor Services provided to Post Office.
2.1.23	Not used.
2.1.24	<p>Comply with the Cross Supply Chain interface standards as defined by the Post Office Service Integrator and documented in the SISD Operations Manual. Including:</p> <ul style="list-style-type: none"> * process and operating procedures interfaces; * tools interfaces;

	<ul style="list-style-type: none"> * key controls and reporting requirements; and * responsibilities allocated to the Tower Contractor by the Post Office Service Integrator.
2.1.25	Participate in compliance audits to validate the implementation and ongoing effectiveness of cross Tower Service Management processes and operating procedures, for the scope and frequency as defined in the SISD Operations Manual.
2.1.26	<p>Provide all relevant data to enable the Post Office Service Integrator to provide an audit trail that meets the legislative and policy requirements to which Post Office must comply, including:</p> <ul style="list-style-type: none"> a) recording detailed audit information of all activity that creates, Changes, or deletes data and user access to Post Office systems that contain Post Office Data; b) providing end-to-end traceability of transactions even when transactions span across multiple Tower Contractor Services, systems, components, or parties.
2.1.27	<p>Comply with governance processes and meeting structures as defined in the SISD Operations Manual.</p> <p>This includes all interfaces to the governance structures defined in the relevant Tower Contractor Agreement at schedule 8.1 (Governance) and schedule 6.1 (Tower Contractor Service Implementation Plan).</p>
2.1.28	<p>Enter into OLAs and/or other agreements with the Post Office Service Integrator for compliance with Cross Supply Chain processes and procedures (as defined in the SISD Operations Manual) which interface to the Supply Chain Members' processes and operating procedures and which is effective, unless otherwise specified by Post Office, within three (3) months:</p> <ul style="list-style-type: none"> * from the Effective Date for all existing Supply Chain Members; and * from the date that any future Supply Chain Members come onboard.
2.1.29	Provide evidence to the Post Office Service Integrator that they have carried out any steps agreed between the parties to introduce changes as a result of the official publication of a new ITIL edition or change to the current ITIL edition or update of the OLAs to the timescales as described in paragraphs 2.1.12 & 2.1.13 of this CRD between Fujitsu Services and Post Office.
2.1.30	Participate in the development and implementation of OLAs between the Tower Contractor, the Post Office Service Integrator and other Supply Chain Members.

	Adhere to its OLA commitments including updating the OLA from time to time as necessary to maintain its ongoing relevance and accuracy.
2.1.31	Provide the Post Office Service Integrator with evidence to the frequency as defined in the SISD Operations Manual, that they are aligned with efforts to drive Capability Uplift of Post Office and its IT personnel, contributes to knowledge transfer to Post Office, and sharing of insights and specific Innovations and improvements with Post Office and its personnel.
2.1.32	<p>Participate in the Post Office Service Integrator lead development and implementation of Cross Supply Chain governance processes and meeting structures for the Tower Contractor, the Post Office Service Integrator and other Supply Chain Members.</p> <p>Comply with Post Office's operational Cross Supply Chain governance processes and meeting structures defined in the SISD Operations Manual.</p>
2.1.33	Provide all relevant artefacts to the Post Office Service Integrator for retention in the Cross Supply Chain Governance Library, and comply with the Post Office Service Integrator's process for provision and maintenance of the library as defined in the SISD Operations Manual.
2.1.34	<p>In respect of all data processed or created by the Tower Contractor in the delivery of the Tower Contractor Services:</p> <p>a) provide that the data becomes and remains the property of Post Office;</p> <p>b) share and exchange any such data or information with Post Office and/or other Supply Chain Members as specified by Post Office; and</p> <p>c) provide such data when requested by Post Office either in raw form, as summaries, or as reports or as referenced in the Supply Chain Members or SISD Operations Manuals.</p>
2.1.35	Deliver data to their contracted standards, levels of integrity and formats and in compliance with the specifications in the SISD Operations Manual.
2.1.36	Comply with the Cross Supply Chain Information Sharing Strategy as defined by the Post Office Service Integrator (in the SISD Operations Manual).
2.1.37	<p>Comply with the Tower Contractor Service Management Tools and Interface requirements defined in the SISD Operations Manual.</p> <p>Where the Tower Contractor is unable to interface its tools with industry standard interfaces, the Tower Contractor will use the Tower Contractor Service</p>

	Management Tools provided by the Post Office Service Integrator.
2.1.38	Maintain technical currency in line with their contractual commitments and provide appropriate supporting evidence to the Post Office Service Integrator on request.
2.1.39	Comply with the Cross Supply Chain Innovation processes, policies, principles as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.40	Identify Innovation opportunities and report these to the Post Office Service Integrator. Support the Post Office Service Integrator in the prioritisation and implementation of Innovation opportunities.
2.1.41	Comply with the Post Office Service Integrator's Quality Assurance processes and interface with the Post Office Service Integrator's Quality Assurance tools as described in the SISD Operations Manual.
2.1.42	Comply with and cooperate with the Post Office Service Integrator in any validation activities in respect of OLAs, SLA's and KPI's as detailed in the SISD Operations Manual and the Tower Contractor's Tower Contractor Service Levels as described in schedule 2.2 (Tower Contractor Service Levels) of the relevant Tower Contractor Agreement.
2.1.43	Comply with the Issue Management procedure and tools as defined by the Post Office Service Integrator.
2.1.44	Support the Post Office Service Integrator in performing Root Cause analysis as defined in the SISD Operations Manual.
2.1.45	Comply with the Contract Compliance process as defined in the SISD Operations Manual.
2.1.46	Provide all relevant information required for the Post Office Service Integrator to maintain the Deliverables and Obligations Tracker as required by the Post Office.
2.1.47	Comply with the interface requirements of the Post Office Service Integrator performance management process as defined by the Post Office Service Integrator.
2.1.48	Cooperate with the Post Office Service Integrator in order to maintain and gradually improve business-aligned IT Tower Contractor Service quality through a Continual Improvement as defined in schedule 2.4 (Continuous Improvement) of the relevant Tower Contractor Agreement.

2.1.49	Comply with the Risk Management process and tools interfaces as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.50	For projects performed by the Tower Contractor, comply with Audits, at the designated frequency and scope as defined in the SISD Operations Manual in order to allow the Post Office Service Integrator to assess compliance with the Assurance Programme. (This will include ISO/IEC 27001 internal and external Audits of Supply Chain Member).
2.1.51	Assist in the appropriate customisation of the standard on-boarding plan and the subsequent execution of that plan, complying with obligations detailed in that plan.
2.1.52	Assist in the appropriate customisation of the standard off-boarding plan and the subsequent execution of that plan, complying with obligations detailed in that plan.
2.1.53	Comply with the Cross Supply Chain Tower Contractor Service Strategy processes, policies, principles, standards and tools (where necessary) as defined in the SISD Operations Manual.
2.1.54	Comply with the budgeting and controlling processes and procedures as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.55	Comply with the Post Office Service Integrator's requisition, purchase order and invoice management process and procedures as defined in the SISD Operations Manual.
2.1.56	Provide an invoice to the Post Office Service Integrator detailing the consumption of services consistent with the content, format and time-scales as defined in the SISD Operations Manual.
2.1.57	Comply with the Cross Supply Chain Tower Contractor Service Portfolio Management process as defined in the SISD Operations Manual.
2.1.58	Provide the Post Office Service Integrator with information relating to the current state of their Tower Contractor Services in the Cross Supply Chain Tower Contractor Service Portfolio and assisting the Post Office Service Integrator in identifying improvement opportunities.
2.1.59	Comply with the Cross Supply Chain Demand Management processes and practices as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.60	Conduct, on request, 360 degree reviews to assess customer satisfaction and

	provide the outcome data to the Post Office Service Integrator in the agreed format and to the agreed timetable as defined in the SISD Operations Manual.
2.1.61	Comply with Post Office Satisfaction Management processes as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.62	Cooperate with the Post Office Service Integrator and input into the creation of survey material and in the conduct of surveys.
2.1.63	Comply with the Post Office Service Integrator's improvement plans to address deficiencies identified by the Customer Satisfaction Survey(s).
2.1.64	Comply with Cross Supply Chain Tower Contractor Service Catalogue Management processes, policies, principles, standards and interface with the tools as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.65	Provide updates to the Post Office Service Integrator's Tower Contractor Service Catalogue in a timely manner and to the scope and standards as defined in the SISD Operations Manual.
2.1.66	Comply with the Cross Supply Chain Tower Contractor Service Level Management processes and procedures as defined in the SISD Operations Manual.
2.1.67	Provide the Post Office Service Integrator with all relevant Supply Chain Member Tower Contractor Service Level and KPI data and supporting information.
2.1.68	Provide all relevant Tower Contractor Service Level and KPI performance information reasonably required by the Post Office Service Integrator for the purposes of conducting near real-time and proactive monitoring of SLAs and other performance indicators and presenting the information through real time service dashboard.
2.1.69	Provide all relevant data feeds in support of the measurement and reporting of the Tower Contractor Service Levels and KPI's to the frequency and standards as defined in the SISD Operations Manual and presenting the information through real time service dashboard.
2.1.70	Comply with the Cross Supply Chain Capacity Management processes, policies and principles as defined in the SISD Operations Manual.
2.1.71	Provide their Capacity Plans to the Post Office Service Integrator at the frequency detailed in the SISD Operations Manual.

2.1.72	Comply with the Cross Supply Chain Availability Management processes, policies, principles, standards as defined in the SISD Operations Manual.
2.1.73	Where investment decisions are required by Post Office regarding Availability Management, provide options to the Post Office Service Integrator with associated costs (in full) and benefits.
2.1.74	Cooperate with the Post Office Service Integrator as reasonably required to conduct a proactive modelling and risk analysis to test and analyse predicted Tower Contractor Service Availability to the specifications as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.75	Comply with the Cross Supply Chain IT Tower Contractor Service Continuity Management processes, policies, principles and standards as defined in the SISD Operations Manual
2.1.76	Provide to the Post Office Service Integrator, on request, copies of its ITSCM plans for each of the Tower Contractor Services provided by the Tower Contractor.
2.1.77	Comply with their obligations pursuant to each agreed ITSCM test programme.
2.1.78	Support a retest within ninety (90) days (unless otherwise agreed with the Post Office Service Integrator) of a test if any simulation(s) fails to achieve specified results as a result of the Tower Contractor's failure to perform its responsibilities.
2.1.79	Inform the Post Office Service Integrator where it is of the belief that an ITSCM Event has occurred or is likely to occur.
2.1.80	Where Post Office has declared the occurrence of an ITSCM Event, the Tower Contractor will work with the Post Office Service Integrator and comply with its obligations pursuant to the sections of the ITSCM plan applicable to the ITSCM Event in question.
2.1.81	Participate in a post-disaster review with Post Office and/or the Post Office Service Integrator as appropriate, following any invocation of IT Tower Contractor Service Continuity, Business Continuity or Disaster Recovery plans to understand the cause of the disaster and plan for the restoration of the Tower Contractor Services to the pre-disaster state and implement actions to eliminate or mitigate future occurrences.
2.1.82	Integrate their Information Security Management System with Post Office's and the Post Office Service Integrator's Information Security Management System as

	specified by the Post Office Service Integrator.
2.1.83	Cooperate with the Post Office Service Integrator to validate its deployment and maintenance throughout the contract term, of a ISO27001 Information Security Management System (ISMS) that has been certified by an accredited certifying body and specifically its successful ISO27001 certification within 12 months of their Effective Date
2.1.84	Prior to the delivery of the ISMS by the Tower Contractor, the Tower Contractor will cooperate with the Post Office Service Integrator to validate the Tower Contractor's ISMS scope will include technology, people, process and locations relevant to the Tower Contractor used for delivery of Tower Contractor Services to Post Office.
2.1.85	Facilitate periodically and at least twice yearly (or as specified in the SISD Operations Manual if different), an audit by the Post Office Service Integrator of the ISMS contents as required by the ISO27001 standard and agree and comply with the Post Office Service Integrator's improvement plan.
2.1.86	Comply with the processes or procedures as specified by the Post Office Service Integrator in the SISD Operations Manual in order to meet the Security Requirements.
2.1.87	Comply with Cross Supply Chain Incident Management process as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.88	Comply with the personnel security briefing process and procedures as defined in the SISD Operations Manual and escalate any non-compliance to the Post Office Service Integrator.
2.1.89	Comply with the implementation and maintenance of the Cross Supply Chain Tower Contractor Service and Asset Configuration Management (SACM) processes, policies, principles and standards as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.90	Where requested by the Post Office Service Integrator, provide support to assist the Post Office Service Integrator in reviewing the accuracy (audit) and currency of the Configuration Items, the requirements for which will be detailed in the SISD Operations Manual.
2.1.91	Comply with the Configuration Management audit and quality Assurance Plan for Configuration Items as defined by the Post Office Service Integrator in the SISD

	Operations Manual.
2.1.92	Comply with the Cross Supply Chain Change Management governance framework, processes, policies, principles and standards as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.93	Comply with the Cross Supply Chain Emergency Change Management governance framework, policies, processes, principles and standards as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.94	Comply with the Cross Supply Chain Change Management policies, processes and standards as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.95	Comply with the Cross Supply Chain Transition Planning and Support policies, processes and standards as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.96	Comply with the Cross Supply Chain Release and Deployment Management processes, policies, principles and standards as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.97	Cooperate with the Post Office Service Integrator in the deployment of Cross Supply Chain Releases, as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.98	Place appropriate copies of releases into escrow to be available to Post Office or the Post Office Service Integrator should the need arise.
2.1.99	Comply with the Release planning processes and tools as specified by the Post Office Service Integrator in the SISD Operations Manual.
2.1.100	Provide early life support (ELS) for a period of time directly after the deployment of a new or changed Tower Contractor Service as required by the Post Office Service Integrator and as detailed in the SISD Operations Manual.
2.1.101	Comply with the Cross Supply Chain Tower Contractor Service Validation and Test process, policies and tools where appropriate and as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.102	Provide to the Post Office Service Integrator the information and contact information reasonably requested by the Post Office Service Integrator in relation

	to any test modules, test plans, test documents, test scripts, test data and common re-usable COTS tools.
2.1.103	Provide test plans and test design to the Post Office Service Integrator such that: a) the test model supports the delivery of adequate and appropriate test coverage for the risk profile of the Cross Supply Chain Tower Contractor Services; b) the test model covers the key integration aspects and interfaces, e.g. at the SPIs; c) the test plans or scripts are accurate and complete; so that the Post Office Service Integrator can compile a report for Post Office.
2.1.104	Support and maintain the Cross Supply Chain test environment components for which each it is responsible and provide data relating to the Cross Supply Chain test environment components for input into a test environment inventory as reasonably requested by the Post Office Service Integrator.
2.1.105	Perform or participate in integrated pre-production testing coordinated by the Post Office Service Integrator, prior to migrating code or software of any kind into Post Office's production environment from any development environment.
2.1.106	Cooperate with the Post Office Service Integrator in resolution of test failure issues.
2.1.107	Comply with the Tower Contractor Service Management Acceptance Test strategy (SMAT) as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.108	Comply with the Cross Supply Chain Change Evaluation process and tools as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.109	Support the Post Office Service Integrator in the post implementation review of changes deployed across the enterprise by providing all appropriate input as defined in the SISD Operations Manual, to the Post Office Service Integrator to enable it to inform a post implementation review (PIR).
2.1.110	Comply with the Cross Supply Chain Knowledge Management process and tools as defined in the SISD Operations Manual.
2.1.111	Provide accurate and timely updates to the Post Office Service Integrator Providers Tower Contractor Service Knowledge Management System (SKMS) with content as defined in the SISD Operations Manual.
2.1.112	Agree and establish with the Post Office Service Integrator the Resolver Groups

	required to support the Post Office Service Integrator first level support arrangements on the Post Office Service Integrator service desk as defined in the SISD Operations Manual.
2.1.113	Support the Post Office Service Integrator in its objective to provide a service desk as a single point of contact to Post Office users and provide all relevant know-how, service data and information relating to the Tower Contractor Services as defined in the SISD Operations Manual.
2.1.114	Provide the appropriate level of support in response to non IT related incidents assigned to them.
2.1.115	Comply with the Cross Supply Chain Request Fulfilment processes, policies, principles and standards as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.116	Comply with the Cross Supply Chain Incident Management and Major Incident Management processes, policies, principles and standards as defined by the Post Office Service Integrator in the SISD Operations Manual.
2.1.117	Ensure its Incident Management tools and associated technology will properly interface to the Post Office Service Integrator's central Tower Contractor Service Management tool and be validated as such by the Post Office Service Integrator.
2.1.118	Participate in accordance with the framework defined in schedule 8.1 (Governance) of the relevant Tower Contractor Agreement in the relevant operational governance meetings if requested by the Post Office Service Integrator.
2.1.119	Comply with the Cross Supply Chain Event Management process as defined in by the Post Office Service Integrator in the SISD Operations Manual.
2.1.120	Work with the Post Office Service Integrator to support the definition and implementation of Event correlation, categorization and closure rules, as defined in by the Post Office Service Integrator in the SISD Operations Manual, subject to approval by Post Office.
2.1.121	Work with the Post Office Service Integrator to agree the design and implementation of policies, processes, standards and methods by which Events will be notified to the Post Office Service Integrator.
2.1.122	Proactively detect service interruptions and Events and raise Incidents up to the Post Office Service Integrator before users contact the service desk where possible.

2.1.123	Where no Event Management agent/tool is installed on an infrastructure component or application, the Tower Contractor will perform monitoring through a manual workaround or other means to ensure that timely Event detection, correlation and notification can occur and is reported to the Post Office Service Integrator service desk and/or Post Office Service Integrator in accordance with the escalation rules as defined in the SISD Operations Manual.
2.1.124	Escalate Events into the Incident, Problem and Change Management processes as defined in the SISD Operations Manual.
2.1.125	Comply with Cross Supply Chain Problem Management processes, policies and principles as defined in the SISD Operations Manual.
2.1.126	In their capacity as an Incident Resolver Group, perform and provide Root Cause Analysis and reporting to the Post Office Service Integrator in accordance with the Problem Management policies and procedures as defined in the SISD Operations Manual.
2.1.127	The Tower Contractor's Problem Management processes will integrate with the Post Office Service Integrator's Problem Management processes, where the processes interact as defined in the SISD Operations Manual.
2.1.128	Interface to the Post Office Service Integrator's Problem Management system as defined in the SISD Operations Manual.
2.1.129	The Tower Contractor will comply with the Cross Supply Chain Continuous Tower Contractor Service Improvement (CSI) processes, policies, principles and standards as defined in the SISD Operations Manual and comply with schedule 2.4 (Continuous Improvement) of the relevant Tower Contractor Agreement.
2.1.130	Work with the Post Office Service Integrator to actively contribute to the identification of candidates and requirements for the deployment of new technology or the automation of tasks associated with the Tower Contractor Services and/or Post Office's business processes and business services.
2.1.131	Work with the Post Office Service Integrator to proactively contribute to the identification of strategies and approaches for future IT service delivery in order to provide Post Office with competitive advantages that may result in increased efficiency, effectiveness, performance, or cost savings.
2.1.132	Comply with the Cross Supply Chain Tower Contractor Service Design coordination process and tools as defined by the Post Office Service Integrator in

	the SISD Operations Manual.
2.1.133	<p>Any Solution Designs produced or completed by the Tower Contractor in relation to any new services or Changes to existing Tower Contractor Services from the Tower Contractor will comply with:</p> <p>(a) any recognised industry standards (including ITIL) and Good Industry Practice;</p> <p>(b) Post Office's Enterprise Architecture Standards and any other policies or standards of Post Office as defined in schedule 2.3 (Standards) of the relevant Tower Contractor Agreement; and</p> <p>(c) the service management framework as defined in the SISD Operations Manual.</p>
2.1.134	Reasonably contribute to project proposals as required by the Post Office Service Integrator.
2.1.135	Provide all information and records of testing and acceptance relating to Post Office project deliverables that have been carried out by the Tower Contractor.
2.1.136	Provide information and data as required to the Post Office Service Integrator, in order for Post Office Service Integrator to report on project progress, risks, issues, cost, timeliness and quality relating to any Post Office project in relation to which the Tower Contractor is party.
2.1.137	Work with the Post Office Service Integrator regarding the Tower Contractor's tasks and resources associated with projects being managed by the Post Office Service Integrator.

Annex 4

Form of parent company guarantee extension

THIS DEED is made the day of 2013

BETWEEN

- (1) FUJITSU SERVICES HOLDINGS PLC whose registered office is at 22 Baker Street, London W1U 3BW(the “**Guarantor**”); and
- (2) POST OFFICE LIMITED whose registered office is at 148 Old Street, London EC1V 6HQ (the “**Post Office**”).

WHEREAS

- (A) Fujitsu Services Limited ("Fujitsu Services") and Post Office Limited ("POL") entered into an agreement dated 28 July 1999 as subsequently amended 31 December 2002 (the "**Existing Agreement**").
- (B) The Guarantor entered into a Deed of Guarantee (the "**Existing Guarantee**") dated 31 December 2002 in favour of Post Office, relating to the Existing Agreement.
- (C) By various Change Control Notes including but not limited to: (i) Change Control Note number 1100, dated 31st December 2002 Post Office and Pathway agreed to vary and restate the terms of the Original Codified Agreement; (ii) Change Control Note identified as HNG-X CCN number 1200, dated 31st August 2006 Fujitsu Services and Post Office agreed to further vary and restate the terms of the Original Codified Agreement and (iii) Change Control Note number 1400 identified as TSS CCN, dated 11th September 2013, Fujitsu Services and Post Office agreed to further vary and restate the terms of the Original Codified Agreement which may also be further amended in the future from time to time, being referred to herein as the "Amended Agreement").
- (D) Further to the amendments to the Existing Agreement, amendments are required to the Existing Guarantee. The Existing Guarantee, as amended by the terms of this Deed being the "**Amended Guarantee**".

NOW THIS DEED WITNESSES as follows:

1. Terms defined in the Existing Guarantee shall have the same meanings when used herein save where the context otherwise requires or save as amended hereby or to be amended pursuant hereto.
2. A person who is not a party to this Deed shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any of its terms.
3. The parties hereto hereby agree that, with effect from the date of this Deed, the Existing Guarantee shall be amended as set out below.

Paragraph (C) shall be deleted in its entirety and replaced with the following new paragraph (C):

- (C) By way of a deed of novation dated 28 March 2003, all rights and obligations of Pathway under the Agreement were novated from Pathway to Fujitsu Services Limited (registered in England and Wales with company number 00096056).

Paragraph (D) shall be deleted in its entirety and replaced with the following new paragraph (D):

- (D) By a Change Control Note number 1100, dated 31st December 2002 Post Office and Pathway agreed to vary and restate the terms of the Original Codified Agreement. By a Change Control Note identified as HNG-X CCN number 1200, dated 31st August 2006 Fujitsu Services and Post Office agreed to further vary and restate the terms of the Original Codified Agreement. By a Change Control Note identified as TSS CCN number 1400, dated 11th September 2013 Fujitsu Services and Post Office agreed to further vary and restate the terms of the Original Codified Agreement (the Original Codified Agreement as varied and restated by the aforementioned Change Control Notices, and as further amended from time to time, being referred to herein as the "Agreement").

A new paragraph (I) shall be inserted in the Guarantee as follows:

- (I) Any reference in this Guarantee to the Agreement or any other agreement or other document shall be construed as a reference to the Agreement or that other agreement or document as the same may have been, or may from time to time be, restated, varied, amended, extended, supplemented, substituted, as agreed in writing by Fujitsu Services and the Post Office, or novated or assigned in accordance with the terms of the Agreement, from time to time.

Clause 5.1 of the Guarantee shall be deleted in its entirety and replaced with the following new clause 5.1:

- 5.1 Neither the obligations of the Guarantor under this Guarantee nor the rights, powers and remedies of the Post Office provided by or pursuant to this Guarantee will be affected by an act, omission, matter or thing which, but for this Clause 5.1, would reduce, release or prejudice any of its obligations under this Guarantee or any of those rights, powers and remedies (without limitation and whether or not known to it or Post Office) including:
- 5.1.1 any time, waiver or consent granted to, or composition with the Principal Obligor or any other person;
 - 5.1.2 the release of the Principal Obligor or any other person under the terms of any composition or arrangement with any creditor of any person;
 - 5.1.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to take up or enforce, any rights against, the Principal Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument;
 - 5.1.4 any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of the Principal Obligor or any other person;
 - 5.1.5 any variation, amendment, novation (in accordance with the terms of the Agreement), supplement, extension (whether of maturity or

otherwise), substitution, restatement (however fundamental and whether or not more onerous) or replacement of the Agreement or any other document;

5.1.6 any unenforceability, illegality or invalidity of any obligation of the Principal Obligor or any other person under the Agreement or any other document; or

5.1.7 any insolvency or similar proceedings.

4. Save as expressly amended by this Deed, the provisions of the Existing Guarantee shall continue in full force and effect, and shall apply to the Amended Agreement and shall not be released by reason of the implementation of the amendments contained in the Amended Agreement;
5. The Guarantor represents and warrants to Post Office that as at the date of this Deed the representations given by it in clause 8 of the Existing Guarantee are true by reference to the facts and circumstances existing at such date.
6. With effect from the date hereof, the Existing Guarantee and the amendments to the Existing Guarantee set out in this Deed shall be read and construed together as one document.
7. The Guarantor shall continue to comply with all its obligations under the Existing Guarantee, save as amended, restated and supplemented by this Deed.
8. On the date of this Deed the Guarantor:
 - 8.1 agrees it is bound by the Amended Guarantee; and
 - 8.2 confirms that the Guarantee: (a) continues in full force and effect on the terms of the Amended Guarantee; and (b) extends to the obligations of Fujitsu Services under the Amended Agreement.
9. Nothing in this Deed shall act to release, waive or discharge (in whole or in part) any liability of Fujitsu Services Holdings plc pursuant to the Amended Guarantee whether such liability arises on, before or after the date of this Deed.
10. This Deed may be executed in any number of counterparts each of which shall be deemed to be an original and all of such counterparts taken together shall be deemed to constitute one and the same instrument.
11. This Deed shall be governed by, and construed in accordance with, English law and we hereby submit to the non-exclusive jurisdiction of the Courts of England in respect of any dispute which might arise in connection with this Deed.

THIS DEED has been executed as a deed by the parties listed in the execution pages at the end of this Deed and is delivered as a deed on the date written on the first page of this Deed.

EXECUTION PAGE

EXECUTED AS A DEED by)

FUJITSU SERVICES HOLDINGS PLC)

on being signed by)

a Director)

(Director)

on being signed by)

Company Secretary)

(Company Secretary)

EXECUTED AS A DEED by)

POST OFFICE LIMITED)

on being signed by)

a Director)

in the presence of:) (Director)

Witness signature:

Witness name:

Witness address:

Witness occupation:

Annex 5

Revised Charges

Amendments to current Schedule D1

OPERATIONAL CHARGES TABLE

Operational Service	Charge Type	2012	2013	2014	2015	2016	2017
Service Desk Service	Fixed Charges	28,895.11	30,851.20	12,397.54	11,590.38		
	Unit Charge per Counter Position	3.13	8.97	3.70	3.55		
	Service Management Element	0.27	0.80	0.32	0.32		
	Margin Rate per Counter Position	1.19	0.00	0.00	0.00		
Engineering Service	Fixed Charges	55,648	62,086.19	57,313.97	57,698.13		
	Unit Charge per Counter Position	16.81	46.36	26.89	28.16		
	Service Management Element	0.86	2.43	1.34	1.44		
	Margin Rate per Counter Position	4.12	Nil	Nil	Nil		
Operational Business Change	Fixed Charges	14,436	24,376.48	12,262.46	10,850.20		
	Service Management Element	7,243	14,395.33	7,337.59	6,248.46		
Data Centre Operations Service	Fixed Charges	715,804	1,679,827.64	838,345.00	765,985.69	621,125.43	621,125.43
	Unit Charge per 1% Volume Forecast Reduction	2,289.39	6,552.10	3,295.49	3,250.11	3,250.11	3,250.11
	Service Management Element	208	576.40	286.33	261.48	261.48	261.48
	Margin Rate per 1% Volume Forecast Reduction	845.59	Nil	Nil	Nil	Nil	Nil
Branch Network Service	Fixed Charges	113,793	231,908.50	122,520.18	120,809.76	120,809.76	120,809.76
	Service Management Element	14,347	39,453.01	20,833.97	20,528.19	20,528.19	20,528.19
Central Network Service	Fixed Charges	168,552.29	332,753.81	175,995.24	171,244.06	171,244.06	171,244.06
	Service Management Element	14,347	39,453.01	20,833.97	20,528.19	20,528.19	20,528.19
Systems Management Service	Fixed Charges	73,010	161,685.34	83,348.79	80,726.85	80,726.85	80,726.85
	Unit Charge per Counter Position	4.1	12.32	6.25	6.54	6.54	6.54
	Service Management Element	0.17	0.54	0.33	0.30	0.30	0.30
	Margin Rate per Counter Position	1.55	Nil	Nil	Nil	Nil	Nil
Reference Data Management Service	Fixed Charges	59,821	126,715.78	65,714.20	62,768.79	62,768.79	62,768.79
	Service Management Element	10,692.27	19,743.15	9,454.72	9,045.61	9,045.61	9,045.61
Third Line Software Support Service	Fixed Charges	(Apr-Aug) 87,858.06 (Sept-Mar) 89,784.06	194,480.06	101,769.98	101,424.44	101,424.44	101,424.44
	Unit Charge per POL Service Type	2,363.11	5,119.96	2,654.12	2,265.59	2,265.59	2,265.59
	Service Management Element	418.91	902.37	420.04	420.79	420.79	420.79
	Margin Rate per POL Service Type	262.56	Nil	Nil	Nil	Nil	Nil
	Incremental Unit Charge per GWS client		488.55	506.51	432.36	432.36	432.36
Management Information Service	Fixed Charges	35,078	73,775.01	28,549.73	26,685.89	26,685.89	26,685.89
	Service Management Element	5,295.74	9,443.86	4,359.33	4,225.24	4,225.24	4,225.24
Service Management Service	Fixed Charges	65,144.97	149,729.08	88,248.05	79,045.40	68,141.93	68,141.93
	Unit Charge per POL Service Type	1036.18	2,767.33	1,297.71	1,151.67	1,151.67	1,151.67
	Unit Charge per Branch	2.2	5.95	2.84	2.56	2.56	2.56
	Margin Rate per Branch	0.71	0.00	0.00	0.00	0.00	0.00
	Margin Rate per POL Service Type	327.21	0.00	0.00	0.00	0.00	0.00
	Unit Charge per GWS client		528.12	247.66	219.79	219.79	219.79
Reconciliation Service	Fixed Charge	17,539	36,887.50	19,286.71	16,900.99	16,900.99	16,900.99
	Service Management Element	4,480.17	8,753.57	4,378.33	4,013.98	4,013.98	4,013.98
Security Management Service	Fixed Charge	63,097.40	8,753.57	93,623.94	94,066.81	94,066.81	94,066.81
	Unit Charge per Branch	1.76	4.59	2.46	2.23	2.23	2.23
	Service Management Element	0.6	1.61	0.78	0.67	0.67	0.67
	Margin Rate per Branch	0.56	Nil	Nil	Nil	Nil	Nil
Application Support Service (Fourth	Fixed Charge	(Apr-Aug) 793,527.91 (Sept-Mar) 794,547.16	1,753,788.99	914,967.67	757,639.33	757,639.33	757,639.33
CMT Service	Fixed Charge	32,205	70,744.19	36,468.63	36,468.63		
Protected Margin (per Financial Year) (1/4/08 to 31/03/12)		4,466,500	Nil	Nil	Nil	Nil	Nil
Salesforce Support Service	Fixed Charge	Nil	19,442.14	9,198.37	8,658.12		
	Escalated Calls Fixed	Nil	4,050.00	2,087.78	2,087.78		
	Variable Charge	Nil	prevailing rates published at http://globalcloud.uk.fujitsu.com/portals/0/UsePriceand				
POL SAP Hosting Service	Fixed Charge		0.00	0.00	42,661.34	Nil	Nil
POL SAP Apps Support Service	Fixed Charge		0.00	0.00	134,609.58	134,609.58	Nil
Credence/MDM Service	Fixed Charge		0.00	0.00	35,736.91	Nil	Nil



COMPANY IN CONFIDENCE

**Annex 6 -**

The following shall be inserted as a new Schedule F:

SCHEDULE F**KEY OBJECTIVES OF THE TOWERS MODEL, FUJITSU SERVICES COLLABORATION
REQUIREMENTS AND RESPONSIBILITIES****Version History**

Version No.	Date	Comments
1.0	Dd/09/13	Agreed version as at date of signature of CCN 1400

In the event of any conflict between this Schedule F and the Agreement, the provisions of the Agreement (including any Service Descriptions) shall prevail.

1. KEY OBJECTIVES OF THE TOWERS MODEL

Fujitsu Services acknowledges that the key objectives of Post Office's Towers Model are set out at paragraphs 1.1 to 1.9 below and that it shall facilitate and not negatively impede those key objectives where relevant. For the avoidance of doubt, Fujitsu Services is not, for the purposes of this Agreement a Tower Contractor.

- 1.1 Each Tower Contractor understands the need to form and conduct collaborative partnerships with any and all other Tower Contractors in accordance with Good Industry Practice.
- 1.2 The relationships between all Tower Contractors support and deliver effective, efficient, fit for purpose, stable and operable services to Post Office to the agreed levels and quality of service for those services.
- 1.3 The governance frameworks and delivery organisations applicable to all services delivered to Post Office are proactive and supportive, taking a collaborative approach to knowledge and skills sharing, benefiting Post Office and the Tower Contractors.
- 1.4 Each Tower Contractor delivers services using an integrated (through strong interfaces), innovative and strategic approach in accordance with Good Industry Practice. Such approach carried out by each Tower Contractor shall include (but not be limited to) the use of appropriate and cost effective tools, properly skilled and experienced staff, and continuous improvement strategies.
- 1.5 Each Tower Contractor is focussed on maintaining, delivering and improving user support, user experience, and customer satisfaction in relation to any and all services. Each Tower Contractor acknowledges that the maintenance, delivery and improvement of such factors or items are critical to the effectiveness of any and all services provided to Post Office.
- 1.6 Each Tower Contractor, and relevant functions of Post Office, works collaboratively together in relation to the provision of the services, and receipt of those services by Post Office.
- 1.7 Each Tower Contractor shall work with Post Office (and other Tower Contractors, as appropriate) to enable and further improve proper and robust assurance regimes in relation to the delivery of services



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by Tower Contractors in accordance with agreed service requirements and service levels for those services.

- 1.8 Where a Tower Contractor's activities in relation to the provision of any services have a significant bearing on the activities of any other Tower Contractors or any potential providers of services, that Tower Contractor shall act in good faith and in the best interests of Post Office, and shall act in an unbiased manner in relation to any other such Tower Contractors or any potential providers of services.
- 1.9 Each Tower Contractor shall conduct its activities in relation to any services it provides in order to support Post Office to achieve benefits including, but not limited to, the following:
 - (a) A sustainable run rate reduction in costs throughout the lifetime of each applicable contract between that Tower Contractor and Post Office;
 - (b) Enablement of Post Office to deliver on and support Post Office's strategic plan (whether relating to Post Office's ICT or business strategies);
 - (c) Enhancement of the capability of Post Office IT&C;
 - (d) Creation of a post-transformation Post Office IT&C organisation that is business focused, responsive and flexible;
 - (e) Enhancement of the quality of services provided by Post Office IT&C to its customers or users;
 - (f) Provision of a catalyst to transform and consolidate the supply chain from which any and all services are delivered to Post Office (including the use of new technologies, standardisation of techniques and methods, e.g. smart shoring); and
 - (g) The achievement of improvements to services, and the delivery of increased value for money for Post Office.

2. FUJITSU SERVICES COLLABORATION REQUIREMENTS

Fujitsu Services shall:

- 2.1 Work with Post Office and other Tower Contractors to adopt governance processes and meeting structures to support the delivery and management of the services of the other Tower Contractors where these interface with the Services including all interfaces to the governance structures and processes.
- 2.2 In relation to any governance meetings required or introduced in accordance with this Agreement, ensure that Post Office and other Tower Contractors (where such are participants) have access to the artefacts used in support of such governance meetings.
- 2.3 Assist Post Office at stakeholder meetings and strategy forums as directed by Post Office and (including representation or participation at meetings with the National Federation of Sub-postmasters).
- 2.4 Establish and maintain positive, collaborative and effective working relationships with:
 - a) Post Office's relevant internal functions; and
 - b) all other suppliers of IT services to Post Office, including the Tower Contractors,

as reasonably necessary to perform its obligations under this Agreement and to demonstrably deliver measurable benefits to Post Office.
- 2.5 Contribute to a balanced scorecard measurement method to prove positive, collaborative and effective working relationships.
- 2.6 Proactively support and contribute to the innovative and continuous improvement of practices, models and methods for undertaking service management in relation to the Services.
- 2.7 When reasonably directed by Post Office be engaged and support other Tower Contractors in the design, delivery, transition, operation and improvement of services provided by Tower Contractors to Post Office and changes to the Services to facilitate the Towers Model. In the event that this incurs



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demonstrable additional cost over and above the current baseline to fulfil this requirement, Fujitsu Services may raise a change under the Change Control Procedure.

- 2.8 As reasonably requested by Post Office, develop and deliver proposals to Post Office including in relation to: (a) enhancements to existing Services; or (b) new services. Fujitsu Services shall lead and manage any such requested proposals in accordance with any timescales or service levels agreed with Post Office. In the event that this incurs demonstrable additional cost over and above the current baseline to fulfil this requirement, Fujitsu Services may raise a change under the Change Control Procedure.
- 2.9 In accordance with the CCD entitled "Management Information Service: Service Description" (SVM/SDM/SD/0016), as requested by Post Office, deliver assurance reports and data relating to the provision of the Services to Post Office.
- 2.10 Comply with its obligations agreed with Post Office and/or Post Office Service Integrator with respect to the implementation and maintenance of any service remediation plans, with the aim of promptly resolving or mitigating any service or service level failures (or related risks or issues). Fujitsu Services must obtain the approval of Post Office before implementing any material new initiatives or changes.
- 2.11 Provide reasonable support to Post Office in developing, maintaining, working to or complying (where reasonable) with any agreements or arrangements that Post Office has or may enter into with any third parties (including clients) in relation to the Services, including any service level agreements, memorandum of understandings or similar agreements and arrangements. In the event that Post Office request such support, it shall be agreed by the Parties via the Change Control Procedure.
- 2.12 Support Post Office in the management and enforcement of processes and procedures by:
 - (a) complying with any agreed processes and procedures; and
 - (b) ensuring that such agreed processes and procedures are set out in OLAs between Fujitsu Services and any applicable Tower Contractors (if applicable and as agreed as appropriate following consultation with Post Office).
- 2.13 Without prejudice to Schedule A2, paragraph 9.7, as directed by Post Office enter into, comply with and update (to ensure ongoing relevance and accuracy) from time to time individual OLAs with each Tower Contractor where and to the extent that the services under the Tower Contractor's agreement interface with the Services.
- 2.14 Use reasonable endeavours to ensure that all Operating Level Agreements or other agreements entered into between Fujitsu Services and other Tower Contractors shall include:
 - (a) a description of:
 - i) the parties;
 - ii) the purpose, scope, services to be provided;
 - iii) the required access permissions, tools/equipment, personnel, contacts and escalation levels; and
 - iv) review periods and dates;
 - (b) the manner in which the parties will work together to provide compliance with:
 - i) standards, regulations and security policies applicable to the delivery of the Services; and
 - ii) the agreed requirements and service levels applicable to the Services;
 - (c) provisions that require in the Tower Model environment, that Tower Contractors participate in, effective operation of processes and techniques necessary for IT services/Services (including Service/IT service components) to be managed and provided to Post Office in a seamless manner and across the Tower Model. Such processes and techniques shall include:
 - i) inter-Tower Contractor relationship management processes including escalation routes;



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- ii) service management processes;
 - iii) inter-Tower Contractor business continuity and disaster recovery support and crisis management;
 - iv) tools access and sharing processes including integration, data interchange, the sharing of Tools and the provision of access to tools owned and deployed by one party or a Tower Contractor;
 - v) knowledge sharing processes;
 - vi) reporting processes;
 - vii) processes associated with the creation and management of enterprise architecture and technology roadmaps;
 - viii) service validation and testing processes; and
 - ix) project management and delivery processes;
- (d) the responsibilities of each party to that OLA or other agreement (including in relation to timing), and any dependencies on other Tower Contractors, Post Office or third parties, that may impact or limit those responsibilities;
- (e) the procedures to be followed (including escalation or governance procedures) in the event of a failure or likely failure of one or more parties in meeting the obligations and/or requirements contained in this Agreement, the relevant OLA, Tower Contractor's agreement with Post Office, or other relevant agreements. This includes (without limitation) ensuring that all interdependencies, including the Fujitsu Dependencies, Tower Contractor Responsibilities and Post Office Obligations, Tower Contractors' responsibilities, performance or non-performance of obligations, delays, and matters that may adversely affect the delivery of IT services or the Services to Post Office are properly managed by Fujitsu Services and other Tower Contractors as necessary; and
- (f) a dispute resolution procedure whereby the parties must attempt to resolve any dispute between each applicable Tower Contractor.

2.15 Ensure Post Office and the Post Office Service Integrator has reasonable access to the appropriate Fujitsu Services personnel to continuously develop know-how in support of all services to be delivered under the Towers Model.

To the extent to which any of the above obligations give rise to a demonstrable increase in costs or risk to Fujitsu Services over and above the cost of performance of the Services immediately prior to the creation of the Tower Model environment and/or the introduction of a new Tower Contractor, Fujitsu Services shall be entitled to recover such additional demonstrable costs (and any charges for any additional risk assumed by Fujitsu Services) from Post Office, such demonstrable costs to be agreed by the Change Control Procedure it being acknowledged that both Parties shall use reasonable endeavours to mitigate such additional demonstrable costs or risk.



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CHANGE CONTROL NOTE

ID: PWY_CCN_1400 CCN:1400 Create Date: 16-SEP-2013 17:40:39
Status: APPROVED Originator: Ken.Westfield

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Title:

The provision of Transitional Support Services (TSS)

Main Description:

Related Parts

0 PWY:CCN.A;1 Ken.Westfield
 (CHANGE_MANAGEMENT)
 Change Control Notes

Related Items

Related Child Change Documents:-----
Related Parent Change Documents:-----
Action Messages-----
Action History

1	16-SEP-2013 17:40:39	Ken.Westfield	GRO Chg Mgmt
	WESTFIELDK Document created		
2	16-SEP-2013 17:40:54	Ken.Westfield	GRO Chg Mgmt
	WESTFIELDK Actioned document from RAISED to SUBMITTED		
3	27-SEP-2013 08:28:08	Ken.Westfield	GRO Chg Mgmt
	WESTFIELDK Actioned document from SUBMITTED to APPROVED		

Update History



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0	16-SEP-2013 17:40:39	Ken.Westfield	<div>GRO</div>
	WESTFIELDK		Chg Mgmt
	Related Design Part PWY:CCN.A;1		
2	27-SEP-2013 08:22:49	Ken.Westfield	<div>GRO</div>
	WESTFIELDK		Chg Mgmt
	Detailed description edited		
2	27-SEP-2013 08:28:03	Ken.Westfield	<div>GRO</div>
	WESTFIELDK		Chg Mgmt
	Request attribute(s) updated		

Archived Attribute Information
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----- END OF CHANGE CONTROL NOTE PWY_CCN_1400 -----