



Post Office Limited
148 Old Street
LONDON
EC1V 9HQ

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Second Sight Support Services Limited
7 Canon Grove
Yarm
Teeside
TS15 9XE

By special delivery and email: rjw[] GRO and irh[] GRO

10th March 2015

Dear Sirs

Initial Complaint Review and Mediation Scheme (the "Scheme")
Work Plan

We refer to the letter from Post Office Limited ("**Post Office**") dated 10 March 2015 giving you notice of cessation of your Services in relation to the Scheme.

This letter sets out the scope of work for Second Sight Support Services Limited ("**Second Sight**") during the notice period, the last day of which is 10 April 2015 (the "**Notice Period**") and the proposed future role of Second Sight after the Notice Period has ended.

Your engagement terms

Pursuant to clause 2.3 of your '*Engagement Letter in relation to the Initial Complaint Review and Mediation Scheme*' of 1 July 2014, (the "**Engagement Letter**") you were engaged by Post Office to "*provide Services to the Working Group in relation to the Scheme*".

The Services are exclusively and exhaustively set out in the Scope of Services Schedule to the Engagement Letter and, in summary, those Service lines were:

1. Serving on the Working Group;
2. Advising on documents produced by Post Office and Applicants to the Scheme;
3. Investigating the specific complaints of Applicants; and
4. Assisting with any other reasonable requests made by the Working Group and/or Post Office.

Work plan for the Notice Period

As you will have seen in our letter to you of 10 March 2015, the Working Group has been closed. Also, Applicants and Post Office have now submitted all their Case Questionnaire Reports and Post Office Investigation Reports respectively. There is therefore no further work required from Second Sight in these respects.

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"Part Two" Report

Before the Working Group was closed it commissioned you to produce a revised version of your Part Two Report for its consideration. In your email of 3 March 2015, you confirmed that a first draft of your revised Part Two Report was to be made available on 11 March 2015.

Post Office wishes for you to continue with this work during the Notice Period. Please provide the draft Part Two Report to Post Office on 11 March 2015 as per your previous commitment. We will then work with you during the Notice Period to ensure that the Part Two Report is accurate, logical and fully evidenced, so that it can inform the ongoing mediations as originally commissioned.

Case Review Reports

During the life of the Scheme, you provided to the Working Group regular updates on your planned delivery of either a Draft Case Review Report ("**CRR**") or a Final CRR for each case. According to the last information submitted to the Working Group, you committed to delivering either a Draft or Final CRR for the majority of cases within the Notice Period.

However, it appears from an email sent by Chris Holyoak on 6 March 2015 that you may no longer be able to do this, due to your work on the Part Two Report, the greater complexity of the remaining cases, illness, and the diversion of attention to other matters. You have therefore requested an extension of four weeks for all CRRs yet to be delivered.

It is in the best interests of both the Applicants and the Post Office that CRRs are submitted in an efficient manner with a minimum of further delay. Post Office will therefore need to work with you to agree a revised schedule by which Draft and Final CRRs will be submitted during the Notice Period.

Post Office will pay you for any work done in accordance with this letter as per the payment terms in the Engagement Letter.

Save as otherwise set out in this letter, Post Office instructs you (pursuant to paragraph 1.4 of the Scope of Services schedule to the Engagement Letter) to cease any other work during the Notice Period in relation to the Scheme, Post Office, the Horizon system or complaints by Applicants, as commissioned by the Working Group or otherwise.

For the avoidance of doubt, at the end of the Notice Period, Second Sight shall cease all Services and will no longer be engaged or commissioned by Post Office to carry out any work.

Future role of Second Sight

Although Post Office is ceasing Second Sight's direct engagement, we propose that you continue to have a role in helping resolve the concerns of Applicants.

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For those cases in which you have not commenced work on the draft CRR by the end of the Notice Period, Post Office will provide Applicants with £3,500 in additional funding to be used to engage Second Sight directly to produce a CRR (if the Applicant so wishes and you are willing to provide them with your services).

Post Office would expect such CRRs to be logical and fully evidenced and any opinion therein to be produced without bias and based on the facts and evidence available, as was the standard for this work under the Engagement Letter, and is to be expected from qualified and experienced accountants providing opinions based on their expertise.

We therefore expect that Second Sight will restrict its comments to those topics on which it has sufficient knowledge, experience and expertise so as to ensure that Applicants are not misled. As set out in my letter of 24 February 2015 and further discussed at our meeting on 4 March 2015, we believe that matters such as the standard Subpostmasters contract and prosecution issues are outside of Second Sight's expertise.

Any CRR produced directly for an Applicant will be confidential to that Applicant unless they wish to disclose it to Post Office, as part of the mediation process or otherwise. We do not therefore envisage Second Sight producing "draft" CRRs for Post Office's comments. However, we may choose to comment in particular cases, say where a CRR has been disclosed by an Applicant as part of the mediation process.

To be clear, any work you perform after the Notice Period has ended will be on the basis that you are directly engaged by an Applicant. It will be for you to agree your engagement terms with an Applicant. Post Office will have no obligations to Second Sight for any work undertaken in these circumstances although Second Sight must continue to comply with the enduring terms of the Engagement Letter as summarised below.

Confidential Information

In performing the Services, Second Sight has taken possession of a significant amount of Confidential Information (as defined in the Engagement Letter) about Post Office and Applicants. The use of this Confidential Information is regulated by the Engagement Letter:

- Confidential Information is to be kept secret (clause 6.1.1).
- Confidential Information is to be used only for the Services (clause 6.1.2).
- Confidential Information held by Second Sight is to be destroyed or returned to Post Office on demand (clause 6.1.4).
- Post Office is the data controller of any personal data in the Confidential Information (clause 7.1).

These obligations extend to the individuals acting for Second Sight including Ron Warmington, Ian Henderson, Chris Holyoak and Kim Evans, all of whom have agreed to non-disclosure agreements with Post Office.

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These obligations apply during and after the Notice Period (clause 9.5 of the Engagement Letter).

Once the Services come to an end, Post Office is obliged to ensure that no personal data about Applicants or its staff is used by Second Sight without permission, in order to protect the privacy of those individuals.

It is however recognised that Second Sight may need access to some Confidential Information after the Notice Period in order to produce CRRs directly for certain Applicants in the manner described above. If Second Sight wishes to retain copies of any Confidential Information for this purpose, Second Sight and the relevant Applicant must sign and send to Post Office a copy of the enclosed "Engagement Notice" before 17 April 2015. This notice confirms that Second Sight has been engaged directly by an Applicant, that the Applicant consents to Second Sight holding information about them and that Post Office is no longer responsible for that information. We will be explaining this to Applicants when we write to them to confirm the changes to the Scheme.

In line with this approach, Post Office demands that, by no later than 17 April 2015, Second Sight:

1. Delivers up to Post Office all Confidential Information in its original format, including all versions of the same information in any different formats (including information covered by any signed Engagement Notice);
2. Permanently and securely destroys all copies of that Confidential Information retained by Second Sight save where such Confidential Information is covered by a signed Engagement Notice; and
3. Confirms in writing that it has complied fully with the demands made above.

If an Applicant engages Second Sight to produce a CRR after 17 April 2015 then they will need to provide any necessary information directly to you.

For the sake of clarity, but without limitation, the following classes of documents are Confidential Information:

- Information regarding or referencing (including any information produced using information regarding or referencing):
 - Applicant's cases;
 - Post Office's processes and practices;
 - Horizon;
 - the Scheme; and/or
 - the Services.
- Communications (including letters, emails and voicemails) about the above information with:
 - Applicants;
 - Professional Advisors;
 - JFSA;

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- The Working Group;
 - Post Office;
 - Members of Parliament or Government departments / ministers; and/or
 - Any other third party.
- Information in any format including paper copies and electronic copies.
- Information meeting the above criteria that existed before the Engagement Letter and/or before the Scheme.

Post Office takes the privacy of Applicants and its staff very seriously. We will take all necessary action, including if required legal action, to ensure that Confidential Information held by Second Sight is returned to Post Office without delay. Should Second Sight encounter any difficulties in complying with this demand, it should notify me immediately.

Publicity

Pursuant to clause 8.1 of the Engagement Letter, Second Sight is prohibited from making any public statements about the Scheme and/or its Services unless Post Office has given its consent to those statements.

By way of a side letter dated 1 July 2014, Post Office gave consent for Second Sight to speak to the Rt Hon James Arbuthnot MP about the Scheme. This consent is hereby revoked.

We note that Ian Henderson and Kim Evans have been tweeting about the Scheme and Second Sight's engagement using the twitter handles @forensicgod and @SistahInLaw. This is a breach of clause 8.1 which expressly prohibits the use of social media and also a breach of the confidentiality obligations described above. Please immediately procure that the offending statements are removed from twitter and immediately cease and desist making further such statements.

We remind you that this restriction on making public statements continues to bind Second Sight during and after the Notice Period and Post Office will take action to enforce this restriction if necessary.

Restrictive Covenant

Under clause 6.2 of the Engagement Letter, Second Sight and the Second Sight Directors, Ron Warmington and Ian Henderson, are restricted for acting another person against Post Office's interests for a period of 15 months from the end of the Notice Period (expiring on 10 July 2016).

Post Office will not enforce this restriction in respect of Second Sight producing a CRR for an Applicant after the Notice Period in the manner described above. In all other respects, this restriction remains in full effect and will be enforced by Post Office.

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Yours faithfully

GRO

Jane MacLeod
General Counsel
For and on behalf of Post Office Limited

Enclosures:

1. Template Privacy Notice

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ENGAGEMENT NOTICE

For the attention of Jane MacLeod
Post Office Limited
148 Old Street
London
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Dear Sirs

Complaint Review and Mediation Scheme ("the Scheme") Confirmation of Second Sight engagement

I confirm that I have engaged Second Sight to produce a Case Review Report into my case and that, for that purpose, I have asked that Second Sight may retain copies of the following documents related to my case:

1. Application to the Scheme.
2. Case Questionnaire.
3. Case Questionnaire Response including associated evidence.
4. Post Office Investigation Report including associated evidence.
5. Mediator's Briefing Report Part One (final version only).
6. Mediator's Briefing Report Part Two (released versions 1 and 2 only).

I agree that Post Office is no longer the Data Controller of the above documents and is no longer responsible for their security or confidentiality.

Yours faithfully

Signed: _____

Name of Applicant: _____

Case reference no. _____

Date: _____

Signed: _____

On behalf of Second Sight Support Services Limited

Date: _____

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