



**ENGAGEMENT LETTER DATED 09 APRIL 2014
CHANGE ORDER NUMBER 01 (VERSION 2)**

06 May 2014

Mr Chris Aujard
Post Office Ltd
148 Old Street
London
EC1V 9HQ

For the attention of Chris Aujard

Dear Sirs

This Change Order (including any appendices, schedules, and/or attachments), records agreed changes to the Contract between Deloitte LLP ("Deloitte" or "we") and Post Office Ltd ("POL" or "You") dated 09 April, 2014, as amended by prior agreed Change Order(s) or amendments thereto. This Change Order constitutes the entire understanding and agreement between the Client and Deloitte with respect to the changes set out in this document, supersedes all prior oral and written communications with respect to such changes (including, but not limited to Change Requests), and may only be amended in writing, signed by authorised representatives of both parties.

The section(s) of the Engagement Letter set forth below are hereby amended, effective as of 06 May 2014, by the following text:

1 Project scope and objectives

Your project scope and objectives remain as previously described within our engagement letter dated 09 April 2014.

2 Our Services and responsibilities

Our services within 2(b) of our contract dated 09 April 2014 will be amended to include the two following extension areas:

Extension Area 1:

Deloitte will continue to review further supplied documentation relating to the 2010 implementation of HNG-X and other key project documentation supplied by POL, in order to compare the nature and extent of project governance and documentation with the Deloitte methodology. The assessment will include a review of documents that outline if and how transactional branch dataflows and Audit Store features of the system were impacted by the implementation.

In addition Deloitte will assess documentation relating to signoff of business requirements as well as the project's testing strategies and testing assurance provision.

Deloitte will integrate a description of our approach, findings and recommendations from this work into our deliverable.



Extension Area 2:

Deloitte will review further documentation relating to the specific design features of the processing environment which are asserted to be in place to underpin two key objectives:

1. That sub-post masters have full ownership and visibility of all records in their Branch ledger;
2. That the Branch ledger records are kept by the system with integrity and full audit trail.

Deloitte will produce a schedule of these specific design features, identified only through desktop review of documentation provided by Post Office, and use this to assess whether the existence of the specific design feature has been tested and/or assured. Deloitte will comment on the 2 point above in this context.

Deloitte will not comment on the quality of documentation and will not perform any implementation or operating effectiveness testing.

Deloitte's work, still based on desktop review procedures, will also include:

- Corroboration with an appropriate Deloitte specialist to validate the Audit Store's tamper proof mechanisms.
- Understanding key historic changes in order to assess if key events which could have impacted the control design features above.
- Highlighting those design features where further implementation or operating effectiveness testing should be considered by POL to provide further assurance to the Board.

Deloitte will integrate a description of our approach, findings and recommendations from this work into our deliverable.

In addition to the above areas of additional service, Deloitte will support the delivery of ongoing project update meetings with POL stakeholders prepare a Board Update document (marked as Draft) as at close of our work on the Tuesday 13th May 2014 and Friday 16th May 2014.

4 Our Charges

Our time charges for this additional work will be charged on a time and materials based, in line with the rate card shown in our original Engagement Letter.

5 Consequential changes to the Contract

Except as expressly modified herein, all other terms and conditions of the Contract remain unchanged.

Please indicate your agreement to the terms of this Change Order by signing and returning to Deloitte the enclosed copy of this Change Order.

Deloitte

Yours faithfully,

GRO

**Gareth James
Partner
Deloitte LLP**

Agreed by Post Office

GRO

Signed:

For and on behalf of Post Office Limited:

Printed Name:

GRO

Position:

GENERAL COUNSEL

Date:

15.04.2014