



Post Office Limited
148 Old Street
LONDON
EC1V 9HQ

Ron Warmington & Ian Henderson
Second Sight Support Services Limited



1 July 2014

Attention of Ron and Ian

Engagement Letter in relation to the Initial Complaint Review & Mediation Scheme

Thank you for agreeing to be part of the Scheme and for the work you have undertaken to date.

This letter sets out the arrangements for your engagement on behalf of the Working Group in relation to your role in the Initial Complaint Review and Mediation Scheme ("Scheme").

For the avoidance of doubt any services which do not relate to those required for the Working Group are outside the scope of this engagement letter.

2. BACKGROUND

- 2.1. The Scheme has been set up to try to achieve the mutual and final resolution of a Subpostmaster's concerns about Horizon and any associated issues.
- 2.2. Second Sight Support Services Limited ("Second Sight" or "you") has agreed to be a member of the "Working Group" whose role it is to oversee the Scheme and to assist in investigating individual Subpostmaster complaints.
- 2.3. This letter and its schedules will form the basis of the terms of Second Sight's engagement by Post Office Limited ("Post Office") to provide Services to the Working Group in relation to the Scheme.

3. DEFINITIONS

In this letter:

- 3.1. "Confidential Information" means the POL Information, the Scheme Information, this letter and any and all information relating to the Services which has been, is now or is at any time after



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the date of this letter disclosed or made available by Post Office, its Representatives or a third party to Second Sight, its Representatives or any other person at the request of Second Sight but shall not include information which is accessible from public sources other than as a result of disclosure in breach of this letter by Second Sight or its Representatives.

- 3.2. "Data" means any POL Information or Scheme Information which constitutes Personal Data and which Second Sight is processing as part of its Services.
- 3.3. "Personal Data", "processing", "Data Controller", "Data Processor" and "Data Subject" have the same meanings as they have in the Data Protection Act 1998 ("the Act").
- 3.4. "POL Information" means all data and information belonging or licensed to Post Office; and all other proprietary or confidential information relating to the POL Software; and all other proprietary or confidential information relating to Post Office's business, operations, technology and processes which is owned by, licensed to or in the possession of Post Office.
- 3.5. "POL Software" means the IT system and software known as Horizon, along with its operating practices, which is used by Post Office.
- 3.6. "Regulator" means any competent authority that may regulate the use or processing of Data including without limitation the Information Commissioner's Office.
- 3.7. "Representative" means in relation to any party, any professional adviser including legal adviser, director, officer, permanent employee of it, contractor engaged by it or consultant to it.
- 3.8. "Scheme Information" means any information relating to the Scheme disclosed by Post Office, a Subpostmaster or a third party, including but not limited to, the applications submitted by Subpostmasters and Post Office's investigation findings concerning the applications submitted by Subpostmasters.
- 3.9. "Services" means the services set out in the Scope of Services schedule to this letter.
- 3.10. "SS Directors" means Mr Ronald Warmington and Mr Ian Henderson.
- 3.11. "SS Personnel" means any firm, company, person, entity or third party who SS has engaged to provide the Services including without limitation its directors (including the SS Directors), officers, employees, workers, agents, contractors, sub-contractors and representatives, including for the avoidance of doubt Chris Holyoak.
- 3.12. "Subpostmaster" means any agent/franchisee operating on a contract for services with Post Office or a counter clerk employed directly by Post Office whose applications to the Scheme has been accepted.



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4. SERVICES TO BE PROVIDED

- 4.1. Second Sight shall provide the Services until either the Post Office or the Working Group gives 30 days written notice to Second Sight to cease providing the Services or Second Sight gives the Post Office 30 days written notice that it intends to cease providing the Services.
- 4.2. The Services shall be provided exclusively by the SS Directors unless Post Office gives its prior written consent to the Services being provided by other SS Personnel and such personnel agree to be bound by the confidentiality provisions in this letter.

5. FEES AND INVOICING

- 5.1. Second Sight will send invoices on a monthly basis to Belinda Crowe at Post Office in accordance with the Fee Schedule.
- 5.2. Second Sight's invoices shall be rendered in accordance with any reasonable accounting rules or requirements set out by Post Office.
- 5.3. Each invoice shall be accompanied with such supporting information or description of the work performed by Second Sight as may reasonably be requested by Post Office to allow, amongst other things, an assessment of whether the Services have been conducted in a workmanlike manner.

6. CONFIDENTIALITY AND RESTRICTIONS

- 6.1. Second Sight and the SS Directors shall:
 - 6.1.1. keep secret all Confidential Information (unless prior written consent is given by Post Office, such consent being in Post Office's absolute discretion);
 - 6.1.2. use the Confidential Information only for the Services (unless prior written consent is given by Post Office, such consent being in Post Office's absolute discretion);
 - 6.1.3. not copy, adapt or otherwise reproduce the Confidential Information except as is strictly necessary for the purposes of undertaking the Services or as required by law; and
 - 6.1.4. upon demand procure the destruction and/or return to Post Office of all copies of any documents and material held by Second Sight and/or SS Personnel which incorporate any Confidential Information (except such documents or material that Second Sight is required by law to retain).
- 6.2. Second Sight will not, and will ensure that the SS Directors and any SS Personnel will not, act, directly or indirectly, in any capacity (whether for any former or current Subpostmaster or a competitor of Post Office or otherwise) against Post Office or any of its officers, directors or



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employees save to the extent a) that it is expressly agreed in writing by Post Office that the work proposed to be undertaken will not have a material adverse effect on Post Office's commercial or financial interests or reputation, or b) as required by applicable law or by the mandatory rules or requirements of any regulatory authority, government department or agency to which Second Sight is subject or c) as required by an order of a court of competent jurisdiction.

- 6.3. Paragraph 6.2 will apply while Second Sight is engaged by Post Office and will continue in force for fifteen months from the date of the end of its engagement.

7. DATA PROTECTION

- 7.1. The parties acknowledge that, in relation to data collected and processed for the Working Group in relation to scheme applications Post Office is the Data Controller of the Data and Second Sight is a Data Processor of the Data.
- 7.2. Second Sight shall not transfer any Data outside of the UK without the prior written consent of Post Office.
- 7.3. If Second Sight receives any complaint, notice or communication from a Data Subject or a Regulator which relates directly or indirectly to the Data, it shall immediately notify this fact to Post Office in writing and it shall provide Post Office with full co-operation and assistance in relation to any such complaint, notice or communication.
- 7.4. Second Sight shall immediately notify Post Office in writing of any unlawful or unauthorised processing of the Data or if any Data is disclosed in breach of this Agreement or if any Data is lost or damaged; and shall provide Post Office with full co-operation and assistance in investigating and/or remedying any of the aforementioned situations.
- 7.5. Second Sight shall at all times only use the Data in compliance with all applicable laws, enactments and regulations including without limitation the Act.
- 7.6. Second Sight shall put in place and maintain appropriate technical and organisational measures to prevent the unauthorised or unlawful processing of the Data or the accidental loss or destruction of, or damage to, the Data including without limitation ensuring that:
- 7.6.1. technical (eg. automatic data encryption controls for portable devices and removable media) or procedural (eg. policies and user awareness) controls are in place for all portable devices (e.g. laptops, tablets, etc.) and removable media (e.g. CDs, DVDs, USB data keys, back-up tapes) that contain Data; and
- 7.6.2. appropriate and adequate physical access control mechanisms are in place to prevent unauthorised access to the Data.
- 7.7. Second Sight shall be responsible for the cost, implementation, change management, support and maintenance of any physical property and/or information technology systems needed by Second Sight in order to comply with its obligations under this clause.



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7.8. Second Sight shall ensure that all Second Sight Personnel comply with, and are bound by the terms of a written contract with Second Sight to comply with, the obligations in this clause 7..

8. PUBLICITY

- 8.1. Without the prior written consent of Post Office (such consent being in Post Office's absolute discretion) or the explicit agreement of the Working Group, Second Sight agrees not to, and shall procure that any SS Personnel shall not, publicly discuss the Scheme, its Fees or its Services (including but not limited to any discussions with, in or through any media company, news agency, journalist, public forum or meeting or social media) during or after its engagement and involvement in the Scheme.
- 8.2. The requirements under this, clause 8, will continue in force after the conclusion of the Scheme and the termination of Second Sight's appointment but do not apply to information that is already in the public domain as of the date of this letter, or which comes into the public domain otherwise than by virtue of a breach by second sight of its obligations hereunder.

9. GENERAL

- 9.1. This agreement is governed by English law.
- 9.2. Any dispute arising out of or in connection with this agreement shall be subject to the exclusive jurisdiction of the Courts of England and Wales.
- 9.3. The parties agree that the terms of this agreement are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.
- 9.4. Any variation of this agreement shall be in writing and signed under hand by or on behalf of each party.
- 9.5. The obligations under clauses 6, 7 and 8 will continue in force after the conclusion of the Scheme and the termination of Second Sight's appointment to provide the Services.

10. AGREEMENT

- 10.1. Please sign and return the enclosed copy letter to confirm your agreement to proceed on the basis outlined in this letter and its schedules.

GRO

Chris Aujard
For and on behalf of Post Office Limited

GRO

Signed:

Ian Henderson
On behalf of Second Sight Support Services
Limited



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SCOPE OF SERVICES

1. The Services Second Sight agrees to provide to the Working Group are as follows
 - 1.1. serving as a member of the Working Group and attending Working Group meetings as required, and act in accordance with any directions from the Working Group Chair;
 - 1.2. advising, as requested by Post Office or the Working Group, on the format, style and content of the documents which are submitted by Post Office and/or Subpostmasters during the Scheme;
 - 1.3. investigating the specific complaints raised by each Subpostmaster who has been accepted into the Scheme with the aim of providing:
 - 1.3.1. an assessment of points of common ground between Post Office and that Subpostmaster;
 - 1.3.2. an assessment of points of disagreement between Post Office and that Subpostmaster;
 - 1.3.3. where there is disagreement, a logical and fully evidenced opinion on the merits of that Subpostmaster's complaint where it is possible to do so;
 - 1.3.4. a summary of any points on which it is not possible to offer a fully evidenced opinion due to a lack of evidence / information;
 - 1.3.5. a view on whether a case is suitable for mediation;
 - 1.3.6. Second Sight will not provide an assessment of the propriety of any consequential loss; and
 - 1.4. assisting with any reasonable requests made by the Working Group and/or Post Office;

(together "the Services")
2. Second Sight shall at all times conduct the Services solely in furtherance of the objectives of the Scheme as set out by the Working Group.
3. It is recognised that Second Sight is not required to definitively determine every issue raised by a Subpostmaster but rather is required to reasonably investigate and, where appropriate, offer an opinion on the key issues in dispute between a Subpostmaster and Post Office.
4. Although Post Office is engaging Second Sight, Second Sight is to act independently in providing the Services and any assessment or opinion given by Second Sight shall be without bias and based on the facts and evidence available.
5. In providing the Services, Second Sight shall:



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- 5.1. act with the skill and care expected of qualified and experienced accountants; it is acknowledged that matters relating criminal law and procedure are outside Second Sight's scope of expertise and accordingly shall not be required to give an opinion in relation to such matters;
- 5.2. conduct the Services in an efficient manner and with a view to ensuring that the costs of the Scheme are reasonable;
- 5.3. use its reasonable endeavours to comply with any deadlines or timeframes set by the Working Group; and
- 5.4. not sub-contract any part of the Services without Post Office's prior written consent (not to be unreasonably withheld or delayed).



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FEE SCHEDULE

1. Post Office agrees to pay Second Sight an hourly rate of £150 plus VAT for providing the Services, subject to Second Sight providing a summary to Post Office as soon as possible after the end of each calendar month of the time incurred per person in that calendar month along with a brief narrative of the work undertaken
2. In addition Post Office agrees to pay Second Sight's reasonable disbursements in carrying out the Scope of Services.