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**SCHEDULE B4.4****EXISTING SERVICE LEVELS****Version History**

Version No.	Date	Comments
1.0	31/08/06	Agreed version as at date of signature of CCN 1200
1.1	26/09/06	Minor corrections by PO
1.2	11/10/06	Further minor corrections from FS.
1.3	19/01/07	Further minor amendments
1.4	22/01/07	Further minor amendments
2.0	25/01/07	Baseline copy of 1.4
2.1	27/06/07	Applying CCN1202
3.0	09/07/07	Baseline copy of 2.1
3.1	12/06/09	Applying changes as per CCN1252a
6.0	06/07/09	Moving all schedules to V6.0 as agreed with Fujitsu
7.0	26/04/10	Moving all Schedules to v7.0 as agreed with Fujitsu
8.0	21/02/12	Moving all schedules to v8.0 in accordance with CCN1294d
9.0	13/01/14	Moving all Schedules to v9.0 in accordance with CCN1349
10.0	10/09/15	CCD reference updates and moving all Schedules to v10.0 in accordance with CCN1506
11.0	31/03/16	Applying changes as per CCN1427 and moving all Schedules to V11.0 as per CCN1604
12.0	03/07/17	Moving all schedules to V12.0
13.0		Updating as per CCN1616b and moving all Schedules to v13.0

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## **SCHEDULE B4.4**

### **EXISTING SERVICE LEVELS**

#### **1. INTRODUCTION**

- 1.1 The provisions of this Schedule B4.4 shall apply to the HNG-X Services (other than the BCSF Service) from the Amendment Date and shall cease to have effect on commencement of the relevant Trigger Event as set out within the tables in Schedule B3.1. For the purposes of determining which existing Service Levels are affected upon the occurrence of such Trigger Event, Annex 6 to this Schedule B4.4 sets out each existing Service Level, as described in this Schedule B4.4, and its corresponding Service Description.
- 1.2 This Schedule B4.4 defines up to three thresholds in respect of each Service Level as follows:
- 1.2.1 the level of Service ("**Service Level Target**" or "**SLT**") required from Fujitsu Services by Post Office;
- 1.2.2 the level of Service which, if not achieved by Fujitsu Services, shall give rise to payment of liquidated damages by Fujitsu Services (the "**Liquidated Damage Threshold**" or "**LDT**"). Payment of liquidated damages notwithstanding, a failure of any LDT shall not (on its own) constitute a Default; and
- 1.2.3 the level of Service below the SLT and (if applicable) the LDT which if not achieved by Fujitsu Services shall give rise to payment by Fujitsu Services of Post Office Additional Costs or liquidated damages as described (where relevant) in this Schedule (the "**Additional Remedy Level**" or "**ARL**").
- 1.3 For the avoidance of doubt, the Parties agree that not all SLT failures shall give rise to payment of liquidated damages. The SLT failures that do not give rise to payment of liquidated damages are set out in each relevant Service Description CCD.
- #### **2. GENERAL PRINCIPLES**
- 2.1 The purpose of remedies (liquidated damages or any other additional remedy specified in a Service Description) is that Post Office shall not be disadvantaged by failures of Fujitsu Services to provide the Services to the agreed specification and reliability.



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- 2.2 For the avoidance of doubt, liquidated damages shall be based upon the applicable fixed amounts or rates stated in this Schedule B4.4.
- 2.3 The performance of the Services against the SLT, LDT and ARL applicable in respect of each Service Level shall be measured and reported and success or failure against each shall be judged over Service Level Measurement Periods defined for each Service. Additionally, all levels of service shall be monitored on a weekly and monthly basis and any failure to meet a Service Level assessed over that month shall be reported to Post Office by means of the Service Review Book produced on a monthly basis detailing all Service Levels and the actual levels of service achieved in that month.
- 2.4 In respect of any SLT that has a Service Level Measurement Period equivalent to a SLT Calendar Year or a Service Level Measurement Period that is otherwise defined with reference to a SLT Calendar Year, in the event that the remainder of the term of the Agreement after the last SLT Calendar Year of the term of the Agreement in relation to that SLT ("Final Period") is less than six (6) months then Fujitsu Services shall:
- 2.4.1 continue to measure and report performance against that SLT during the Final Period; and
- 2.4.2 not be obliged to take any remedial action should that SLT fail to be achieved at any time during the Final Period.
- 2.5 The values applicable to each SLT are set out in the Annexes to this Schedule B4.4.
- 2.6 Subject to any provisions to the contrary in this Schedule B4.4 in respect of a particular Service Level, where Service Levels are expressed in terms of performance required by a particular "Day":
- 2.6.1 "**Day A**" means the day of the specified triggering event (such as the date of a Transaction);
- 2.6.2 "**Day B**" means the day following Day A; and
- 2.6.3 "**Day C**" means the day following Day B and so on.

**3. SERVICE LEVELS**

- 3.1 The Annexes to this Schedule B4.4 define the SLTs, LDTs and ARLs for the following groups of Services:
- 3.1.1 Service Desk services (Annex 1);
- 3.1.2 Data Delivery services (Annex 2);
- 3.1.3 Banking services (Annex 3); and

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## 3.1.4 Miscellaneous services (Annex 4).

4. **SERVICE LEVEL RELIEF – VOLUMETRIC LIMITS**

4.1 Annex 5 to this Schedule B4.4 sets out the limits for certain Operational Services (the “**Volumetric Limits**”) which if exceeded over the period specified in the table in Annex 5 (the “**Relevant Period**”) will entitle Fujitsu Services to adjust the measurements of performance in respect of the Service Levels (SLTs and (if applicable) the LDTs and ARLs) affected by that excess (the “**Affected Service Levels**”). Such adjustment shall be made on the following basis:

4.1.1 if the Relevant Period for a Volumetric Limit is a calendar month and that limit is exceeded, Fujitsu Services shall identify for joint consideration with Post Office the days in that month on which the average daily volume (based upon measurements of actual volumes over the previous three months, or otherwise as agreed by the Parties (acting reasonably)) has been exceeded and shall specify for joint consideration the reasons for that excess if caused or contributed to by Fujitsu Services.

4.1.2 if the Relevant Period for a Volumetric Limit is a day and that limit is exceeded, Fujitsu Services shall specify for joint consideration the reason for that excess if caused or contributed to by Fujitsu Services.

4.1.3 for each day on which the average daily volume referred to in paragraph 4.1.1 or the Volumetric Limit referred to in paragraph 4.1.2 is exceeded:

(a) as a result of Default by Fujitsu Services, no adjustment shall be made to the performance measurements for the Affected Service Levels in respect of that day; or

(b) for any reason other than a Default by Fujitsu Services, the performance measurements for the Affected Service Levels in respect of that day shall be disregarded and replaced with an average measurement for that day (based upon actual performance measurements over the previous three calendar months, or otherwise as agreed by the Parties (acting reasonably)).

4.2 Following each Service Level Measurement Period the Parties will assess whether, on average, over the relevant Service Level Measurement Period any of the Volumetric Limits has been exceeded by 10% or more. In making that assessment the Parties shall consider the cause of any daily peaks in excess of daily averages during that period, and disregard the measurements in respect of those days where the peaks have arisen as a result of Fujitsu Services' Default. If having made such assessment, the Parties agree that a Volumetric Limit has been exceeded by 10% (and in the case of monthly Volumetric Limits, those limits have been exceeded in any three consecutive months), the Parties shall meet to discuss and agree (acting reasonably) appropriate changes to the Volumetric Limits and any change to the applicable Service Levels.

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**5. SERVICE LEVEL/OBLIGATION RELIEF – BUSINESS VOLUMES CCD**

- 5.1 The CCD entitled "Horizon Capacity Management and Business Volumes" (PA/PER/033) (the "**Business Volumes CCD**") defines various limits on numbers of Transactions or instances of Service as "**Contracted Volumes**" or "**Design Limits**" for EPOSS, APS, LFS, Message Broadcast Service, Reference Data Management Service, NBS, DCMoP and on-line Transactions.
- 5.2 On each day that any of the Contracted Volumes referred to in the Business Volumes CCD is exceeded, the measures of Fujitsu Services' performance for the Service Levels (SLTs and (if applicable) the LDTs and ARLs) listed in the Business Volumes CCD shall be disregarded and replaced with an average measurement for that day (based upon actual performance measurements over the previous three calendar months, or otherwise as agreed by the Parties (acting reasonably)).
- 5.3 If the Contracted Volumes referred to in the Business Volumes CCD are exceeded, Post Office and Fujitsu Services shall jointly consider the reasons for such excess and whether it is temporary or is or is likely to be continuing. If such excess is or is likely to be continuing Fujitsu Services shall be entitled to make a reasonable and proportionate adjustment to the relevant Contracted Volume and/or the affected Service Levels or obligations specified in the Business Volumes CCD, such adjustment to be agreed with Post Office under the Change Control Procedure.
- 5.4 If any of the Design Limits specified in the Business Volumes CCD are exceeded then the measures of Fujitsu Services' performance for any Service Level or other service target involving data processing (requiring either automated or manual processing or both) shall be disregarded to the extent that Fujitsu Services can demonstrate to Post Office's satisfaction (Post Office acting reasonably) that failure to meet the Service Level and/or service target, as the case may be, occurred as a result of a Design Limit being exceeded. Fujitsu Services shall use reasonable endeavours to meet those Service Levels and/or service targets during the period when the measures of Fujitsu Services' performance are disregarded.

**6. OTHER SERVICE LEVEL/OBLIGATION RELIEF**

- 6.1 The Parties shall agree (such agreement not to be unreasonably withheld) appropriate relief from Service Levels if any new facilities or products are introduced, by agreement, with less testing than would otherwise be required to safeguard Fujitsu Services' position.
- 6.2 For the periods in which the NBS and/or any of the Horizon Applications (other than NBS) or Infrastructure Services are suspended in accordance with paragraph 3.4.15 of the CCD entitled "Service Management – Service Description" (SVM/SDM/SD/0007) (formerly "Service Management Service - Service Description" (CS/SER/014)), measurements of Fujitsu Services' performance in respect of all Service Levels detrimentally affected by such suspension (in respect of those Horizon Applications and Services) shall be disregarded and Fujitsu Services shall be released from those of its obligations in respect of those Horizon



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Applications and Services which it is unable to perform as a result of such suspension.

- 6.3 If Fujitsu Services fails to achieve any Service Level or service target (as the case may be) and can demonstrate to Post Office's reasonable satisfaction that such failure occurred as a result of a fault or problem within the QAS Software, such fault or problem requiring the Third Line Support Service or Application Support Service (Fourth Line) in order to be resolved, then the measures of Fujitsu Services' performance in respect of such Service Level and other service target shall be disregarded for the period affected by the QAS Software fault or problem.

7. **RECTIFICATION PLAN**

- 7.1 In the event that an ARL specified in this Schedule B4.4 is failed, Fujitsu Services and Post Office shall agree a method of rectification and timetable for the resolution of the cause of that failure (a "Rectification Plan"). For the avoidance of doubt, Fujitsu Services shall remain liable for financial remedies payable in accordance with this Schedule B4.4 in respect of that failure.
- 7.2 In the event that the Rectification Plan involves a change to the provision of the Services, such change shall be agreed under the Change Control Procedure and shall be made at no charge to Post Office.
- 7.3 Without prejudice to Post Office's rights to remedies provided in this Agreement, during the period the Rectification Plan is being implemented Fujitsu Services shall maintain performance of all other Services in accordance with the Service Levels specified in this Schedule B4.4 unless otherwise agreed with Post Office as part of the Rectification Plan.
- 7.4 In the event that the Rectification Plan is not agreed by the Parties (acting reasonably) within three (3) calendar months of the occurrence of an ARL failure or the Rectification Plan fails to resolve the cause of the ARL failure to which it relates, such that the ARL failure occurs again and is persistent, the following provisions shall apply:
- 7.4.1 Post Office shall have the right to conduct, and require Fujitsu Services to co-operate and assist with, a tender process for sub-contracting by Fujitsu Services of the Operational Services in relation to which the ARL failure has occurred to an alternative service provider (the "**Service Provider**"). If the Parties agree that it would be more appropriate for Fujitsu Services to conduct, and Post Office to co-operate with, the tender process, then the Parties shall procure the same.
- 7.4.2 Without prejudice to the generality of the foregoing, Fujitsu Services shall disclose to any bona fide potential Service Provider (subject to the same executing an Agreed Form NDA or any other form of non-disclosure agreement mutually agreed by Post Office, Fujitsu Services and such bona fide potential Service Provider) Confidential Information to the

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extent that such disclosure is reasonably required to enable any potential Service Provider to prepare a reasonably detailed tender proposal.

- 7.4.3 If the outcome of any tender process is that Fujitsu Services were to sub-contract the Operational Services in question to a Service Provider identified in the tender process, the performance in respect of the failed ARL for that Operational Service would be improved then Post Office shall have the right to require Fujitsu Services to sub-contract such Operational Service to such Service Provider at no higher cost to Post Office than was previously the case.

## 8. DISPUTE RESOLUTION

Any dispute arising in connection with the application of this Schedule B4.4 shall be resolved in accordance with the Dispute Resolution Procedure.

## 9. ASSOCIATED DOCUMENTS

- 9.1 The following CCDs are associated with this Schedule B4.4:

	Document Reference	Document Title
1	CS/SER/002	Horizon Systems Helpdesk: Service Description
2	Withdrawn in CCN1616b	
3	CS/PRD/058	Fujitsu Services / Post Office Ltd Interface Agreement for Operational Business Change - Reference Data
4	CS/SER/004	Message Broadcast: Service Description
5	BP/SPE/035	NBS Definition
6	CS/SPE/011	Network Banking End to End Reconciliation Reporting
7	NB/PRO/002	On Line Services Reconciliation & Incident Management
8	SVM/SDM/SD/0011	Branch Network: Service Description
9	CS/SER/015	Management Information Service: Service Description
10	EF/SER/001 (Replaced )	Debit Card MoP Functional Description (Replaced )

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	REQ/GEN/REP/1091	Mapping Schedule B3.2 to the HNG-X Solution
11	EF/IFS/002	Horizon – Streamline Application Interface Specification
12	EA/IFS/030 (Replaced)  POLSAP/DES/GEN/SPE/0002	Technical Interface Specification Impact Programme: POL F S S80 Technical Interface Specifications (Replaced)  POLSAP Technical Interface Specification
13	PA/PER/033	Horizon Capacity Management and Business Volumes
14	CS/SER/014 (Replaced)  SVM/SDM/SD/0007	Service Management Service - Service Description (Replaced)  Service Management - Service Description
15	CS/PRO/163	Closure of Associated NBX Circuits
16	CS/SER/010	Transaction Benchmark Service: Service Description
17	Withdrawn in CCN1616b	

9.2 There are no CRDs associated with this Schedule B4.4.



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## **ANNEX 1 TO SCHEDULE B4.4 - SERVICE DESK SERVICE LEVELS**

### **1. INTRODUCTION**

- 1.1 The SLTs for the Service Desk Service are specified in this Annex 1 to Schedule B4.4.
- 1.2 In respect of the Service Desk Service there are no SLTs with associated LDTs or ARLs. The SLTs with no associated LDTs, and in relation to which no liquidated damages or other express contractual remedy is payable, are set out in paragraph 2 of this Annex 1.
- 1.3 For the purposes of the SLTs set out in paragraph 2 of this Annex 1, all timing measurements for Service Level purposes in respect of calls left on the Service Desk Voicemail Service shall commence at 08:00 hours on the Service Desk Day following that call.
- 1.4 Fujitsu Services shall be entitled to suspend a Service Desk call for reasons which shall include the time that the call is with British Telecom for action, provided there is evidence of management controls and checks on British Telecom by Fujitsu Services during this suspension.

### **2. SERVICE LEVEL TARGETS FOR WHICH NO LIQUIDATED DAMAGES APPLY**

- 2.1 Fujitsu Services shall provide the Service Desk Service which shall act as a point of contact for Post Office staff and staff of Post Office Clients having a direct interface with the Horizon Service Infrastructure provided.
- 2.2 Telephone answering Service Levels will be measured from the point the redirected telephone call enters the Service Desk telephone switch.
- 2.3 Hours of Service
  - 2.3.1 Fujitsu Services shall provide a continuous Service Desk Service during each Service Desk Day.
  - 2.3.2 The Service Desk Voicemail Service shall be provided outside of Service Desk Days with Service Desk ring back commencing at 08:00 hours on the following Service Desk Day.
  - 2.3.3 Arrangements for Bank Holidays shall only vary from a normal Service Desk Day where agreed with Post Office, having regard to their applicability throughout the United Kingdom.
  - 2.3.4 Fujitsu Services shall ensure that calls made to the Service Desk outside specified hours are accepted by Fujitsu Services which may be by the Service Desk Voicemail Service.
- 2.4 To the extent that such notification is required by law, Fujitsu Services shall be responsible for ensuring that Service Desk staff are properly notified that calls will be

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recorded and Post Office shall be responsible for ensuring that Users (and others who call the Service Desk on Post Office business) are properly so notified.

## 2.5 Service Level Targets

- 2.5.1 Fujitsu Services shall answer at least 80% of all calls to the Service Desk within thirty (30) seconds and the average time to answer in each Service Level Measurement Period shall be less than ten (10) seconds.
- 2.5.2 The percentage of "calls not answered" shall be less than five (5). This includes calls where the line is busy as well as calls answered which are put on the "waiting queue" that ring off after 40 seconds.
- 2.5.3 Until 31<sup>st</sup> March 2015, Fujitsu Services shall resolve at least 95% of calls assigned to the "first level" (also known as "Level 1") (as described in the CCD entitled "Horizon Systems Helpdesk: Service Description" (CS/SER/002)) within five (5) minutes. The average time to resolve first level calls in each Service Level Measurement Period shall be less than three (3) minutes.
- 2.5.4 Until 31<sup>st</sup> March 2015, Fujitsu Services shall resolve at least 95% of calls assigned to the "second level" (also known as "Level 2") (as described in the CCD entitled "Horizon Systems Helpdesk: Service Description" (CS/SER/002)) within thirty (30) minutes and the average time to resolve second level calls in each Service Level Measurement Period shall be less than ten (10) minutes.
- 2.5.5 The Service Desk Voicemail Service shall be available during all periods outside of Service Desk Days. Fujitsu Services' performance against this obligation shall be reported in the Service Review Book.
- 2.5.6 Fujitsu Services shall ensure that all calls recorded by the Service Desk Voicemail Service will be raised as calls on the Fujitsu Services call logging system on the next Service Desk Day following the recorded call. Fujitsu Services' performance against this obligation shall be reported in the Service Review Book.
- 2.5.7 Reboot Incidents
  - (a) Fujitsu Services shall use all reasonable endeavours to ensure that the number of Reboot Incidents reported to the Service Desk and in relation to which the Service Desk has not (whilst acting reasonably) refused authorisation shall be less than the number equal to 1 multiplied by the average number of open Counter Positions in any period of four months.
  - (b) Fujitsu Services shall be entitled to carry out planned reboots outside Working Hours. Such planned reboots shall not count as Reboot Incidents and shall not exceed one per Counter Position per calendar month.

## 2.6 Service Level relief

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2.6.1 If for any reason other than a Default by Fujitsu Services, the Service Desk becomes unavailable for use, the Service Levels in paragraph 2 of this Annex 1 of Schedule B4.4 will be suspended for the period of such unavailability subject to a maximum period of either:

- (a) three hours; or
- (b) the remainder of the Service Desk Day,

whichever is the shorter period.

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## **ANNEX 2 TO SCHEDULE B4.4 - DATA DELIVERY SERVICE LEVELS**

### **1. INTRODUCTION**

1.1 The data delivery SLTs for the following are specified in this Annex 2 to Schedule B4.4:

- 1.1.1 APS;
- 1.1.2 Transaction loading onto Configured POL FS;
- 1.1.3 LFS;
- 1.1.4 delivery of Transaction Correction Records;
- 1.1.5 delivery of HR SAP Files;
- 1.1.6 APS Client data;
- 1.1.7 Reference Data;
- 1.1.8 Message Broadcast Service;
- 1.1.9 delivery of Reconciliation and Settlement Reports;
- 1.1.10 dispatch of REC Files;
- 1.1.11 Not used; and
- 1.1.12 delivery of Client Transaction summary (CTS) files.

1.2 In respect of each of the above:

- 1.2.1 the SLTs with associated LDTs and/or ARLs are described in paragraph 2 of this Annex 2; and
- 1.2.2 the SLTs with no associated LDTs, and in relation to which no liquidated damages or other express contractual remedy is payable, are set out in paragraph 3 of this Annex 2.

1.3 Where Fujitsu Services is obliged to arrange and undertake a visit to a Branch to recover Transaction records as described in the CCD entitled "Engineering Service: Service Description" (SVM/SDM/SD/0002) in order to avoid the Day J Service Levels (SLTs and LDTs) set out in this Annex 2 being failed (each a "Recovery Visit"), in assessing whether there has been a failure of those Service Levels the following principles shall apply:

- 1.3.1 For the purposes of such assessment, the following shall be disregarded from all relevant Service Level measurements in respect of the Branches in question:

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- (a) days on which Fujitsu Services has been unable to contact a Branch (despite reasonable endeavours to do so) to arrange a Recovery Visit, which includes days on which that Branch is not open for business;
- (b) each day of delay caused by a Branch declining the earliest offered date for a Recovery Visit (provided the Recovery Visit offered on that date would not extend beyond the end of Post Office Core Day or, if later, the normal business opening hours of that Branch), which includes days on which that Branch is not open for business;
- (c) each day of delay caused by a Branch cancelling, refusing or otherwise preventing an arranged Recovery Visit but excluding days on which a Recovery Visit is prevented by a Branch from being completed as a result of that visit extending beyond the normal business opening hours of that Branch without prior agreement of that Branch; and
- (d) each day that a Recovery Visit, which by prior arrangement with a Branch is scheduled to take place or continue beyond the hours that Branch is open for business, is prevented from being completed by that Branch contrary to that arrangement.

1.3.2 For the purposes of such assessment, the period commencing on the day on which Fujitsu Services becomes aware that a Branch does not have the PSTN telephone capability or “plug-in” PSTN telephone capability required for a Recovery Visit and ending on and including the day on which an ISDN or ADSL connection is re-established to that Branch, shall be disregarded from all relevant Service Level measurements in connection with the application of the Service Levels in this Annex 2 to that Branch.

1.4 Fujitsu Services shall arrange and undertake Recovery Visits in order to achieve the Day J Service Levels set out in this Annex 2, unless prevented from arranging such visits or from undertaking them within Post Office Core Day or, if later, the normal business opening hours of the Branch in question.

## 2. **SERVICE LEVEL TARGETS FOR WHICH LIQUIDATED DAMAGES OR ADDITIONAL REMEDIES APPLY**

### 2.1 APS Service Levels with remedies

#### 2.1.1 Availability

Unless otherwise agreed by Post Office, the APS shall be fully available in a Branch whenever that Branch is open, either through normal procedures or in fallback.

#### 2.1.2 Application of APS Service Levels

The SLTs, LDTs and ARLs specified in paragraph 2.1 of this Annex 2 are of generic application to APS Clients and the relevant performance



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measurements for all APS Clients (for which services are being provided as at the Amendment Date) shall be aggregated for the purposes of those SLTs, LDTs and ARLs. All APS Clients introduced after the Amendment Date shall be included in that aggregate unless it is specifically stated otherwise in the applicable CCN.

### 2.1.3 Data File delivery

- (a) Delivery of APS Transaction records shall not normally be before 03:00 on the day following the completion of those Transactions (referred to as "Day B" in the tables below).
- (b) Where Fujitsu Services is required to deliver APS Client files on specified days, the terms Day B, Day C, Day D and Day J used in this paragraph 2.1 of this Annex 2 shall be construed as the days on which files could have been delivered as specified in the relevant AP Client Specification. If files may only be delivered Monday to Friday inclusive, then for Transactions completed on Thursday, Day B shall be Friday and Day C shall be Monday.
- (c) The SLT, LDT and ARL for APS Transaction Data File delivery are as shown in the table below:

Service Requirement	SLT	LDT	ARL
APS Transaction Data File delivery	96.5% of all Transaction records delivered by 23:59 hours Day B;	96.5% of all Transaction records delivered by 23:59 hours Day B;	98% of all Transaction records delivered by 23:59 hours Day D.
	97.5% of all Transaction records delivered by 23:59 hours Day C (i.e. 1 Day after Day B);	97.5% of all Transaction records delivered by 23:59 hours Day C (i.e. 1 Day after Day B);	
	98.5% of all Transaction records delivered by 23:59 hours Day D (i.e. 1 Day after Day C);	98.5% of all Transaction records delivered by 23:59 hours Day D (i.e. 1 Day after Day C);	
	100% of all Transaction records delivered by 23:59 hours Day J (i.e. 6 Days after Day D).	100% of all Transaction records delivered by 23:59 hours Day J (i.e. 6 Days after Day D).	

- (d) For the purposes of paragraph 2.1.3(c) above, in relation to each AP Client serviced by the APS via the EDG:



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- (i) the Transaction record file shall be deemed to be delivered when it is delivered to the EDG and not the AP Client; and
- (ii) a successful Transaction record file delivery will be deemed to have occurred when the file transfer software running on the remote file transfer management service (FTMS) gateway identifies that a successful transfer to the EDG has occurred or cannot occur because of problems within the EDG infrastructure.

2.1.4 Remedies

- (a) The liquidated damages for late delivery of APS Transaction Data Files shall be calculated when the relevant LDT is breached as follows:

liquidated damages =

$((100 - \text{actual level of Service by Day J}) / 100) * \text{total number of Transactions} * 1.46 \text{ pence}) +$

$((98.5 - (\text{the greater of the ARL (98) and the actual level of Service by Day D})) / 100) * (\text{total number of Transactions} - \text{any also failing at Day J}) * 1.46 \text{ pence}) +$

$((97.5 - \text{actual level of Service by Day C}) / 100) * (\text{total number of Transactions} - \text{any also failing at Day D and Day J}) * 1.46 \text{ pence}) +$

$((96.5 - \text{actual level of Service by Day B}) / 100) * (\text{total number of Transactions} - \text{any also failing at Day J, Day D and Day C}) * 1.46 \text{ pence}).$

- (b) Where the level of service falls below the ARL specified in the table in paragraph 2.1.3(c) Post Office shall be entitled to recover in addition to any liquidated damages recovered under paragraph 2.1.4(a), the greater of:

- (i) liquidated damages calculated as follows:

liquidated damages =

$((\text{ARL (98)} - \text{the actual level of Service by Day D}) / 100) * (\text{total number of Transactions} - \text{any also failing at Day J}) * 1.46 \text{ pence}; \text{ and}$

- (ii) Post Office Additional Costs.

2.2 Transaction loading onto Configured POL FS

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- 2.2.1 In respect of all Transactions undertaken on a particular day, the proportion of Transaction records delivered from TMS to Configured POL FS following that day (i.e. Transactions on Day A, delivery to Configured POL FS by 07:30 Day B, Day C, Day D and Day J) shall be measured by Fujitsu Services.
- 2.2.2 Subject to paragraph 2.2.4, Fujitsu Services shall use reasonable endeavours within the capacity and performance constraints of the POL FS System to ensure that all Transactions occurring on Day A are loaded onto Configured POL FS as set out in the table below:

Service Requirement	Target
Transactions loaded from TMS onto Configured POL FS.	<p>96% of all Transaction records loaded onto Configured POL FS by 07:30 hours on Day B;</p> <p>97% of all Transaction records loaded onto Configured POL FS by 07:30 hours on Day C (i.e. 1 Day after Day B);</p> <p>98% of all Transaction records loaded onto Configured POL FS by 07:30 hours on Day D (i.e. 1 Day after Day C);</p> <p>100% of all Transaction records loaded onto Configured POL FS by 07:30 hours on Day J (i.e. 6 Days after Day D).</p>

- 2.2.3 If Fujitsu Services persistently fails to achieve the targets described in paragraph 2.2.2 as a result of lack of capacity or performance of the POL FS System, then increases in capacity or performance required to address the deficiency shall be dealt with by the Capacity Management Service.
- 2.2.4 The measurement of the targets in paragraph 2.2.2 shall not include:
- (a) in the event that the QA/Test SAP System is used as the failover system for the Production SAP System pursuant to paragraph 2.2.5, any Transactions required to be loaded onto Configured POL FS during the period commencing from the day on which the QA/Test SAP System is used and expiring on the day on which the Production SAP System becomes available and Fujitsu Services has completed the loading of all data onto the Production SAP System from the QA/Test SAP System;
  - (b) any failure to load any Transaction onto Configured POL FS where such failure is caused either by:
    - (i) the incorrect functioning of PRISM application code; or
    - (ii) the incorrect configuration of Configured POL FS (including but not limited to missing FAD) provided that such incorrect configuration is a result of configuration activity that is not the responsibility of Fujitsu Services."

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## 2.2.5 Business Continuity

- (a) In the event that an incident or a major failure of the Production SAP System causes the Production SAP System (situated in the live Data Centre) to be unavailable:
  - (i) Fujitsu Services shall notify Post Office of such incident or failure (in such manner as is practicable in the circumstances) as soon as reasonably practicable and if such notification is not in written form, shall confirm in writing in accordance with the normal practice for incident management between the Parties;
  - (ii) the QA/Test SAP System (situated in the DR Data Centre) shall be used as the failover system for the Production SAP System; and
  - (iii) the POL FS Services in respect of the QA/Test SAP System shall be suspended for the duration of such incident or failure.
- (b) Fujitsu Services shall ensure that the time taken for failover referred to in paragraph 2.2.5(a) (measured between notice being given by Fujitsu Services pursuant to section 2.2.5(a)(i) and the QA/Test SAP System being re-configured for use as the Production SAP System) does not exceed 48 hours. In the event that such failover is required, it shall be permissible for the POL FS Services to be reduced in terms of number of concurrent users, response times and hours of service.
- (c) Fujitsu Services is not obliged to provide failover systems for the QA/Test SAP System or the Development SAP System and, in the event that an incident or a system failure causes either the QA/Test SAP System or the Development SAP System to become unavailable, the POL FS Services in respect of the QA/Test SAP System and the Development SAP System shall be suspended for the duration of such incident or failure.
- (d) In the event that Fujitsu Services gives notice pursuant to section 2.2.5(a)(i) above, Post Office shall ensure that the QA/Test SAP System is available for failover within two hours of such notice being given

## 2.3 LFS Service Levels

### 2.3.1 Purpose

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Fujitsu Services shall provide the LFS at all Branches for all of the hours that they are open for business.

### 2.3.2 Services Measures

The LFS measures are categorised as follows:

- (a) transfer of data from Branch to SAPADS; and
- (b) transfer of data from SAPADS to Branch.

### 2.3.3 Branch to SAPADS Data Transfer

The SLT and LDT for Branch to SAPADS data transfer are set out in the table below:

Service Requirement	Data available at the Branch by:	SLT	LDT	ARL
Confirmation of pouch received at Branch	19:00 on Day A	97.2%, of pouch confirmation messages available by 19:00 on Day A to be delivered to SAPADS by 08:00 on Day B	99% of pouch confirmation messages available by 19:00 on Day A to be delivered to SAPADS by 08:00 on Day B	N/A

### 2.3.4 SAPADS to Branch Data Transfer

- (a) The SLT and ARL for SAPADS to Branch data transfer are set out in the table below:

Service Requirement	Data available at the SAPADS/ LFS boundary by	SLT	LDT	ARL
Delivery of SAPADS Planned Orders to Branches	06:00 on Day A	90% of planned orders available by 06:00 on Day A to be at the Branch(es) by 08:00 on Day A; 96% at the Branch(es) by 12:00 on Day A.	N/A	95% of planned orders available by 06:00 on Day A to be at the Branch(es) by 12:00 on Day A.

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- (b) Delivery of SAPADS planned orders to Branches which occur by 06:00 on Sundays shall not be included in the calculation of the SLT and ARL set out in the table above. On Sundays, Fujitsu Services shall use reasonable endeavours to achieve the SLT set out in the above table for delivery of SAPADS planned orders to Branches.

#### 2.3.5 LFS Remedies

- (a) In the event that either of the Service Level Targets specified in the tables in paragraphs 2.3.3 or 2.3.4(a) are not achieved, Fujitsu Services shall provide Post Office with an analysis of the reason for the failure. Fujitsu Services and Post Office shall agree a reasonable rectification and improvement plan to address the failure.
- (b) liquidated damages in respect of failures to achieve the LDT for Branch to SAPADS data transfer set out in the table in paragraph 2.3.3 shall be calculated as follows:

liquidated damages =

$(L - (0.01 * T)) * £3.82$ , or zero if the result of that calculation is negative, where:

L = the number of times (summed for all Branches) that a pouch delivery confirmation entered at a Branch before 19.00 has been delivered to SAPADS after 08:00 the next day; and

T = the number of times (summed for all Branches) that a pouch delivery confirmation has been entered at a Branch before 19.00.

For the purposes of L and T, each delivery will have a single confirmation, whether that delivery comprises one pouch or multiple pouches.

- (c) In the event that Fujitsu Services fails to achieve the ARL in respect of SAPADS to Branch data transfer set out in the table in paragraph 2.3.4(a), Post Office shall be entitled to recover Post Office Additional Costs from Fujitsu Services.

#### 2.4 Delivery of Transaction Correction Records to Branches

- 2.4.1 The SLT and ARL for the delivery of Transaction Correction Records to Branches are set out in the table below:



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Service Requirement	Data available for extraction from Configured POL FS by	SLT	LDT	ARL
Delivery of Transaction Correction Records to Branches	23:59:59 on Day A	For Transaction Correction Records available by 23:59:59 on Day A:  90% to be at the Branch(es) by 08:00 on Day B;  96% to be at the Branch(es) by 12:00 on Day B;  100% to be at the Branch(es) by 23:59:59 on Day J (i.e. 6 Days after Day D).	N/A	95% of Transaction Correction Records available by 23:59:59 on Day A to be at the Branch(es) by 12:00 on Day B.

2.4.2 Delivery of Transaction Correction Records which are available to be extracted from Configured POL FS for delivery to Branches between 23:59:59 on Saturdays and 23:59:59 on Sundays shall not be included in the calculation of the SLT and ARL set out in the table above. Fujitsu Services shall use reasonable endeavours to achieve the SLT set out in the above table for delivery of such Transaction Correction Records to Branches.

2.4.3 In the event that any of the SLTs specified in the table in paragraph 2.4.1 are not achieved, Fujitsu Services shall provide Post Office with an analysis of the reason for the failure. Fujitsu Services and Post Office shall agree a reasonable rectification and improvement plan to address the failure.

2.4.4 In the event that Fujitsu Services fails to achieve the ARL set out in the table in paragraph 2.4.1, Post Office shall be entitled to recover Post Office Additional Costs from Fujitsu Services.

## 2.5 Delivery of HR SAP Files

2.5.1 For the purpose of this paragraph 2.5, the term "Pay Run Date" means the date on which Post Office processes Agents' remuneration as defined by Post Office Reference Data.

2.5.2 The Service Levels for delivery of the HR SAP Files to the TIP Gateway are as set out in the table below:



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Service Requirement	Notification by Post Office of Pay Run Date	SLT	LDT	ARL
Delivery of HR SAP Files	At least 14 days prior to the Pay Run Date	HR SAP File delivered to TIP Gateway by 21.30 on the Friday preceding the Pay Run Date	N/A	HR SAP File delivered to TIP Gateway by 21.30 on the Friday preceding the Pay Run Date

2.5.3 In the event that the SLT specified in the table in paragraph 2.5.2 is not achieved, Fujitsu Services shall provide Post Office with an analysis of the reason for the failure. Fujitsu Services and Post Office shall agree a reasonable rectification and improvement plan to address the failure.

2.5.4 In the event that Fujitsu Services fails to achieve the ARL set out in the table in paragraph 2.5.2, Post Office shall be entitled to recover Post Office Additional Costs from Fujitsu Services.

### 3. SERVICE LEVEL TARGETS WITH NO ASSOCIATED LIQUIDATED DAMAGES THRESHOLDS OR ADDITIONAL REMEDY LEVELS

#### 3.1 APS Client data

3.1.1 APS Client data is Reference Data created by an APS Client. Post Office shall procure that such data is provided by the Client to Fujitsu Services, for distribution to Branches.

3.1.2 All APS Client data received by Fujitsu Services by 20:00 hours shall be available at all relevant Counter Positions in accordance with the Service Levels set out in the table in paragraph 3.1.3.

3.1.3 The Service Level Targets for APS Client data are set out in the table below:

Service Requirement	SLT (applicable in respect of APS Client data received by 20:00 on Day A)
Delivery of APS Client data	<p>96% of Counter Positions can access the data at the start of the next Post Office Core Day (i.e. Day B);</p> <p>97% of Counter Positions can access the data at the start of the second Post Office Core Day following Day A (i.e. Day C);</p> <p>98% of Counter Positions can access the data at the start of the third Post Office Core Day following Day A (i.e. Day D);</p> <p>100% of Counter Positions can access the data at the start of the ninth Post Office Core Day following Day A (i.e. Day J).</p>

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### 3.2 Reference Data

- 3.2.1 Post Office Reference Data shall be delivered to Fujitsu Services within the lead-times specified in the CCD entitled "Fujitsu Services / Post Office Ltd Interface Agreement for Operational Business Change - Reference Data" (CS/PRD/058). Post Office shall be responsible for final validation and authorisation of Post Office supplied Reference Data, the date of such authorisation being referred to in this paragraph 3.2 as the "**Authorisation Date**".
- 3.2.2 For each delivery of Reference Data that is to be released to the live estate Post Office and Fujitsu Services shall agree a release date (the "**Agreed Release Date**") which shall be at least one Working Day later than the Authorisation Date and be the date on which Fujitsu Services initiates the release of that Reference Data to the live estate.
- 3.2.3 The Service Level Targets for Post Office Reference Data are set out in the table below:

Service Requirement	SLT
Reference Data delivery	<p>96% of Counter Positions will have received the correct version of the Reference Data by the start of Post Office Core Day on the day following the Agreed Release Date (i.e. by Day B);</p> <p>97% of Counter Positions will have received the correct version of the Reference Data by the start of Post Office Core Day two days after the Agreed Release Date (i.e. by Day C);</p> <p>98% of Counter Positions will have received the correct version of the Reference Data by the start of Post Office Core Day three days after the Agreed Release Date (i.e. by Day D);</p> <p>100% of Counter Positions will have received the correct version of the Reference Data by the start of Post Office Core Day nine days after the Agreed Release Date (i.e. by Day J).</p>

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3.3 LFS Service Levels

3.3.1 SLTs for Branch to SAPADS data transfer are set out in the table below:

Service Requirement	Data available at the Branch by	SLT
Confirmation of pouch received at Branch	19:00 on Day A	97% of pouch confirmation messages available by 19:00 on Day A to be delivered to SAPADS by 22:00 on Day A;  100% of pouch confirmation messages available by 19:00 on Day A to be delivered to SAPADS by 22:00 hours on Day I.
Details of SAPADS pouch Collected from Branch	19:00 on Day A	97% to SAPADS by 22:00 on Day A;  97.2% to SAPADS by 08:00 on Day B;  100% to SAPADS by 22:00 hours on Day I.
Daily Cash on Hand details	19:00 hours on Day A	96.25% to SAPADS by 23:59 hours on Day A.

3.3.2 SLTs for SAPADS to Branch data transfer are set out in the table below:

Service Requirement	Data available at SAPADS / LFS Boundary	SLT
Delivery of SAPADS Advice Notes to Branches	18:00 on day A	97% at the Branch(es) by 08:00 on Day C.

3.3.3 In the event that any of the Service Level Targets in this paragraph 3.3 are not met, Fujitsu Services shall provide Post Office with an analysis of the reason for the failure. Fujitsu Services and Post Office shall agree a reasonable rectification and improvement plan to address the failure.

3.4 Message Broadcast Service3.4.1 Introduction

- (a) This paragraph 3.4 sets out the Service Levels which apply to the Message Broadcast Service ("MBS").

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- (b) Notwithstanding paragraph 2.4 of this Schedule B4.4, Fujitsu Services shall not be required to report performance against the SLT specified in paragraph 3.4.3.
- (c) For the avoidance of doubt, there is no LDT or ARL applicable to the MBS.

**3.4.2** Hours of service

Fujitsu Services shall provide the MBS such that:

- (a) messages can be submitted at any time during the Post Office Core Day;
- (b) messages stored at a Branch can be viewed at the Branch at any time that the OPS is available.

**3.4.3** Message delivery

For valid messages successfully passed to Fujitsu Services in accordance with the standards and procedures set out in the CCD entitled "Message Broadcast: Service Description" (SVM/SDM/SD/0018) (formerly "Message Broadcast: Service Description" (CS/SER/004)), the SLT shall be that all messages shall be available for onward transmission to the Branches, within three (3) hours of the "message receipt time" as defined in that CCD such that valid messages would be expected to be available to be viewed in each targeted Branch within four (4) hours of the "message receipt time", provided that the targeted Branch is operating and communicating normally. The three (3) and four (4) hour targets only apply within the hours of the Post Office Core Day, will not be reported upon and will have no associated remedies or termination rights, but from time to time Post Office may monitor performance by inspection. Fujitsu Services' sole obligation with regard to the three (3) and four (4) hour target times shall be to use reasonable endeavours to achieve them.

**3.4.4** Report delivery

The report of Branches which may have been unable to receive messages shall normally be available to Post Office by 08:00 the following Post Office Core Day.

**3.4.5** Volumes

- (a) As a minimum, the MBS shall have sufficient capacity to support:
  - (i) the submission of six (6) messages per day by Post Office; and
  - (ii) three (3) new messages for any given Branch per day.

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- (b) Fujitsu Services shall use reasonable endeavours to process messages above these volumes, up to:
- (i) the submission of a maximum of 13 messages per day by Post Office; and
  - (ii) a maximum of seven (7) new messages for any given Branch per day.
- (c) The message delivery service levels in paragraph 3.4.3 above shall only apply to message volumes up to the limits set out in paragraph 3.4.5(a) above. For message volumes above these limits, no service levels shall apply.

### 3.5 Delivery of Reconciliation and Settlement Reports

- 3.5.1 Fujitsu Services shall deliver to Post Office the Reconciliation and Settlement Reports generated from DRSH and TESQA.
- 3.5.2 The delivery targets for the Reconciliation and Settlement Reports are set out in the table below:

<b>LREC File received by Fujitsu Services</b>	<b>Delivery targets</b>
By 23:59:59 on Day A.	Delivery of Reconciliation and Settlement Reports to the TIP Gateway by 08.05 on Day B (irrespective of whether any DRSH failure occurs during the overnight batch window).
Between 00.00 and 01.59.59 on Day B	Delivery of Reconciliation and Settlement Reports to the TIP Gateway by 08.05 on Day B or where there is a DRSH failure during the overnight batch window by 10.05 on Day B.
Between 02.00 and 22.00 on Day B.	Reconciliation and Settlement Reports delivered pursuant to this SLT will not be enriched with LREC data received from LINK until Day C. However, delivery of the Reconciliation and Settlement Reports (without the LREC enrichment) will be made to the TIP Gateway by 08:05 on Day B or where there is a DRSH failure during the overnight batch window by 10:05 on Day B.

- 3.5.3 Subject to paragraph 3.5.4, the SLT is that the number of Reconciliation and Settlement Reports which fail to deliver in accordance with paragraph 3.5.2



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shall not (in respect of each delivery target above) exceed two (2) failures in any SLT Calendar Year. Fujitsu Services will notify Post Office of any such delivery failures using a manual (ie non automated) method (eg email).

3.5.4 A further SLT is that 100% of the Reconciliation and Settlement Reports shall be delivered by Fujitsu Services to the TIP Gateway (or other location agreed by the Parties) by:

- (a) 12:00 on Day B where the failure occurs on a system involved in the generation of the Reconciliation and Settlement reports (excluding DRSH or Transaction Enquiry Service) and the failure occurs during the overnight batch window; or
- (b) 18:00 on Day B where the failure occurs on the DRSH and / or Transaction Enquiry Service, and the failure occurs during the overnight batch window,

with the proviso that, if the LREC File is received by Fujitsu Services between 02:00 and 22:00 on Day B, then any such Reconciliation and Settlement Reports will not be enriched with LREC data received from LINK until Day C.

3.5.5 For the purposes of the SLTs described in paragraphs 3.5.3 and 3.5.4, the Service Level Measurement Period is each SLT Calendar Year.

3.6 Dispatch of REC Files

3.6.1 Fujitsu Services shall use reasonable endeavours to ensure that 100 % REC Files are dispatched from Fujitsu Services' server to CAPO and Santander by 00:10 on each day.

3.6.2 The Service Level Target is that, subject to paragraphs 3.6.3 and 3.6.4, all REC Files shall be delivered to each of CAPO and Santander by 03:00 on each day of each SLT Calendar Year.

3.6.3 Subject to paragraph 3.6.5, the number of REC Files which fail to be delivered to CAPO in accordance with paragraph 3.6.2 shall not exceed two (2) failures in any SLT Calendar Year.

3.6.4 Subject to paragraph 3.6.5, the number of REC Files which fail to be delivered to Santander in accordance with paragraph 3.6.2 shall not exceed two (2) failures in any SLT Calendar Year.

3.6.5 A further SLT is that, in any SLT Calendar Year, 100 % of REC Files shall be delivered to CAPO by 16:00 on Day B and 100 % of REC Files shall be delivered to Santander by 18:00 on Day B.

3.6.6 For the purposes of the SLTs described in this paragraph 3.6, the Service Level Measurement Period is each SLT Calendar Year.



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3.7      Not used

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**ANNEX 3 TO SCHEDULE B4.4 - BANKING SERVICES****PART A - NBS SERVICE LEVELS AND REMEDIES****1. NBS SERVICE LEVEL PRINCIPLES**

1.1 This Part A of Annex 3 to Schedule B4.4 specifies the SLTs and ARLs and the performance measurements required in respect of them for the NBS. No LDTs are specified for the NBS in this Annex, but liquidated damages shall be payable by Fujitsu Services in accordance with paragraph 3 and 4 of this Annex 3.

1.2 For the purposes of this Annex 3:

**“Availability Period”** means each period of six (6) months commencing on 1 January and 1 July each SLT Calendar Year;

**“Central NB System”** means the elements of the NB System which enable on-line Banking Transactions to be carried out, excluding all:

1.2.1 such elements in Branches (or other Post Office locations where the NBS is available);

1.2.2 network components between each Branch (or other Post Office locations where the NBS is available) and the Data Centres; and

1.2.3 network components between the Data Centres and the Banks;

**“Core NB System Fault”** means a fault in the Central NB System which causes the NBS not to be available in any one or more Branches for the period that fault persists;

**“Customer Critical Exception”** means a NB Priority Exception in respect of which Fujitsu Services has received a Disputed Banking Transaction Notice; and

**“Non NB Core Hours”** means all hours which are not NB Core Hours.

1.3 The Service Levels described in this Annex 3 relate to the performance of the NBS within the NBS Service Boundaries as measured at the points and/or in the manner described in this Annex 3.

1.4 All calculations (including percentages and averages) upon which the SLTs, ARLs or other targets in this Schedule are based shall be calculated, and Fujitsu Services' performance assessed, for the relevant Service Level Measurement Period or Availability Period as a whole. Without prejudice to that calculation and assessment, Fujitsu Services' performance against the Service Levels in this Annex 3 shall be reported monthly for service monitoring purposes in the Service Review Book.

1.5 The architecture of the NB System shall be capable of supporting Banking Transactions (in accordance with applicable Service Levels) carried out in each Branch during the hours that Branch is actually open for business, except during the period from 2000 to 0800 each 24 hour period when Banking Transactions shall not be able to be carried

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out in Branches due to system management activities (including the introduction of major Releases in accordance with paragraph 3.5.1 of the CCD entitled "Service Management: Service Description" (SVM/SDM/SD/0007) (formerly "Service Management Service: Service Description" (CS/SER/014))), activities in support of software distribution, continuity tests and Reference Data update and such other activities as the parties may agree). Such periods shall be scheduled by agreement with Post Office in accordance with current practices used in respect of the Applications (other than the NBS) and the Infrastructure Services, such agreement not to be unreasonably withheld.

- 1.6 For the purposes of the NBS, in particular the NBS Service Levels described in this Annex 3 to Schedule B4.4, the result of the following calculation:

- MCWP minus MAAWP,

(such result being referred to in this paragraph 1.6 as the "**NB Additional Time**") shall not be less than 15 seconds. Once set, or as otherwise specified in the CCD entitled "NBS Definition" (BP/SPE/035), changes to the MCWP and/or MAAWP where the resulting MCWP is less than or equal to 40 seconds and where the resulting NB Additional Time is more than or equal to 15 seconds shall be subject to change under Operational Business Change (as applicable in respect of product change), and changes where the resulting MCWP is greater than 40 seconds and/or the resulting NB Additional Time is less than 15 seconds shall be subject to agreement under the Change Control Procedure.

- 1.7 This Annex 3 sets out five categories of performance measures:

- 1.7.1 NB Request and NB Authorisation transmission time measures;
- 1.7.2 NBS availability measures; and
- 1.7.3 Data Reconciliation Service measures.

Of these, paragraphs 1.7.1 and 1.7.2 above are subject to liquidated damages whilst paragraph 1.7.3 is not.

## 2. PERFORMANCE MEASURES

### 2.1 NB Request and NB Authorisation transmission times

- 2.1.1 Banking Transactions referred to in this paragraph 2.1 shall be those for which a NB Request is generated and a corresponding NB Authorisation is received from the Banks before the earliest of:

- (a) the MCWP has expired;
- (b) the Banking Transaction is Declined by the Counter Clerk; and
- (c) the Banking Transaction fails,

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and no other Banking Transactions shall be included in the calculation set out in paragraph 2.1.4.

2.1.2 For each Banking Transaction, Fujitsu Services shall record the time (for the purposes of this paragraph 2.1 referred to as "T1") which elapses between the NB Request being generated at the relevant automated Counter Position, and the corresponding NB Authorisation being received back at that Counter Position.

2.1.3 For each Banking Transaction, Fujitsu Services shall record the time (for the purposes of this paragraph 2.1 referred to as "T2") which elapses between the NB Authorisation Agent generating each NB Request for routing to the Banks and the corresponding NB Authorisation being received back from the Banks by the NB Authorisation Agent.

2.1.4 Fujitsu Services shall calculate a value for "T" for each Banking Transaction as follows:

$$T = T1 - T2.$$

2.1.5 The Service Level Targets are that the average Time for NBS Transactions conducted in Branches using Fixed ADSL and Dialled Connections taken together, for the periods such connections are scheduled to be established, shall not exceed 2.5 seconds.

## 2.2 NBS availability measures

### 2.2.1 Central Systems Availability

(a) Subject to paragraph 2.2.1(b), Fujitsu Services shall record and/or calculate the following:

- (i) the number of Core NB System Faults which causes the NBS not to be available in 20% or more of all Branches; and
- (ii) in respect of each Core NB System Fault, the average period of time ("Average Branch Outage") that the NBS is not available in a Branch affected by that Core NB System Fault, as follows:

Average Branch Outage = A multiplied by B,

where:

A = the period, excluding the first five minutes, that a Core NB System Fault causes the NBS not to be available in any one or more Branches;

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B = the number of Branches where the NBS is not available as a result of that Core NB System Fault expressed as a proportion of the total number of Branches.

(b) For the purposes of the recording and/or calculations referred to in paragraph 2.2.1(a) of this Annex 3 which are to be used for the purposes of paragraph 2.2.1(c) of this Annex 3:

- (i) Core NB System Faults that cause the NBS not to be available for 5 minutes or less; and
- (ii) all non-availability of the NBS due to any of the system management activities referred to in paragraph 1.7 of this Annex 3 or to any other system changes agreed by the Parties,

shall be excluded, and

- (iii) Branches referred to in paragraph 2.2.1(a) of this Annex 3 are those Branches where the NBS is required (subject to Clause 2.2) to be available.

(c) The Service Level Targets in respect of each Availability Period are set out in the following table:

Service Level Measure	Service Level Targets for NB Core Hours	Service Level Targets for Non NB Core Hours
The number of Core NB System Faults which causes the NBS not to be available in more than 20% of all Branches shall not exceed:	< = 3	< = 12
The aggregate Average Branch Outage shall not exceed:	< = 3 hours 25 minutes	< = 15 hours

(d) Notwithstanding any provision contained in this paragraph 2.2.1 but subject to paragraph 2.2.1(e), Fujitsu Services shall use reasonable endeavours to ensure that the targets in the following table shall apply in respect of each period of three months commencing from month one and month four of each Availability Period:



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Service Level Measure	Service Level Targets for NB Core Hours	Service Level Targets for Non NB Core Hours
The aggregate Average Branch Outage shall not exceed:	< = 3 hours 25 minutes	< = 7 hours 30 minutes

- (e) If Fujitsu Services persistently fails to achieve the targets described in paragraph 2.2.1(d) as a result of a lack of capacity or performance of the Horizon Service Infrastructure, then increases in capacity or performance required to address the deficiency shall be dealt with by the Capacity Management Service.

### 2.3 Data Reconciliation Service measures

2.3.1 Fujitsu Services shall measure the time taken to resolve each NB Priority Exception, counting time within MSU Days only, as follows:

- (a) where no Disputed Banking Transaction Notice has been received by Fujitsu Services and a Banking Transaction persists in system state category number 4 or 12 as set out in the CCD entitled "Network Banking End to End Reconciliation Reporting" (CS/SPE/011), such measurement shall commence at 0800 on the second MSU Day following receipt by the DRSH of the corresponding C4 Confirmation or D Message (as applicable);
- (b) where a Disputed Banking Transaction Notice is received by Fujitsu Services and a corresponding C4 Confirmation or D Message has been received by the DRSH prior to the day of receipt of that Disputed Banking Transaction Notice, such measurement shall commence at the time of receipt of the Disputed Banking Transaction Notice (but not if already commenced in accordance with (a) above, in which case (a) shall apply); and
- (c) where a Disputed Banking Transaction Notice is received by Fujitsu Services and a corresponding C4 Confirmation or D Message is received by the DRSH on the same day as that Disputed Banking Transaction Notice or on a subsequent day, such measurement shall commence at 0800 on the next MSU Day following receipt of that C4 Confirmation or D Message (as applicable).

In each case above the NB Priority Exception shall be deemed resolved and measurement shall stop at the time Fujitsu Services sends information to Post Office sufficient to enable Post Office to settle that exception with the relevant Bank, as described in the CCD entitled "Reconciliation Service: Service

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Description" (SVM/SDM/SD/0015) (formerly "On Line Services Reconciliation & Incident Management" (NB/PRO/002)).

2.3.2 In respect of each NB Priority Exception where Fujitsu Services requires:

- (a) information from, or access to, a Branch; or
- (b) information from the Post Office regarding Banks,

for that exception to be resolved, the following shall not count towards the time for resolution of that exception:

- (a) the period, if any, during which Fujitsu Services is unable to contact (by telephone or other method agreed by the Parties) the Branch in question or the Post Office regarding Banks in order to request that information or access, provided that Fujitsu Services has used reasonable endeavours to make such contact; and
- (b) the period, if any, whilst Fujitsu Services waits for that information or access to be provided by the Branch in question or the Post Office regarding Banks, having requested it, provided that Fujitsu Services has repeated such request at reasonably frequent intervals.

The discounting of the periods described in 2.3.2(c) and 2.3.2(d) above shall be subject to Fujitsu Services providing reports to Post Office setting out the reasons for discounting any such periods from the resolution time for a NB Priority Exception and the duration of such periods.

2.3.3 In respect of each Disputed Banking Transaction Notice, Fujitsu Services shall continue to check on each MSU Day following that notice whether a corresponding C4 Confirmation or D Message has been received until either a Customer Critical Exception arises and is resolved or Fujitsu Services and Post Office agree alternative action.

2.3.4 For the purposes of paragraph 2.3 of this Annex 3:

- (a) "day" means a period running for 24 hours from 00:00; and
- (b) a C4 Confirmation or D Message received on a day by the DRSH after 21:30 on that day shall be deemed to have been received the next day.

2.3.5 The Service Level Target set out in paragraph 2.3.6 of this Annex 3 shall apply in respect of:

- (a) all Customer Critical Exceptions; and
- (b) the first 500 NB Priority Exceptions (other than Customer Critical Exceptions) occurring on each day (excluding those described in paragraph 2.3.5(c)),

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but shall not apply in respect of:

- (c) NB Priority Exceptions (other than Customer Critical Exceptions) arising from a common cause, in each case where the number of NB Priority Exceptions arising from such common cause is greater than 100.

2.3.6 The Service Level Target is that the resolution time (measured in accordance with paragraphs 2.3.1 and 2.3.2 of this Annex 3) for 95 % of the NB Priority Exceptions specified in paragraph 2.3.5 of this Schedule B4.4 shall not exceed 8 hours.

### 3. REMEDIES

#### 3.1 Liquidated Damages

3.1.1 The liquidated damages payable by Fujitsu Services shall be based on a series of measurements, accumulated over a range of Services. This paragraph 3 specifies the contribution made by the NBS.

3.1.2 In respect of each Service Level Measurement Period the liquidated damages payable by Fujitsu Services for failures to achieve the SLTs set out in paragraphs 2.1.5 and 2.3.3 of this Annex 3 shall equal:

- (a) the sum of Remedies(Time) and Remedies(Reliability) as referred to in paragraph 3.3 of this Annex 3 and Table 4 of the CCD entitled "*Branch Network: Service Description*" (SVM/SDM/SD/0011) respectively for that period, less
- (b) the amount recoverable under paragraph 3.1.7(a) as liquidated damages for any failures of the ARLs corresponding to those SLTs.

3.1.3 In respect of each Availability Period the liquidated damages payable by Fujitsu Services under this Annex 3 shall equal the sum of Remedies(Availability1) and Remedies(Availability2) as referred to in paragraph 3.4 for that period.

3.1.4 In addition to the sums referred to in paragraphs 3.1.2 and 3.1.3 of this Annex 3 Fujitsu Services shall also pay liquidated damages calculated as set out in paragraph 4 of this Annex 3.

3.1.5 The total cumulative sums payable for liquidated damages by Fujitsu Services under this Agreement shall not exceed the limits set out in paragraph 2.7 of Schedule C1.

3.1.6 Liquidated damages shall never be payable by Post Office under this Annex 3 and if the result of a calculation under paragraphs 3.1.2, 3.1.3 or 4 is negative, Fujitsu Services shall not be obliged to pay liquidated damages in respect of that Service Level Measurement Period or Availability Period (as the case may be) and the negative sum shall be disregarded and not set off against

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liquidated damages payable by Fujitsu Services in respect of future Service Level Measurement Periods or Availability Periods.

3.1.7 If Fujitsu Services fails to achieve the ARL specified in paragraph 2.3.4 of this Annex 3 in a Service Level Measurement Period, Post Office shall be entitled to recover in respect of that failure the greater of:

(a) liquidated damages equal to the sum of Remedies(Time) and Remedies(Reliability) as referred to in paragraph 3.3 of this Annex 3 and Table 4 of the CCD entitled "*Branch Network: Service Description*" (SVM/SDM/SD/0011) for that period, substituting, in making that calculation, the figures in the second column in the following table with the figures in the third column:

Term as defined in paragraph 3.2 below	Figure in defined term	Substitute figure
FixedC(NBS)	4	8
DialledC(NBS)	8	12
ADSLC(NBS)	5	9
F	99	95
D	97	90
A	99	95

and

(b) Post Office Additional Costs.

### 3.2 Definitions

In this paragraph 3.2 of this Annex 3, the following expressions shall have the following meanings:

<b>FixedT(NBS)</b>	The total number of Banking Transactions carried out using a Fixed Connection in the relevant Service Level Measurement Period.
<b>DialledT(NBS)</b>	The total number of Banking Transactions carried out using a Dialled Connection in the relevant Service Level Measurement Period.

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<b>ADSLT(NBS)</b>	The total number of Banking Transactions carried out using a ADSL Connection in the relevant Service Level Measurement Period.
<b>FixedC(NBS)</b>	FixedT(NBS) multiplied by (Fixed T <sub>AVE</sub> - 4).
<b>DialledC(NBS)</b>	DialledT(NBS) multiplied by (Dialled T <sub>AVE</sub> - 8).
<b>ADSLC(NBS)</b>	ADSLT(NBS) multiplied by (ADSLT <sub>AVE</sub> - 5).
<b>Reliability (Dialled)</b>	Reliability in Branches using Dialled Connections taken together, for the periods such Dialled Connections are scheduled to be used.
<b>Reliability (Fixed)</b>	Reliability in Branches using Fixed Connections taken together, for the periods such Fixed Connections are scheduled to be established.
<b>Reliability (ADSL)</b>	Reliability in Branches using ADSL Connections taken together, for the periods such ADSL Connections are scheduled to be established.
<b>F</b>	99 – Reliability (Fixed) divided by 100.
<b>D</b>	97 - Reliability (Dialled) divided by 100.
<b>A</b>	99 – Reliability (ADSL) divided by 100.
<b>Counter Transaction Time</b>	30 Seconds.
<b>V</b>	Aggregate Average Branch Outage (NB Core Hours) – SLT Average Branch Outage (NB Core Hours), or zero if the result of that calculation is negative.
<b>H</b>	Total NB Core Hours in the Availability Period.
<b>A</b>	H - SLT Average Branch Outage (NB Core Hours).
<b>T(D)</b>	Total number of Cash Deposit Banking Transactions.
<b>T(W)</b>	Total number of Non-CAPO cash Withdrawal Banking Transactions + Total number of Non-CAPO Cash Withdrawal with Balance Banking Transactions.
<b>T(B)</b>	Total number of Non-CAPO Balance Enquiry Banking Transactions.



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3.3 NB Request and NB Authorisation transmission times

- 3.3.1 The formula for calculating liquidated damages for excess NB Request and NB Authorisation transmission time shall be as follows:

$$(((\text{Number of Fixed Transactions} \times (\text{average number of Fixed Transactions} - 2.5)) +$$

$$((\text{Number of ADSL Transactions} \times (\text{average number of ADSL Transactions} - 2.5)) +$$

$$((\text{Number of Dialed Transactions} \times (\text{average number of Dialed Transactions} - 2.5))) \times 1.03p$$

- 3.3.2 The result of the calculation of Remedies(Time) may be a negative value.

3.4 NBS Availability

- 3.4.1 The formulae for calculating liquidated damages for non-availability of the NBS shall be as follows:

(a)  $\text{Remedies(Availability1)} = \{T(D) + T(W) \times 0.8 + T(B)\} \times \{V/A\} \times \text{£}0.37$

(b)  $\text{Remedies(Availability2)} = \{\text{Number of Core NB System faults (Non-NB Core Hours)} - \text{Service Level Targets Core NB System Faults (Non-NB Core Hours)}\} \times \text{£}2,538.$

- 3.4.2 If the result of the calculation of Remedies(Availability2) is negative, a value of zero shall be substituted as the value of Remedies(Availability2).

4. **MIS BANK ANALYSIS REPORT**

If the “**MIS Bank Analysis Report**” which Fujitsu Services is obliged to provide under the CCD entitled “Management Information Service: Service Description” (CS/SER/015) is not provided once a week electronically using “Business Objects” software (or such other software as may be agreed by the parties in writing from time to time) within one (1) Working Day after the end of the period covered by the Report or such later time as Post Office may specify then Fujitsu Services shall pay to Post Office liquidated damages calculated as follows:

- 4.1.1  $\text{Remedies (MIS Bank Analysis Report)} = (\text{number of Transactions on report in question} / 1,000,000) \times (\text{number of Working Days report is late} \times \text{£}69.79).$
- 4.1.2 There shall be no Service Level Targets or ARLs in respect of the delivery of the MIS Bank Analysis Report.

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**PART B - DEBIT CARD SERVICE LEVELS AND REMEDIES****5. PAYMENT FILE DELIVERY**

- 5.1 Fujitsu Services' obligations regarding transmission of Payment Files (as that term is defined in the CCD entitled "Mapping Schedule B3.2 to the HNG-X Solution" (REQ/GEN/REP/1091) (formerly "Debit Card MoP Functional Description" (EF/SER/001))) to the MA shall be as specified in the CCD entitled "Mapping Schedule B3.2 to the HNG-X Solution" (REQ/GEN/REP/1091) (formerly "Debit Card MoP Functional Description" (EF/SER/001)). In the event that an attempt to transmit a Payment File to the MA in accordance with that CCD fails then those provisions shall be supplemented by paragraph 5.2.
- 5.2 Where Fujitsu Services attempts to transmit a Payment File to the MA and the attempt is unsuccessful Fujitsu Services shall be required to make one further attempt to transmit that file to the MA on that day. If such further attempt fails, Fujitsu Services shall report the same to the Post Office. Thereafter, Fujitsu Services shall provide such assistance and co-operation as set out in the Working Document entitled "DC Operational Level Agreement" for the purposes of procuring the transmission of that Payment File to the MA as soon as reasonably practicable.
- 5.3 In the event that the process specified in paragraph 5.2 above has been followed by Fujitsu Services, no payment of liquidated damages (as specified in paragraph 5.4 below) will be payable by Fujitsu Services due to the relevant Payment File not reaching the MA.
- 5.4 Subject to paragraph 5.3 above, in the event that a Payment File is not received by the MA by the time specified for such in the CCD entitled "Horizon – Streamline Application Interface Specification" (EF/IFS/002) on the day after creation of the Payment File, liquidated damages will be payable by Fujitsu Services to Post Office, by Fujitsu Services issuing Post Office with a credit note, as soon as reasonably practicable following the day on which the MA receives the Payment File. Such liquidated damages (to be applied by way of credit) will be calculated in accordance with the following formula:

liquidated damages per Payment File not received as stated above (£) =  $\{(X \times Y)/365\} \times Z$

where:

X = the value (pounds sterling) of the relevant Payment File;

Y = the figure (expressed as a percentage) representing the base rate of Barclays Bank Plc (prevailing on the day the Payment File is required to be delivered (as specified in the CCD entitled "Horizon – Streamline Application Interface Specification" (EF/IFS/002)) plus 3 per cent.; and

Z = the number of days from and including the date after creation of the Payment File until and including the day on which the MA receives the Payment File.

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**6. DEBIT CARD EXCEPTIONS**

6.1 For the purposes of this paragraph 6:

6.1.1 **“DC Exception”** means a DC Transaction which is in system state category number 1 or 6, as set out in the CCD entitled “Network Banking End to End Reconciliation Reporting” (CS/SPE/011);

6.1.2 **“DC Exception Reimbursement”** means a DC Exception classified as such by Fujitsu Services in the relevant BIM Report;

6.1.3 **“DC Transaction Value”** means the transaction value (in pounds sterling) of the relevant DC Exception; and

6.1.4 **“Relevant Data”** has the meaning give to that term in paragraph 6.3 below.

6.2 In the event that a DC Exception arises solely as a result of the acts or omissions of Fujitsu Services, Fujitsu Services shall send to Post Office a BIM Report in accordance with the CCD entitled “Reconciliation Service: Service Description” (SVM/SDM/SD/0015) (formerly “On Line Services Reconciliation & Incident Management” (NB/PRO/002)).

6.3 Fujitsu Services shall include in the BIM Report submitted pursuant to paragraph 6.2 above the Merchant ID, the card number, Transaction amount, Transaction code and Transaction date for the DC Exception in question. In addition, save in respect of each DC Exception Reimbursement (in which case the provisions of paragraph 6.6 below shall apply), Fujitsu Services shall use reasonable endeavours to obtain from the relevant Branch the following data (the “Relevant Data”) (for inclusion in the relevant BIM Report) from the receipt for the DC Exception in question:

6.3.1 issue number (to the extent that the issue number is required by the card scheme issuer for manual settlement (as confirmed in the CCD entitled “Reconciliation Service: Service Description” (SVM/SDM/SD/0015) (formerly “On Line Services Reconciliation & Incident Management” (NB/PRO/002))); and

6.3.2 Expiry Date.

6.4 Fujitsu Services' obligation to obtain the Relevant Data as specified in paragraph 6.3 above shall cease in the event that:

6.4.1 Fujitsu Services has been notified by the NBSC of the closure of the Branch; or

6.4.2 upon contacting the Branch, the information cannot be obtained (including, without limitation, where the Receipt either does not exist, is damaged or the information is illegible).

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The detailed process for attempting to contact the Branch and attempting to obtain the Relevant Data shall be documented in the CCD entitled "Reconciliation Service: Service Description" (SVM/SDM/SD/0015) (formerly "On Line Services Reconciliation & Incident Management" (NB/PRO/002)).

- 6.5 In respect of each DC Exception (other than a DC Exception Reimbursement), in the event that:

- 6.5.1 Fujitsu Services fails to provide the Relevant Data;
- 6.5.2 the circumstances specified in sub-paragraphs 6.4.1 or 6.4.2 above have not arisen; and
- 6.5.3 Post Office itself obtains the Relevant Data directly from the Branch,

Fujitsu Services shall pay Post Office the sum of £353.47 (representing Post Office's costs of obtaining the Relevant Data and effecting manual settlement).

- 6.6 In respect of each DC Exception Reimbursement, Fujitsu Services shall pay to Post Office an amount equal to the sum of the DC Transaction Value and £125.06.

- 6.7 Save where paragraph 6.5 applies (in which event the provisions of this paragraph 6.7 shall not apply), for each DC Exception (other than a DC Exception Reimbursement) Fujitsu Services shall (provided manual settlement has been effected) pay to Post Office the lesser of:

- 6.7.1 £125.06; and
- 6.7.2 £100.00,

in respect of Post Office's costs of effecting manual settlement.

- 6.8 Save in respect of a DC Exception Reimbursement, in the event that:

- 6.8.1 due solely to the acts or omissions of Fujitsu Services the BIM Report referred to in paragraph 6.2 is not delivered to Post Office within the time period (for the purposes of avoiding "charge backs") specified in the CCD entitled "Reconciliation Service: Service Description" (SVM/SDM/SD/0015) (formerly "On Line Services Reconciliation & Incident Management" (NB/PRO/002)) or the BIM Report is delivered within that time period but it does not include the Relevant Data in circumstances where Fujitsu Services is in Default of its obligation in paragraph 6.3 above to obtain such Relevant Data or a payment is required to be made to Post Office pursuant to paragraph 6.5 above; and
- 6.8.2 the Merchant Acquirer does not reimburse Post Office the DC Transaction Value,

Fujitsu Services will reimburse Post Office the DC Transaction Value.



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- 6.9 In the event that Fujitsu Services fails to deliver the BIM Report on time pursuant to paragraph 6.2 above or the BIM Report is delivered on time but it does not include the Relevant Data in circumstances where Fujitsu Services is in Default of its obligation in paragraph 6.3 above to obtain such Relevant Data or a payment is required to be made to Post Office pursuant to paragraph 6.5 above, it shall pay to Post Office liquidated damages. The liquidated damages shall be calculated in accordance with the following formula:

$$\text{liquidated damages (£)} = (N \times TV \times Y) / 365$$

where:

N = the number of MSU Days, including the day the BIM Report was due for delivery pursuant to paragraph 6.2 above, that the BIM Report is delivered late;

TV = the DC Transaction Value; and

Y = the figure (expressed as a percentage) representing the base rate of Barclays Bank Plc (prevailing on the day the BIM Report was due for delivery (as specified in the CCD entitled "Reconciliation Service: Service Description" (SVM/SDM/SD/0015) (formerly "On Line Services Reconciliation & Incident Management" (NB/PRO/002))) plus 3 per cent.

- 6.10 The Parties acknowledge that the fundamental commercial assumptions underlying the provisions of this paragraph 6 are that (i) the total number of DC Exceptions in any calendar month shall not exceed 100 and (ii) the total number of DC Exception Reimbursements in any calendar month shall not exceed 20. Accordingly, the Parties agree that should these assumptions prove to be incorrect they shall review and in good faith negotiate appropriate amendments to the provisions of this paragraph 6.



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**ANNEX 4 TO SCHEDULE B4.4 - MISCELLANEOUS SERVICES****1. IMPLEMENTATION - SERVICE LEVEL TARGETS: INSTALLATION OF SERVICE INFRASTRUCTURE**

General principles for creating Service Levels for each Implementation shall be agreed between Post Office and Fujitsu Services on a case by case basis in accordance with the Change Control Procedure.

**2. SERVICE LEVELS AND OTHER TARGETS FOR TESQA****2.1 Availability**

2.1.1 Fujitsu Services shall, upon the expiry of each SLT Calendar Year, measure the time that TESQA was available to be logged on to by TESQA Users as a proportion of the total time between 07:00 and 22:00 on each day of that year ("**TESQA Availability**").

2.1.2 The Service Level Target is that TESQA Availability in each SLT Calendar Year shall be no less than 99.75% which equals less than or equal to 13 hours 30 minutes Downtime. Fujitsu Services shall notify Post Office of any failures to achieve this target monthly on an exception basis.

2.1.3 For the purposes of the above SLT, the Service Level Measurement Period is each SLT Calendar Year.

**2.2 Query Time**

2.2.1 Fujitsu Services shall use reasonable endeavours to ensure that the query time for all properly constrained transaction queries (as defined below) between 07:00 and 18:00 is no longer than 20 seconds.

2.2.2 For the purposes of paragraph 2.2.1, a properly constrained transaction query is one of:

- (a) A PAN and a date/time range of 31 days or less (rolling).
- (b) A PAN, an amount and a date/time range of 31 days or less (rolling).
- (c) A PAN, a Banking Transaction and a date/time range of 31 days or less (rolling).
- (d) A PAN, a FAD, a frequency greater than 1 and a date/time range of 31 days or less (rolling).
- (e) No PAN, but an amount greater than 4,999.98 and a date range of less than 1 day.

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- (f) No PAN, but a frequency greater than 4 and a date range of less than 1 day

- 2.2.3 If Fujitsu Services persistently fails to achieve the target described in paragraph 2.2.1 as a result of a lack of capacity or performance of the Horizon Service Infrastructure, then increases in capacity or performance required to address the deficiency shall be dealt with by the Capacity Management Service.
- 2.2.4 Fujitsu Services shall make available a report of the TESQA query times to the Service Management Relationship. The report shall show, for different periods during 07:00 and 22:00 of each day, the query times for each type of query (including for properly constrained transaction queries, unconstrained transaction queries, data queries and count only queries).
- 2.2.5 TESQA will have the ability to decrypt encrypted PANs on an individual basis. These requests shall be excluded from the measurement of achievement of the target in paragraph 2.2.1 above.
- 2.2.6 For properly constrained transaction queries using a PAN as described in paragraph 2.2.2 above, the target time in paragraph 2.2.1 above shall be extended. Such extension to the target time shall be agreed between the Parties and shall not exceed twice the target time in paragraph 2.2.1 above. The extended target time shall apply from X2 (as described in Part 1 of Annex 1 of Schedule B5) until a date to be agreed between the Parties that shall be a date after there are no more in clear PAN values within the Transaction Enquiry Service.

### 2.3 Data Load

- 2.3.1 Fujitsu Services shall measure the time taken for data to become available for interrogation to TESQA, measured from the time that the data is available within the Data Centre either from an external source, or when an update to the status of a Transaction is recorded in Transaction data by the Data Centre components internally ("Data Load Time").
- 2.3.2 The Service Level Target in respect of the Data Load Time is that:
  - (a) Subject to paragraph 2.3.2(c), 97% of the data will be available within 15 minutes between 07:00 and 20:00 on each day of each SLT Calendar Year, except in the event that the Transaction Enquiry Service fails or an Incident occurs in which case the data will be available within two hours (for 100% of all queries);
  - (b) Subject to paragraph 2.3.2(c), 97% of the data will be available within 40 minutes between 20:00 and 22:00 on each day of each SLT Calendar Year, except in the event that the Transaction Enquiry Service fails or an Incident occurs in which case the data will be available within two hours (for 100% of all queries);

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- (c) 100% of the data will be available within four hours during each SLT Calendar Year at all other times of the day; and
- (d) For the purposes of the SLT described in paragraph 2.3.2, the Service Level Measurement Period is each SLT Calendar Year.

2.4 After Hours Availability

2.4.1 Fujitsu Services shall use reasonable endeavours to:

- (a) ensure that TESQA is available to be logged on to by TESQA Users under normal operation on a 24 x 7 basis other than during periods of daily overnight maintenance;
- (b) notify Post Office in advance of the approximate start and finish times of such overnight maintenance periods, such periods being no longer than four hours in duration; and
- (c) ensure that during such overnight maintenance periods TESQA is taken off-line for a total period of no longer than 30 minutes duration.

3. **SERVICE LEVELS FOR POL FS SERVICES**

3.1 Availability

3.1.1 Fujitsu Services shall measure the time that Configured POL FS in live operational use (as opposed to in development or testing environments) is available to be logged into by POL FS Users as a proportion of the total time between 07:30 and 19:30 hours on Working Days ("**POL FS Availability**").

3.1.2 Subject to paragraph 3.1.3, the Service Level Target for the POL FS System is that:

- (a) POL FS Availability in each Service Level Measurement Period shall be greater than or equal to 98.5%.
- (b) the POL FS System shall not be unavailable to be logged into by POL FS Users on any single occasion in any Service Level Measurement Period for more than four hours, or ten hours where offsite engineering expertise or replacement equipment is required,

measuring time in relation to paragraphs 3.1.2(a) and 3.1.2(b) between 07:30 and 19:30 on Working Days only and excluding time required, following a failure, to repair or recover Configured POL FS, the SAP Loading Applications and/or the underlying database.

3.1.3 If the elements of the POL FS System used to support live operational use of Configured POL FS become unavailable and failover occurs pursuant to paragraph 5.2 of Schedule B2, the period of such unavailability shall not be

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taken into account for the purposes of assessing Fujitsu Services' performance in respect of the SLT set out in paragraph 3.1.2 above.

- 3.1.4 In the event that the SLT set out in paragraph 3.1.2 is not met, Fujitsu Services shall provide Post Office with an analysis of the reasons for the failure. Post Office and Fujitsu Services shall agree a reasonable rectification and improvement plan to address the failure.

### 3.2 Data Loads

- 3.2.1 Fujitsu Services shall use reasonable endeavours within the capacity and performance constraints of the POL FS System to ensure that all data from the following sources, required to be loaded onto Configured POL FS, which is received by the following times, is successfully loaded onto Configured POL FS by 07:30 on Day B.

<b>Data source</b>	<b>Data received by Fujitsu Services from data source by</b>
SAPADS	05:30 hrs on Day B
RDS (Vendors)	23:59 hrs on Day A
RDS (Customer)	23:59 hrs on Day A
RDS (Products)	23:59 on Day A
RDS (Branch)	23:59 on Day A

- 3.2.2 When a new Client interface to the POL FS System is introduced by Post Office the design target for "New Client" in paragraph 3.2.1 shall apply to data being loaded from that Client provided that:

- (a) no volumes in the CCD entitled "Horizon Capacity Management and Business Volumes" (PA/PER/033) are exceeded; and
- (b) no new physical link to the POL FS System is required.

- 3.2.3 The measurement of the design targets in paragraph 3.2.1 shall not include any failure to load any data onto Configured POL FS where such failure is caused either by:

- (a) the incorrect functioning of PRISM application code; or
- (b) the incorrect configuration of Configured POL FS (including but not limited to missing FAD) provided that such incorrect configuration is a result of configuration activity that is not the responsibility of Fujitsu Services.



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- 3.2.4 If Fujitsu Services persistently fails to achieve the targets described in paragraph 3.2.1 as a result of lack of capacity or performance of the POL FS System, then increases in capacity or performance required to address the deficiency shall be dealt with by the Capacity Management Service.

### 3.3 Transaction Performance

- 3.3.1 For the purposes of this paragraph 3.3, “**SAP System Time**” means the time that it takes for the SAP Software elements (excluding network and communication links) of the POL FS System to complete any given transaction that a POL FS User may perform using Configured POL FS.
- 3.3.2 The Parties shall agree from time to time (such agreement not to be unreasonably withheld) and record a reasonable sample set of transactions types that may be undertaken by POL FS Users (“**Sample Transaction Types**”) using Configured POL FS and a target maximum SAP System Time in respect of each such transaction type and each shall be specified, once agreed, in this Schedule B4.4.
- 3.3.3 Fujitsu Services shall monitor the Sample Transaction Types to determine the average SAP System Time for transactions of each Sample Transaction Type in each Service Level Measurement Period.
- 3.3.4 Fujitsu Services shall use reasonable endeavours within the capacity and performance constraints of the POL FS System to ensure that the average SAP System Times for transactions of each Sample Transaction Type as measured in each Service Level Measurement Period do not exceed the applicable target maximum SAP System Times specified in this accordance with paragraph 3.3.2 of this Schedule B4.4.
- 3.3.5 If Fujitsu Services persistently fails to achieve the targets referred to in paragraph 3.3.4 as a result of a lack of capacity or performance of the POL FS System, then increases in capacity or performance required to address the deficiency shall be dealt with by the Capacity Management Service.

### 3.4 Data File Production

- 3.4.1 Provided that data is available to be extracted from Configured POL FS by the times agreed for the commencement of the jobs to perform the extractions as set out in the CCD entitled “POLSAP Technical Interface Specification” (POLSAP/DES/GEN/SPE/0002) (formerly “ Technical Interface Specification Impact Programme: POLFS S80 Technical Specifications” (EA/IFS/030)), Fujitsu Services shall use reasonable endeavours to produce the following data files from Configured POL FS by the following times:

Data file to be produced	Data file to be produced by
<b>NS&amp;I File</b>	100% produced by 23:59 Saturday
<b>Santander File</b>	100% produced by 23:59 Saturday



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<b>SAPADS File</b>	100% produced 07:30 daily
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3.4.2 The measurement of the design targets in paragraph 3.4.1 shall not include any failure to extract any data from Configured POL FS where such failure is caused either by:

- (a) the incorrect functioning of PRISM application code; or
- (b) the incorrect configuration of Configured POL FS (including but not limited to missing FAD) provided that such incorrect configuration is a result of configuration activity that is not the responsibility of Fujitsu Services.

3.4.3 If Fujitsu Services persistently fails to achieve the targets described in paragraph 3.4.1 as a result of lack of capacity or performance of the POL FS System, then increases in capacity or performance required to address the deficiency shall be dealt with by the Capacity Management Service.

### 3.5 Remedies

The targets specified in paragraphs 3.2.1, 3.3.4 and 3.4.1 are not SLTs, ARLs or LDTs and there are no remedies applicable in the event of failure to achieve those targets or the SLT described in paragraph 3.1.2, other than the remedies specified in this paragraph 3 which shall be Post Office's exclusive remedy in respect of any such failures.

### 3.6 Failover

If the elements of the POL FS System used to support live operational use of Configured POL FS become unavailable and failover occurs pursuant to paragraph 5.2 of Schedule B2, the period of such unavailability shall not be taken into account for the purposes of assessing Fujitsu Services' performance in respect of the design targets set out in paragraphs 3.2, 3.3 and 3.4 above.

## 4. SERVICE LEVELS FOR POL MI HOSTING SERVICES

### 4.1 Availability

4.1.1 Fujitsu Services shall measure the time that Configured POL MI is in live operational use (as opposed to in development or testing environments) is available to be logged into by POL MI users as a proportion of the total time between 0700 and 1900 on Working Days excluding any pre-arranged system outage agreed between the parties ("POL MI Availability").

4.1.2 Subject to paragraph 4.1.3, the Service Level Target for the POL MI System is that:

- 4.1.2.1 POL MI Availability in each Service Level Measurement Period shall be greater than or equal to 98.5%,

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- 4.1.2.2 The POL MI System shall not be unavailable to be logged into by POL MI Users on any single occasion in any Service Level Measurement Period for more than four hours, or ten hours where offsite engineering expertise or replacement equipment is required.,

measuring time in relation to paragraphs 4.1.2.1 and 4.1.2.2 between 0700 and 1900 on Working Days only and excluding time required, following a failure, to repair or recover Configured POL MI and/or the underlying database. For the avoidance of doubt, there are no remedies applicable in the event of failure to achieve the SLT described in this paragraph other than the remedies specified in this paragraph 4 which shall be Post Office's exclusive remedy in respect of any such failures,

- 4.1.3 In the event that the SLT set out in paragraph 4.1.2 is not met, Fujitsu Services shall provide Post Office with an analysis of the reasons for the failure. Post Office and Fujitsu Services shall agree a reasonable rectification and improvement plan to address the failure.
- 4.1.4 If Fujitsu Services persistently fails to achieve the targets described in paragraph 4.1.2 as a result of lack of capacity or performance of the POL MI System, then increases in capacity or performance required to address the deficiency shall be the responsibility of Post Office and until such deficiency is resolved Fujitsu Services shall not be required to achieve the targets described in paragraph 4.1.2.

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**ANNEX 5 TO SCHEDULE B4.4 – VOLUMETRIC LIMITS**

Service		Volumetric Limit		Relevant Period	Affected Service Levels
Reconciliation Service		100 exceptions		Per day	Annex 4 paragraph 2
Service Desk	Service	Financial Year	Limit (Branch originated Incidents recorded at the Service Desk)	Per calendar month	Annex 1 paragraph 2
		02/03	13000	Per calendar month	
		03/04	13000	Per calendar month	
		04/05	13000	Per calendar month	
		05/06	12750	Per calendar month	
		06/07	12500	Per calendar month	
		07/08	12250	Per calendar month	
		08/09	12000	Per calendar month	
		09/10	11750	Per calendar month	

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**ANNEX 6 TO SCHEDULE B4.4****TABLE OF EXISTING SERVICE LEVELS AND CORRESPONDING SERVICE DESCRIPTIONS**

<b>Existing Service Level</b>	<b>Existing Service Level Reference in Schedule B4.4</b>	<b>Corresponding Service Description</b>
Service Desk	Annex 1	Service Desk Service
APS	Annex 2, paragraph 2.1	Data Centre Operations Service
Transaction loading onto Configured POL FS	Annex 2, paragraph 2.2	Data Centre Operations Service
LFS	Annex 2, paragraphs 2.3 and 3.3	Data Centre Operations Service
Delivery of Transaction Correction Records	Annex 2, paragraph 2.4	Data Centre Operations Service
Delivery of HR SAP Files	Annex 2, paragraph 2.5	Data Centre Operations Service
APS Client data	Annex 2, paragraph 3.1	Data Centre Operations Service
Reference Data	Annex 2, paragraph 3.2	Reference Data Service
Message Broadcast	Annex 2, paragraph 3.4	Message Broadcast Service
Delivery of Reconciliation and Settlement Reports	Annex 2, paragraph 3.5	Reconciliation Service
Dispatch of REC Files	Annex 2, paragraph 3.6	Reconciliation Service
Delivery of Data Files to POL MIS	Annex 2, paragraph 3.7	Data Centre Operations Service
Delivery of CTS files	Annex 2, paragraph 3.8	Data Centre Operations Service
NB Request and NB Authorisation transmission times	Annex 3, paragraph 2.1	Data Centre Operations Service

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Existing Service Level	Existing Service Level Reference in Schedule B4.4	Corresponding Service Description
NBS Availability Measures	Annex 3, paragraph 2.2	Data Centre Operations Service
Data Reconciliation Service measures	Annex 3, paragraph 2.3	Reconciliation Service
NB Request and NB Authorisation transmission times	Annex 3, paragraph 3.3	Data Centre Operations Service
NBS Availability	Annex 3, paragraph 3.4	Data Centre Operations Service
MIS Bank Analysis Report	Annex 3, paragraph 4	Management Information Service
Payment File Delivery	Annex 3, paragraph 5	Reconciliation
Debit Card Exceptions	Annex 3, paragraph 6	Reconciliation
TESQA	Annex 4, paragraph 2	Data Centre Operations Service
POL FS	Annex 4, paragraph 3	Data Centre Operations Service