

POST OFFICE LTD

draft INSTRUCTIONS TO EXPERT WITNESS

Stated Aim

- 1 | 1. These instructions are issued in accordance with paragraph 3.2 of the 'AGREEMENT TO APPOINT AN EXPERT' dated 28th April 2014 (the Agreement). Definitions used within the Agreement are adopted and used within these instructions (Instructions).
- 2 | 2. The purpose of this ~~i~~Instruction is to obtain an expert report which facilitates the criminal prosecution of those who steal from or defraud POL, SPMR's or customers of
- 3 | POL. Accordingly the aim of this instruction is for the Expert to produce an expert report which confirms the reliability, integrity and robust nature of the Horizon system.
- 4 | 3. ~~These instructions are issued in accordance with paragraph 3.2 of the 'AGREEMENT TO APPOINT AN EXPERT' document, signed by the parties on the 28th April 2014.~~
4. The following are deemed to be incorporated into these instructions:
 - 5 | i. ~~The Agreement; numbered paragraphs indicated below and contained in the aforementioned 'AGREEMENT TO APPOINT AN EXPERT' document: 1 — Interpretation 2 — Purpose 3 — Expert's Services, but not sub-paragraph 3.1 4 — POL's Obligations 5 — Payment and Timings, but not sub-paragraphs 5.1 and 5.2 6 — Undertakings of the Expert 7 — Security Arrangements, and any other duties and obligations as set out in that document.~~
 - b. The PROTOCOL at Appendix 1 of these Instructions.
5. The Expert is instructed to provide a report which considers the extent to which the Horizon system:

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- a. Properly and accurately records and processes transactions, whether they be conducted as a counter or back-office function and regardless of the operator performing the task or whether the data is input manually, by automatic process or is system-generated;
 - b. Provides a proper & verifiable audit trail;
 - c. Has in place and utilises adequate systems which enable appropriate transaction auditing, testing and error reporting, including the early identification and prompt rectification of defects, bugs *etc.*;
 - d. Has in place and utilises sufficient security systems and protocols so as to testify to the reliability and robustness of the transaction processes, audit trail and data vault;
 - e. Provides appropriate facilities and processes for software maintenance, repair and upgrade, both of central servers and local terminals, including for version control and testing. For the avoidance of doubt, these instructions exclude any investigation of, or comment on, Horizon-associated hardware;
 - f. Provides robust systems for dispute reconciliation, including the reliable capture and presentation of event logs, audit data and reconciliation processes *etc.*
6. The Expert will provide regular interim reports to the Instructing Solicitors detailing any preliminary findings, areas of major concern and any cooperation issues. Such reports are to be delivered on a monthly basis, the first to be delivered one month after the date upon which the Expert commences work.
7. The Expert will take such steps, conduct such enquiries and request such material as he considers necessary in accordance with the Protocol at Appendix 1 for the efficient completion of the report.
- 8.

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- 8 | 9. In accordance with clause 5.3 of the Agreement, POL shall pay the Expert the sum of £116,250 plus VAT and reasonable expenses. This quote encompasses all work anticipated under these Instructions. *[we did not see what the original quote related to but assume it relates to the work above. Have we seen ICL's T&Cs? Currently the quote incorporates these. Do we want to agree separate terms eg when payment is due, restrictions on liability etc?]*

APPENDIX 1.

PROTOCOL FOR THE REQUEST AND PROVISION OF MATERIAL

- 9 | 1. This Protocol forms part of the Instructions to Expert Witness ~~document~~ and is
intended to establish and control the procedure by which POL provides data and other
10, 11 | material (hereafter “~~i~~Information”) required by the Expert in the execution of ~~his-the~~
12 | ~~i~~Instructions.

Data Vault

- 13 | 2. ~~Post Office Ltd. POL~~ shall establish an electronic ‘Data Vault’ through which all
14 | ~~i~~Information which is to be provided to the Expert shall be made available to the
Expert.

2.1. POL and the Expert shall make such arrangements between them as are necessary
to establish the Data Vault, and such arrangements shall include provision for
remote access to the Data Vault by the Expert. Arrangements will be made so as to
permit access by more than one person at any one time.

- 15 | 2.2. All such ~~i~~Information as is to be provided by POL to the Expert shall be provided
through the Data Vault unless where some other form of provision is agreed
between POL and the Expert.

2.3. Access to the Data Vault shall be controlled and restricted by the use of log-in and
password security.

- 16 | 2.4. Access to and use of the Data Vault and any ~~i~~Information contained therein shall
be restricted to authorised persons only, such authorised persons being agreed

17 between POL and the Expert in writing upon establishment of the Data Vault. A person shall not be an authorised person unless that person has signed and provided an undertaking in the form below: ~~an individual Confidentiality Agreement approved by Bond Dickinson Solicitors.~~

2.5.

18 "I have read the above terms and conditions of Non Disclosure Agreement between IC Consultants Limited and the Post Office Limited and understand that they apply to me in my undertaking of the Non Disclosure Agreement. I therefore undertake to comply fully with all those obligations which relate to IC Consultants and/or which involve me in my undertaking of the discussions, and shall use all reasonable endeavours to enable IC Consultants to fulfil its obligations under this Agreement".

2.6. No log-in and password access to the Data Vault will be provided to any person who has not signed a Confidentiality Agreement.

2.7. No authorised person shall reveal their log-in or password to any other person.

2.8. No authorised person shall permit any unauthorised person to access the Data Vault or any information contained therein.

2.9. A secure electronic record shall be maintained of all persons who access the Data Vault. The record shall identify the date, time and identity of such persons. The record shall be maintained throughout the life of the Data Vault and shall be made available to POL, the Expert and the Instructing Solicitors upon request.

19 ~~Paragraphs 6, 7, 8, 10 and 11 of the 'AGREEMENT TO APPOINT AN EXPERT' document are expressly incorporated into this Protocol.~~^[A1]

Requests for data and other material

20 3. All requests for information shall be made by the Expert, in writing (to include but not restricted to email) and with a brief explanation of why the information is relevant to the Expert's task.

Page 5 Comments

- A1** This is incorporated above.
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3.1. Upon receipt of a request for information POL shall:

3.1.1. Place the requested information into the Data Vault and inform the Expert that the information is available; or

3.1.2. Inform the Expert that the information is not then available, provide a short explanation as to why the information is not then available and identify a timetable for the placing of the information into the Data Vault, or

21 | 3.1.3. Seek clarification from the Expert as to the nature, scope, extent and purpose of the request for information, which the Expert shall provide. In this respect POL shall use its best endeavours to identify what is inf fact required and will assist the Expert in modifying any request for information so as to ensure that the Expert has access to such information as is relevant to the task at hand. It is here understood by POL that it shall apply itself to the spirit of the task in identifying that which the Expert requires and accordingly no request for information shall fail by reason of any strict interpretation of that request. Thereafter the information will be collated and placed into the Data Vault.

22 | 3.2. Where POL and the eExpert are unable to agree as to the nature, scope, extent or purpose of the request for information, the Expert shall notify the Instructing Solicitors in writing of the inability to agree. The Expert will provide with the notification all relevant requests for information, any correspondence howsoever entered into and any such further information as is requested by the Instructing Solicitors. Upon receipt of such a notification the Instructing Solicitors will use their best endeavours to resolve the request to the satisfaction of POL and the Expert.

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Track Changes

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