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SCHEDULE I3

Digital Development Services

Version History

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13.0		Added as per CCN1643
14.0	20/12/2021	Updated as per CCN1667a, CCN1669a, CCN1670a, CCN1675, CCN1700 and moving all Schedules to v14.0
V15.0	28/09/23	Updated as per CCN1737.

SCHEDULE I3

DIGITAL DEVELOPMENT SERVICES

1. BACKGROUND

1.1 Paragraph 10 of the MOU outlined the parties' intention to agree a structure and process required for Fujitsu Services to establish a Fujitsu Services-led agile software delivery capability (the "**Digital Development Services**" or "**DDS**"), including:

1.1.1 the contractual mechanism for incorporating the new delivery capability into the Agreement;

1.1.2 the financial charging mechanism;

1.1.3 the roles, responsibilities and dependencies required for Fujitsu Services to lead the agile teams;

1.1.4 the size and scope of the teams; and

1.1.5 the mechanisms and processes required to manage the developments.

1.2 Accordingly this Schedule I3 (*Digital Development Services*) sets out the structure and process by which Fujitsu Services shall provide, and the Post Office shall consume, Digital Development Services.

1.3 For clarity where the parties agree to use the DDS in order to develop Software the provisions relating to Development Services within Schedule B1.1 (Development Services) shall not apply.

1.4 The provision of this Schedule I3 shall apply until 31st March 2023, after which the Digital Development Services shall expire.

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2.   **DEFINITIONS**

The following terms shall have the corresponding meanings for the purposes of this Schedule I3 (*Digital Development Services*):

Acceptance means, in respect of any Sprint Requirement, that the Sprint Functionality meets: (i) its Acceptance Criteria; and (ii) the relevant Definition of Done in accordance with the provisions of paragraph 1.25 of Appendix 1 (*Agile Methodology*), and "**Accepted**" shall be construed accordingly;

Acceptance Criteria means, in respect of any Sprint Requirement, the acceptance criteria that shall be applied to the relevant Sprint Functionality;

Acceptance Tests means, in respect of any Sprint Requirement, the tests to be run to determine whether the relevant Sprint Functionality complies with the relevant Acceptance Criteria and the expected results of those tests;

Agile Methodology means the processes and standards set out in or referred to by paragraph 9;

Agreed Metrics means the metrics referred to in Part 2 of Appendix 4 (*Governance*);

Business Case means, in respect of each Product, a document created by Post Office in accordance with its internal processes and requirements that builds upon the Product Vision and, amongst other things, sets out the expected: (i) investment required for creating the Product; (ii) tangible and intangible benefits; and (iii) financial return on investment;

Collaboration Technology means compatible audio and video conferencing facilities between the Post Office and Fujitsu Services with the ability to share screens;

Daily Stand Up means a meeting of the Sprint Team on each Business Day during the DDS Term (except during any period of leave agreed by the parties) to discuss: (i) tasks completed on the previous Business Day; (ii) tasks to be completed on the current Business Day; and (iii) any impediments potentially affecting attainment of the Sprint Requirements;

DDS Commencement Date means 1 August 2018;

DDS Rate Card means the rate card set out in Appendix 5 (*DDS Charges*);

DDS Service Review means the meeting described under the heading DDS Service Review in Part 1 of Appendix 4 (*Governance*);

DDS Term means the period of time from the DDS Commencement Date until 31 March 2023;

DDS Tools means the tools listed in Appendix 6 (*Tools*), together with any other tools required for delivery of the DDS as agreed between the parties and specified in the Product Overview Document;

Definition of Done means, in respect of any Sprint Requirement, the criteria set out in Appendix 2 (*Definition of Done*) as well as any additional specific criteria agreed

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by the parties that must be successfully met for the specific Sprint Functionality to be considered complete;

Definition of Ready has the meaning given in paragraph 1.11 of Appendix 1 (*Agile Methodology*);

Delivered Sprint Requirement means a Sprint Requirement that is Accepted;

Demand Forecast means the overall forecast of demand for the Digital Development Services, including details of all Products within scope of DDS;

Digital Demand Forecasting Board means the meeting described under the heading Digital Demand Forecasting Board in Part 1 of Appendix 4 (*Governance*);

Disrupted Sprint has the meaning given in paragraph 11.4;

Estimating Methodology means the agile methodology used for the purposes of sizing User Stories and allocating an appropriate number of Story Points, as agreed between the parties;

MOU means the memorandum of understanding between Post Office and Fujitsu Services dated 16 November 2017;

Participants means those persons referred to in Appendix 3;

Per Sprint Story Point Allocation means one hundred (100) Story Points;

Platform Standing Team has the meaning given in paragraph 3.5;

Post Office DDS Locations means the UK offices where any element of the DDS is performed by Fujitsu Services, being: (i) 3rd Floor, 100 Wood Street, London EC2V 7ER. and (ii) 4 Middle Pavement, The Pavements, Chesterfield, S40 1PA;

Product means a software solution, or collection of software solutions with its own Product Backlog, managed independently of any other Product;

Product Backlog has the meaning given in paragraph 1.7 of Appendix 1 (*Agile Methodology*);

Product Initiation means the process by which the Product Delivery Manager and the Product Owner agree the Product Overview Document;

Product Roadmap means the document created per Product which sets out the roadmap for the Product including the Product Vision and the Release Plan and is updated by the Product Delivery Manager regularly;

Product Delivery Manager has the meaning given in paragraph 5.4;

Product Overview Document means the summary of the Product Vision, the architecture approach, the Release and Test Strategy, the intended service model and the initial release roadmap for each Product;

Product Owner has the meaning given in paragraph 5.2;

Product Sponsor has the meaning given in paragraph 5.3;

Product Vision means a document created by Post Office as an outline of the Product, describing its goals, targeted benefits and overall focus;

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Reference User Stories means the library of reference User Stories maintained by Fujitsu Services and reviewed, and where necessary updated, quarterly, containing example User Stories that have been sized and allocated a number of Story Points in accordance with the Estimating Methodology, with each such User Story also including narrative and description so as to set out the justification for the applicable number of Story Points that were allocated and, following the applicable Sprint, the number of Story Points actually required to complete such User Story;

Release means a collection of Delivered Sprint Requirements that have been approved by the Product Owner for release into the live environment in accordance with the Release and Test Strategy;

Release and Test Strategy means a document created by Post Office that sets out the approach to testing and release for the particular Product in accordance with Paragraph 8;

Release Plan means the planned schedule of releases for the Product to the live environment;

Relief Event means a failure by Post Office to satisfy the relevant Sprint Dependencies or Transition Dependencies;

Service Requirement means the document describing the nature and level of in-life support that the Product will require once accepted into production within the Post Office environment;

Software means the software to be developed under this Schedule I3 (*Digital Development Services*);

Source Code means the source code of the Software to which it relates, in the language in which the software was written, together with all related flowcharts and technical documents, all of a level sufficient to enable the Post Office's development personnel to understand, develop and maintain that Software;

Sprint means a development cycle performed as part of the DDS;

Sprint Backlog has the meaning given in paragraph 1.13.1 of Appendix 1 (*Agile Methodology*);

Sprint Closure Report means, in respect of each Sprint, the report to be created as an output of the Sprint Retrospective Meeting which sets out the number of User Stories completed in each Sprint as against the number of User Stories which were proposed to be completed within the same Sprint, details of any Relief Events, and any known reasons where the number of achieved User Stories is less than the number of proposed User Stories in the same Sprint;

Sprint Dependencies means the dependencies listed in paragraph 12 and, in respect of any specific Sprint, the dependencies agreed between the Product Owner and the Product Delivery Manager prior to the commencement of such Sprint in accordance with paragraph 1.14 of Appendix 1 (*Agile Methodology*);

Sprint Functionality has the meaning given in paragraph 1.19 of Appendix 1 (*Agile Methodology*);

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Sprint Planning Meeting has the meaning given in paragraph 1.13 of Appendix 1 (*Agile Methodology*);

Sprint Requirement has the meaning given in paragraph 1.13.7 of Appendix 1 (*Agile Methodology*);

Sprint Retrospective Meeting has the meaning given in paragraph 1.27 of Appendix 1 (*Agile Methodology*);

Sprint Review Meeting has the meaning given in paragraph 1.23 of Appendix 1 (*Agile Methodology*);

Sprint Team means the Participants in the Sprint (as described in paragraph 6.1) and any replacements from time to time;

Standard Sprint Team Structure has the meaning given in paragraph 6.1;

Story Points means a unit of measurement of the effort required for completion of each User Story to be estimated by the Sprint Team in accordance with the principles in paragraphs 1.7 and 1.17 of Appendix 1 (*Agile Methodology*);

Transition Dependencies means any Post Office dependencies upon which the successful completion of the transition activities set out within CT 2609 are dependent, as explicitly identified within the CT 2609 as Post Office Dependencies;

Transition Period means the period of transition as set out in the CT 2609; and

User Story means a non-technical description of a development requirement of Post Office, expressed as a high level outcome, including the intended operations, functions, performance, non-functional requirements, service requirements and other characteristics of the Software or part of the Software.

3.   **STRUCTURE OF THE SERVICE**

The Oversight Roles

3.1   Each party will provide the oversight roles detailed in paragraph 4 to enable delivery and operation of the DDS in accordance with this Schedule I3.

3.2   Where any of Fujitsu Services appointed oversight roles are agreed by the parties to be provided from the Core Team, Fujitsu Services agrees that, notwithstanding paragraph 14.2 of Annex 3 of Schedule A2 to the Agreement, Post Office shall not be required to give three (3) months' notice to Fujitsu Services in order to effect this variation of the posts in the Core Team.

3.3   The Charges for the Fujitsu Services appointed oversight roles are detailed in Appendix 5 (*DDS Charges*).

Product Roles

3.4   The Product Roles provide services to support individual Products which sit outside of the Sprint Team structure, as more fully described in Appendix 3. The "**Product Roles**" will be made up of the following Participants and will, unless otherwise agreed during Product Initiation or subsequently during an annual review of the same for

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each Product by the parties, require one of each of the following Participants per Product:

3.4.1   Product Sponsor (Post Office role);

3.4.2   Product Owner (Post Office role);

3.4.3   UX designer (Post Office role);

3.4.4   Product Delivery Manager (Fujitsu Services role); and

3.4.5   Solution Owner (Fujitsu Services role);

who shall have the responsibilities set out in Appendix 3 (*Participants*).

The Platform Standing Team

3.5   Fujitsu Services shall provide a "**Platform Standing Team**", which shall provide an overarching capability to manage the delivery of the DDS and shall provide the following functions:

3.5.1   platform engineering;

3.5.2   environment and configuration engineering;

3.5.3   CI/CD automation engineering;

3.5.4   security engineering;

3.5.5   test automation engineering;

3.5.6   performance and availability engineering.

3.6   The Charges for the Platform Standing Team are detailed in Appendix 5 (*DDS Charges*).

Sprint Teams

3.7   Sprint Teams shall be responsible for delivering Software that provides functionality to fulfil User Stories under the DDS.

3.8   The make-up of a standard Sprint Team is detailed in paragraph 4 below.

3.9   Sprint Teams shall be ordered by Post Office in accordance with the process set forth within Appendix 5 (*DDS Charges*).

3.10   The Charges for a standard Sprint Team are detailed in Appendix 5 (*DDS Charges*).

4.   PARTICIPANTS AND THEIR RESPECTIVE ROLES

Post Office oversight roles

4.1   Post Office shall appoint a "**Delivery Lead**". The Delivery Lead shall have the responsibilities set out in Appendix 3 (*Participants*).

4.2   Post Office shall appoint a "**Test Manager**". The Test Manager shall have the responsibilities set out in Appendix 3 (*Participants*).

4.3   Post Office shall utilise its existing release management process to carry out the activities assigned to the Post Office obligation to provide a release manager, the responsibilities for which are set out in Appendix 3 (*Participants*).

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Fujitsu Services oversight roles

4.4   Fujitsu Services shall appoint a "**DDS Lead**". The DDS Lead shall have the responsibilities set out in Appendix 3 (*Participants*).

4.5   Fujitsu Services shall appoint an "**Architect Owner**". The Architect Owner shall have the responsibilities set out in Appendix 3 (*Participants*).

4.6   Fujitsu Services shall appoint a "**Release Coordinator**". The Release Coordinator shall have the responsibilities set out in Appendix 3 (*Participants*).

4.7   The parties may agree jointly to appoint an agile coach and where this is the case the parties shall fund this resource between them with the precise allocation to be agreed but based on the principle that both parties must derive benefit from this role for both parties to share the resource costs.

Location

4.8   Post Office agrees that the individuals fulfilling the Standard Sprint Team roles may be based in different locations, which may be geographically dispersed including outside the UK, provided that Fujitsu Services:

   4.8.1   where individuals are working within Fujitsu Services controlled premises, provides the Sprint Team with Collaboration Technology that ensures that individuals are able to work efficiently and effectively across such locations; and

   4.8.2   ensures that there is no compromise in quality of the Digital Development Services where roles in the Sprint Team fulfilled by members of Fujitsu Services personnel are delivering Digital Development Services from outside the United Kingdom, and ensures that Post Office has access to such members of Fujitsu Services personnel, including the ability to visit them at the relevant Fujitsu Services premises, provided that reasonable notice is provided by to Fujitsu Services by Post Office.

4.9   Where individuals are working within Post Office controlled premises, Post Office shall provide the Sprint Team with Collaboration Technology that ensures that individuals are able to work efficiently and effectively across such locations.

5.   KEY PERSONNEL

5.1   The parties agree that the following roles shall be Key Personnel for the purposes of Clause 41 of the Agreement:

   5.1.1   Product Delivery Manager;

   5.1.2   DDS Lead; and

   5.1.3   Architect Owner.

6.   SPRINT TEAM STRUCTURE

6.1   The following shall be the standard structure for a Sprint Team ("**Standard Sprint Team Structure**"):

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6.1.1   1 ScrumMaster;

6.1.2   4 Developers;

6.1.3   1 Tech Lead;

6.1.4   2 Test Analysts; and

6.1.5   1 Business Analyst,

each of which shall have the responsibilities set out within Appendix 3 (*Participants*).

6.2   The parties acknowledge and agree the benefit of standardisation and consistency in the structure and delivery of the Digital Development Services. However, during the Product Initiation phase or at any other time agreed by the Digital Demand Forecasting Board (on at least 90 days' prior notice), if, despite having acted reasonably to seek to use the Standard Sprint Team Structure and standard size of Sprint Team, Post Office and Fujitsu Services are unable to make use of such Standard Sprint Team Structure, Post Office and Fujitsu Services may agree (or, in exceptional circumstances only, where the Standard Sprint Team Structure and standard size of Sprint Team cannot accommodate the Sprints intended for a Sprint Team, Post Office may require):

6.2.1   an alternative structure for a Sprint Team for a given Product that differs from the Standard Sprint Team Structure in which case the parties will agree upon the allocated roles to be contained within that alternative or smaller Sprint Team and consider any applicable necessary changes to the Per Sprint Story Point Allocation accordingly, taking into consideration the composition of the Sprint Team and increased (for example, due to improved communication as a result of a smaller team) or decreased (for example, a larger percentage of a smaller team providing management, rather than development, functions) efficiencies introduced through the size of Sprint Team;

6.2.2   an alternative, smaller size for a Sprint Team, in which case the parties will agree upon the allocated roles to be contained within that alternative or smaller Sprint Team and consider any applicable necessary changes to the Per Sprint Story Point Allocation accordingly; or

6.2.3   to fill a Fujitsu Services appointed role in the given Sprint Team with a Post Office individual (provided that the ScrumMaster and Tech Lead shall always be filled by Fujitsu Services).

6.3   For clarity, the day to day management of the Sprint Team resides with Fujitsu Services and Post Office shall ensure that any of the Sprint Participants who are Post Office roles agree to accept management and direction by Fujitsu Services.

6.4   For each Sprint, Fujitsu Services shall ensure that the Fujitsu Services appointed roles in the Standard Sprint Team Structure are filled by effectively trained individuals with the abilities, qualifications and experience necessary to meet the Sprint Requirements. The parties acknowledge the continuity benefit of retaining the same individuals in the appointed roles and therefore any changes will need to be managed to minimise Sprint disruption. In particular, Fujitsu Services shall not change any

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individual in the Fujitsu Services appointed roles without a valid, justifiable reason for doing so, which it shall provide to Post Office in advance of the individual being changed. Where the Sprint Requirements for a Sprint require particular skillsets, Fujitsu Services may, in consultation with the Product Owner, vary the individuals in the Fujitsu Services appointed roles for that Sprint in order to match such skillsets.

7.   DEMAND FORECASTING

The Digital Demand Forecasting Board

7.1   Post Office shall be responsible for arranging and managing the Digital Demand Forecasting Board which shall meet every 12 weeks during the DDS Term, and as otherwise required. The Digital Demand Forecasting Board shall work with the Post Office's portfolio management processes to understand, assess and manage the overall Demand Forecast. Should the Digital Demand Forecasting Board fail to meet as scheduled, Fujitsu Services shall escalate the same to Post Office's Group CIO as a priority and the Digital Demand Forecasting Board shall urgently meet within 5 business days of such escalation.

7.2   The Digital Demand Forecasting Board shall be responsible for:

7.2.1   reviewing and registering new Products on the Demand Forecast by assessing whether there is available capacity for these within the current resources involved in the provision of DDS (as set out in Appendix 3);

7.2.2   agreeing the Sprint Team requirements and associated increase or decrease in other resources as appropriate on a 90 day ordering block as more fully described in Appendix 5;

7.2.3   shifting available capacity from one Product to another Product as forecast demand flexes (including where Post Office requires urgent works on a Product or otherwise wishes to prioritise or expedite a Product); and

7.2.4   allocating Sprint Teams to Product Owners and Product Delivery Managers/

The commercial mechanisms for ordering additional capacity or reducing a previous commitment are set out in Appendix 5 to this Schedule I3.

7.3   The provisional attendees to the Digital Demand Forecasting Board are set out in Appendix 4 (*Governance*).

8.   PRODUCT INITIATION

8.1   Once the Product Vision and Business Case have been produced by the relevant Product Sponsor and approved internally by Post Office, then where Post Office requires Fujitsu Services to commence the delivery of the relevant Product it shall commence Product Initiation. Product Initiation utilises the Product Vision and Business Case to deliver the pre-requisites and dependencies that are necessary before development work can commence.

8.2   As part of Product Initiation, Fujitsu Services, with Post Office input, shall produce the following key deliverables:

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8.2.1 a Product Overview Document, which will contain the following components, some of which will have been prepared by Post Office:

(a) a detailed Product Vision which has been prepared by the Product Owner;

(b) an overview of the architectural approach, including an agreement as to any elements of the Product which are Listed Rights (if known at this stage);

(c) a Release and Test Strategy for the Product which itself has been prepared by the Post Office; and

(d) the Service Requirements for supporting the Product once live; and

8.2.2 an initial Product Backlog.

8.3 In order to support Post Office to complete the Product Roadmap for the Product, Fujitsu Services will perform the following activities:

8.3.1 provide support and expertise to the Product Owner to enable effective planning;

8.3.2 analyse User Stories to provide advice on dependencies and pre-requisites so that User Stories in the Product Backlog can be correctly prioritised and sequenced;

8.3.3 provide advice on the size and complexity of each User Story to enable items in the Product Backlog to be scheduled into available Sprints;

8.3.4 provide input to enable Product Backlog items to be identified as Planned User Stories and/or Stretch User Stories; and

8.3.5 feed into the Digital Demand Forecasting board as necessary.

9. AGILE METHODOLOGY

Each party shall act in accordance with the provisions of Appendix 1 (*Agile Methodology*).

10. PERFORMANCE METRICS

The parties shall comply with the terms of Appendix 4 (*Governance*) and Appendix 8 (*Service Credit Mechanism*).

11. RELIEF EVENTS AND DISRUPTED SPRINTS

11.1 To the extent that Fujitsu Services becomes aware that it may be unable to complete a Sprint Requirement as the result of the occurrence of a Relief Event, Fujitsu shall:

11.1.1 notify Post Office as soon as reasonably possible and at the next Daily Stand-up; and

11.1.2 use its reasonable endeavours to mitigate the Relief Event (which may include working on alternative User Stories within the Sprint Backlog).

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11.2   Where Fujitsu Services is not able to sufficiently mitigate the Relief Event, the affected Sprint Requirement(s) shall be removed from the relevant Sprint and the matter shall be escalated to the ScrumMaster and Product Owner, who shall refer the matter (with their recommendations) to the Delivery Lead and Product Delivery Manager for resolution. The parties will agree the impact of the Relief Event on the affected Sprint Requirement(s) upon the Sprint (including with regard to Appendix 8 (*Service Credit Mechanism*)).

11.3   Fujitsu Services shall not be liable for failing to complete a Sprint Requirement that has been removed from a Sprint pursuant to paragraph 11.2, but shall still be required to seek to complete the remainder of the Sprint Requirements in the relevant Sprint.

11.4   Where the Product Owner elects in respect of any given Sprint to cease such Sprint or to make a material change to a Sprint prior to scheduled completion, and such Sprint is thus ceased prior to scheduled completion, such Sprint shall be considered a "**Disrupted Sprint**".

11.5   Where a Priority 1 or Priority 2 incident occurs in respect of a given Product (as determined by Post Office) and such incident is identified through the existing incident management procedures as being within the remit of the Digital Development Service as a resolver group, then (unless otherwise specified by Post Office), one or more of the Sprint Teams for such Product (as directed by the DDS Lead) shall immediately prioritise resolving such incident, irrespective of the current Sprint Backlog. The occurrence of such Priority 1 or Priority 2 incident shall be considered a Relief Event for the impacted Sprints.

12.   CHARGES

12.1   In consideration for the provision of the Digital Development Services, Post Office shall pay to Fujitsu Services the Charges set out in Appendix 5 (*DDS Charges*) (the "**DDS Charges**").

13.   DEPENDENCIES

13.1   The following Post Office Dependencies shall apply to all Sprints:

13.1.1   Post Office shall provide Collaboration Technology in accordance with paragraph 4.9 together with appropriate workspace for agile development at the Post Office Locations;

13.1.2   Post Office shall obtain and shall maintain and adhere to the terms of all necessary licences, consents, and permissions necessary for Fujitsu Services, the Sprint Teams and the ScrumMaster to perform their respective roles, responsibilities, obligations and duties under this agreement, provided that Fujitsu Services have previously notified Post Office of these licences, consents and permissions together with the relevant requirements;

13.1.3   Post Office shall ensure that all network connections and telecommunications links reasonably required by Fujitsu Services in order to provide the Digital Development Services comply with the relevant specifications provided by Fujitsu Services from time to time;

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13.1.4   For each Sprint, Post Office shall ensure that the Post Office appointed roles in the Standard Sprint Team Structure are filled by effectively trained individuals with the abilities, qualifications and experience reasonably necessary to perform their respective obligations; and

13.1.5   Post Office shall provide the necessary development and test environments needed for the parties to develop, test and implement the Software created pursuant to the Digital Development Services.

14.   LIABILITY

14.1   Notwithstanding Clause 44, the total aggregate liability of Fujitsu Services, whether in contract, tort (including negligence) or otherwise for all Defaults arising under or in connection with the Digital Development Services (including this Schedule I3), in any given Financial Year, shall in no circumstances exceed the greater of (i) the Charges for Digital Development Services paid or payable in or in respect of such Financial Year; and (ii) £7,200,000 from 1st April 2018 until 31st March 2020 and £4,358,400 from 1st April 2020 to 31st March 2023.

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APPENDIX 1
AGILE METHODOLOGY

1.   GENERAL

1.1   The Participants shall adopt an agile development methodology based upon the "Scrum Framework" for the Products in the Product Roadmap and development work shall be carried out during a series of Sprints and in accordance with the processes set out within this Appendix 1 (*Agile Methodology*).

1.2   Each Sprint shall have a fixed period of two (2) weeks, during which a Sprint Team shall complete and test Sprint Functionality in respect of all Sprint Requirements in the Sprint Backlog. On the completion of a Sprint, the Sprint Team shall promptly commence the next Sprint for which a Sprint Backlog has been prepared in accordance with paragraphs 1.17 of this Appendix 1 (*Agile Methodology*).

1.3   The Participants shall use the DDS Tools in the provision of the DDS.

1.4   The total number of Story Points for the User Stories allocated to each Sprint shall equal the Per Sprint Story Point Allocation for all Standard Sprint Teams. For the avoidance of doubt, the Sprint Backlog for each Sprint will include additional User Stories in excess of the Per Sprint Story Point Allocation, which may be used by the Sprint Team in place of those User Stories due to be completed during such Sprint where required to enable Fujitsu Services to manage the throughput and achieve the Per Sprint Story Point Allocation. An example of when this might occur is an unexpected inability to complete a given User Story during such Sprint.

1.5   Notwithstanding any other provision of this Agreement the parties acknowledge that the goal of each Sprint is to complete Sprint Functionality to fulfil all Sprint Requirements within the applicable Sprint Backlog; however, by nature of the agile approach used in the delivery of the Digital Development Services, it may be the case that, despite the Sprint Team having completed sufficient Story Points so as to meet the Per Sprint Story Point Allocation for the applicable Sprint, not all such Sprint Functionality is completed within such Sprint. Accordingly, for the purposes of the Service Levels, Fujitsu Services' performance under this DDS Schedule shall be assessed against the number of Story Points actually completed and delivered within each Sprint, rather than the number of Sprint Requirements fulfilled. For the avoidance of doubt, where the estimated Story Points for a Sprint Requirement changes during the course of a Sprint then, where agreed between the parties, the actual Story Point allocation for that Sprint Requirement will be considered for the purposes of assessing Fujitsu Services pursuant to Appendix 8 (*Service Credit Mechanism*).

1.6   Sprints may be run in parallel, where conducted by separate Sprint Teams.

Product Backlog

1.7   A product backlog shall be prepared for each Product by the relevant Product Owner, using the Product Backlog tool and in consultation with the Product Delivery Manager, and shall include the following items:

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    1.7.1   a prioritised set of development requirements (which may include bug fixes, minor enhancements, new feature requests, non-functional requirements, service requirements and major functionality changes) to be completed, expressed as User Stories;

    1.7.2   the estimated business value of each User Story;

    1.7.3   an estimate of the number of Story Points for each User Story, allocated with reference to the Reference User Stories;

    1.7.4   a set of Acceptance Criteria for each User Story and any further details of these User Stories provided by the Product Owner; and

    1.7.5   a Definition of Done for all User Stories,

(the "**Product Backlog**").

1.8   The Product Owner may add User Stories to the relevant Product Backlog at any time and, when any such User Story is added, the Product Delivery Manager shall, in consultation with the Product Owner, set the number of Story Points using the Estimating Methodology and with reference to the Reference User Stories and the Acceptance Criteria.

1.9   A Product shall be complete once all User Stories in the Product Backlog have been delivered and the Product Owner has notified Fujitsu Services accordingly. Notwithstanding the foregoing, the Product Owner may opt to end the delivery of the Product at any point prior to the completion of all User Stories.

1.10   For the avoidance of doubt, the Product Backlog may include third line support activities arising as a result of incidents and problems raised by Post Office and triaged for resolution to the Digital Development Service through the existing incident management procedures.

User Stories and the Definition of Ready

1.11   Before User Stories from the relevant Product Backlog can be included in a Sprint, they shall meet the following requirements:

    1.11.1   User Stories should be written in this format *"As a <kind of user> I want <feature> so that <benefit>"* and satisfy the criteria of the INVEST matrix;

    1.11.2   User Stories shall each include all appropriate investment criteria and Acceptance Criteria both of which are written in a way that can be understood by the Sprint Team;

    1.11.3   User Stories shall be written in a way that can be understood by the Sprint Team, especially the developers and testers;

    1.11.4   User Stories shall include both functional and non-functional requirements;

    1.11.5   User Stories shall have an associated level of priority;

    1.11.6   User Stories shall have unique identifiers to maintain traceability and to ease the mapping of User Stories where User Stories are related;

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1.11.7　　User Stories have been sized and allocated a number of Story Points using the Estimating Methodology by the Sprint Team (and confirmed by the Product Delivery Manager) and utilising the Reference User Stories; and

1.11.8　　the Sprint Team understands how the User Story will be tested and demonstrated,

(together the "**Definition of Ready**").

1.12　　The Sprint Team, working with the Product Delivery Manager and the Product Owner, shall be entitled to reject any User Stories that do not meet the Definition of Ready at least 10 business days prior to the proposed Sprint. Where a User Story is rejected pursuant to this paragraph 1.12 of Appendix 1 (*Agile Methodology*), the Product Delivery Manager and the Product Owner may agree to return the User Story to the Product Backlog to be rewritten and included in a later Sprint.

Sprint Planning Meeting

1.13　　The Participants shall hold a sprint planning meeting at least 5 business days before each Sprint commences (the "**Sprint Planning Meeting**"). At the Sprint Planning Meeting:

1.13.1　　the Product Owner shall identify which User Stories from the relevant Product Backlog he/she wishes to be included in the backlog for such Sprint (the "**Sprint Backlog**");

1.13.2　　the Sprint Team, working with the Product Delivery Manager and the Product Owner, shall agree the nature of any accompanying documentation required for each User Story within the Sprint Backlog;

1.13.3　　the Sprint Team, working with the Product Delivery Manager and the Product Owner, shall review and confirm and/or refine the estimated number of Story Points for each User Story within the Sprint Backlog;

1.13.4　　the Sprint Team, working with the Product Delivery Manager and the Product Owner, shall review and confirm and/or refine the Acceptance Criteria for each User Story within the Sprint Backlog, specify the Acceptance Tests and review and confirm and/or refine the Definition of Done that will apply to every User Story within the Sprint Backlog. As a minimum, the Definition of Done shall include the criteria set out in Appendix 2 (*Definition of Done*);

1.13.5　　based on the output of the processes in paragraphs 1.13.3 and 1.13.4 of this Appendix 1 (*Agile Methodology*), the Sprint Team, working with the Product Delivery Manager and the Product Owner, shall determine how many of such User Stories can be completed during such Sprint, provided that the sum of the Story Points for the User Stories shall equal the Per Sprint Story Point Allocation;

1.13.6　　the Sprint Team, working with the Product Delivery Manager and the Product Owner, may decide to replace a higher priority User Story with a lower priority User Story bearing equal or fewer Story Points if it is technically expedient to do so; and

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1.13.7 the Product Delivery Manager and the Product Owner shall agree the final selection of User Stories to be included in the Sprint Backlog (each, a "**Sprint Requirement**").

1.14 At the Sprint planning meeting, the Product Delivery Manager and the Product Owner will also identify and agree the specific Sprint Dependencies on Post Office that are required for the Sprint Team to be able to complete the Sprint Requirements.

1.15 At the Sprint Planning Meeting, the Product Delivery Manager and the Product Owner will also review and confirm and/or refine which (if any) elements of the Sprint Functionality will be Listed Rights in accordance with Paragraph 7 of Schedule H (Digital Intellectual Property Provisions).

1.16 Once the Sprint Requirements for a Sprint have been agreed, no alterations or additions to the Sprint Requirements (including the estimated number of Story Points, Definition of Done and Acceptance Criteria) shall be made.

Sprint Backlog

1.17 The Product Delivery Manager shall then prepare the Sprint Backlog in consultation with the Product Owner, which shall include:

1.17.1 the agreed Sprint Requirements;

1.17.2 the agreed number of Story Points allocated to each Sprint Requirement;

1.17.3 a breakdown of each Sprint Requirement into specific tasks and allocation to individuals within the Sprint Team;

1.17.4 the Acceptance Criteria for each Sprint Requirement and the Definition of Done for every Sprint Requirement; and

1.17.5 the agreed Sprint Dependencies.

1.18 The Sprint Backlog shall be completed no later than 10 business days prior to the start of the applicable Sprint and, unless otherwise agreed by the parties, will contain at least 120 Story Points worth of User Stories.

Sprints

1.19 During each Sprint, the Sprint Team shall develop the functionality to meet each Sprint Requirement in accordance with the Sprint Backlog, any agreed coding standards and this Schedule I3 (*Digital Development Services*) (the "**Sprint Functionality**").

1.20 By the end of each business day during the course of each Sprint, the Sprint Team shall ensure that all functionality and other materials developed during the course of such business day are made available (in their current state of development) in Source Code form on an agreed code repository, for review by Post Office. The Sprint Team shall consider, and where appropriate implement, any feedback from such review during the course of the Sprint provided that any change to a User Story during the Sprint may only proceed with the express consent of both the Product Delivery Manager and Product Owner.

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1.21   During each Sprint, the Sprint Team shall maintain the Sprint Backlog and update it daily to reflect progress towards completion of the Sprint Requirements.

1.22   If, during the course of any Sprint, a dispute between the Parties arises in connection with any Sprint Requirement which cannot be resolved within the Sprint Team, then such Sprint Requirement shall be immediately removed from the scope of such Sprint and the Sprint Team will seek to deliver an alternative User Story from the Sprint Backlog to make up the Per Sprint Story Point Allocation. Where there is no alternative User Story that is reasonably suitable to be delivered during the Sprint in place of such Sprint Requirement, then for the purposes of assessing performance under Appendix 8 (*Service Credit Mechanism*), the Per Sprint Story Point Allocation for that Sprint shall be reduced by the number of Story Points allocated to the removed Sprint Requirement and all Story Points expended on such Sprint Requirement during the Sprint shall be excluded from any Service Level calculation.

Sprint Review Meetings

1.23   Within 5 business days of the last day of each Sprint, the Product Delivery Manager, the Product Owner and the Sprint Team shall hold a review meeting in respect of such Sprint (a "**Sprint Review Meeting**"). At the Sprint Review Meeting, the Participants shall:

1.23.1   determine whether the Sprint Functionality meets the Acceptance Criteria for each Sprint Requirement, and the Definition of Done for all Sprint Requirements, in the Sprint;

1.23.2   agree the manner in which any ongoing support for the Sprint Functionality will be handled; and

1.23.3   review the Agreed Metrics for the Sprint and, where appropriate, propose additional measures to be added to the Agreed Metrics for consideration by the DDS Service Review.

1.24   Any Sprint Requirement the Sprint Functionality for which has: (i) not met its Acceptance Criteria; (ii) not met the relevant Definition of Done; or (iii) not been developed during the relevant Sprint, shall not be submitted to Post Office for Acceptance.

1.25   Any Sprint Requirement the Sprint Functionality for which has: (i) met its Acceptance Criteria; and (ii) met the relevant Definition of Done, shall be submitted to Post Office, in both source and object code form for Acceptance. Within 2 business days of such submission, the Product Owner shall sign such report to indicate agreement as to that Sprint Functionality that has been Accepted. Where the Product Owner has not signed the acceptance report or demonstrated why any Sprint Functionality has not met the Definition of Done and the Acceptance Criteria in accordance with the above timescales, Fujitsu Services shall escalate the matter to the Post Office Delivery Lead who shall use all reasonable endeavours to provide a signed form of acceptance, or provide reasonable evidence of why any Sprint Functionality has not been Accepted, within 24 hours of the escalation.

1.26   Where Sprint Functionality is:

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  1.26.1 Accepted, it shall be marked as complete in the Sprint Backlog and the relevant Product Backlog; or

  1.26.2 not Accepted, it shall not be marked as complete in the Sprint Backlog and the relevant Product Backlog, and the Product Owner shall reset the priority for each outstanding User Story in the relevant Product Backlog.

Sprint Retrospective Meetings

1.27 Within 5 business days of the end of each Sprint, the ScrumMaster, the Delivery Lead, the Product Delivery Manager and the Product Owner shall also hold a retrospective meeting in respect of such Sprint (a "**Sprint Retrospective Meeting**"). At the Sprint Retrospective Meeting, the Participants shall:

  1.27.1 assess the impact of any Disrupted Sprints and/or Relief Event(s) on that Sprint; and

  1.27.2 discuss and agree potential improvements to their practices, teamwork and environment for implementation in subsequent Sprints.

1.28 Prior to the Sprint Retrospective Meeting, the ScrumMaster shall provide all reports specified in Part 2 of Appendix 4 (*Governance*) to Post Office.

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APPENDIX 2
DEFINITION OF DONE

1.   THE DEFINITION OF DONE:

1.1   The Definition of Done shall comprise the following criteria:

1.1.1   the Acceptance Criteria applicable to the Sprint Requirement are met;

1.1.2   all code is peer reviewed, compiled and checked into the agreed code repository;

1.1.3   all: (i) code is tested – code comes with automated tests – unit and functional, which have passed successfully (as evidenced by relevant automated test reports); (ii) unit tests are in Post Office's designated development code repository; (iii) manual test scripts are in an appropriate test script management tool; and (iv) automated test scripts checked into a suitable test repository;

1.1.4   all code builds without error and is integrated onto the agreed continuous integration tooling;

1.1.5   the build is deployed to a demo server;

1.1.6   the relevant User Story is updated; and

1.1.7   all agreed documentation has been produced and meets its Acceptance Criteria.
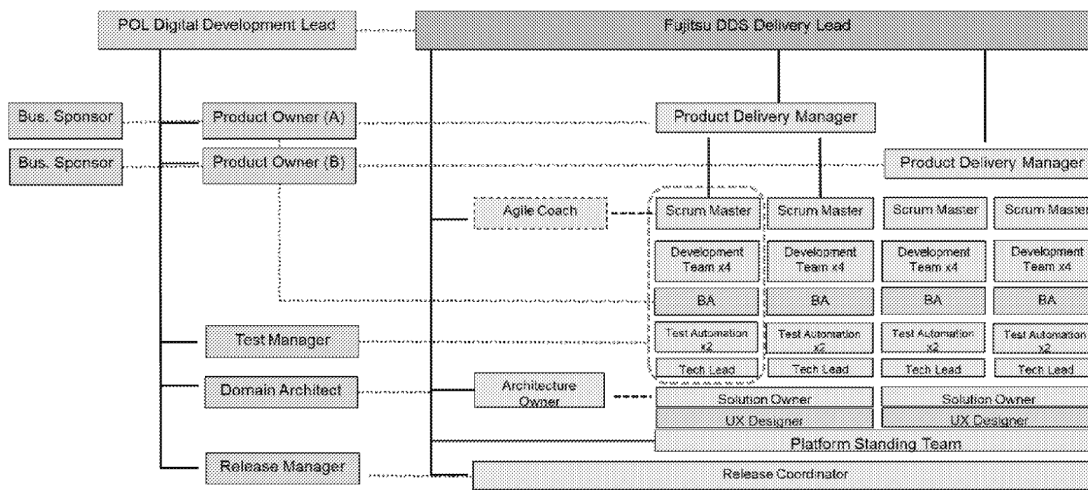
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APPENDIX 3
DDS PARTICIPANTS

1. GENERAL

1.1 During the Transition Period, the parties shall review the contents of this Appendix 3 (*DDS Participants*) and shall agree any required updates together with specific responsibilities for each role set out herein.

2. ORGANISATION

3. PLATFORM STANDING TEAM

3.1 Scope and Purpose

3.1.1 The Platform Standing Team provide services to support the DDS using a DevOps model. This includes the provisioning, support and maintenance of environments for development, test and validation purposes, the support, operation and maintenance of tooling to support development, test and validation, and the provision of continuous build and integration automation to ensure that developed code can be promoted through each environment and into the live estate.

3.2 Platform Engineering

A function that:

3.2.1 Works to identify, plan and monitor demand for DDS

3.2.2 Prioritises activities to support the smooth running of DDS

3.2.3 Maintains, tracks and owns activities and tasks using agile methods to ensure work in progress is minimised and cycle time for activities is optimised

3.2.4 Contributes to, and reviews architectural designs and decisions with expert advice on platform design

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3.2.5   Identifies and develops platform solutions to ensure high availability

3.2.6   Identifies, designs and develops mechanisms and solutions that support and enable zero-downtime deployment

3.2.7   Identifies, designs and develops resource monitoring utilities to identify and prevent performance and availability incidents

3.2.8   Identifies, designs and develops performance and capacity testing solutions

3.2.9   Monitors and evaluates resource consumption;

3.2.10   Supports, guides and coaches team members;

3.2.11   Acts as a point of contact for platform related matters

3.3   Environment and Configuration Engineering

A function that:

3.3.1   Works to understand planned development activities and identify requirements for new and amended environments and resources

3.3.2   Provisions required environments and resources through automated means

3.3.3   Monitors and maintains environment & resources health and stability;

3.3.4   Improves platform performance & observability;

3.3.5   Optimises environment usage to reduce cloud consumption charges

3.3.6   Retires and decommissions environments that are no longer required

3.3.7   Maintains and monitors access control systems for all platforms, environments and components

3.3.8   Advises sprint teams and other DDS Participants on security requirements and vulnerabilities to ensure security is designed and built in at the earliest opportunity

3.3.9   Ensures all platforms, environments and components have any necessary security patches and updates deployed

3.3.10   Identifies and recommends tooling to automate security monitoring and detection

3.3.11   Implements and manages any agreed security tooling

3.3.12   Reviews and monitors access logs to identify attempted unauthorised access

3.3.13   Participates in Root Cause Analysis for security issues where required

3.4   Automation Engineering

A function that:

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3.4.1   Works to understand planned code components and identify requirements for the code release automation platform

3.4.2   Develop and maintain the code release automation platform;

3.4.3   Install, configure and update code release platform components as needed

3.4.4   Develop and maintain the central configuration store;

3.4.5   Maintain and promote release cycles to each environment

3.4.6   Creates and maintains Source Code repositories, branching strategies and processes for deployment of code to repositories

3.4.7   Develop and maintain Test Automation solutions

3.4.8   Manages and schedules automated test scripts as part of an automated deployment solution

3.4.9   Installs, configures and updates test automation components as needed

3.4.10   Manages code repositories for automated test scripts, data and other artefacts

3.4.11   Creates and maintains test automation reporting

3.4.12   Defines and creates testing scenarios in collaboration with other functions of the Platform Standing Team

3.4.13   Supports release and deployment activities as required

3.4.14   Resolves issues and defects in a timely manner utilising automation to identify root cause

3.4.15   Creates and maintains CI/CD automation reporting

4.   OVERSIGHT ROLES

4.1   Delivery Lead

A Post Office participant who shall:

4.1.1   Schedule and arrange the Digital Demand Forecasting Board; and

4.1.2   Attend the monthly DDS Service Review meeting

4.1.3   Participate in product reviews and planning activities

4.1.4   Ensure that Post Office obligations and dependencies are delivered

4.1.5   Acts as a point of escalation for Fujitsu Services.

4.2   Release Manager

A Post Office participant who shall:

4.2.1   accept delivery from Sprint Teams;

4.2.2   manage test and release to live;

4.2.3   maintain visibility of Sprint planning activity;

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    4.2.4   agree with the Product Owner when Sprint output is suitable for Release to production;

    4.2.5   manage dependencies and risks related to software release;

    4.2.6   co-ordinate integration activities, stakeholders and third parties;

    4.2.7   agree regression points and approve regression when required

    4.2.8   schedule deployment activities; and

    4.2.9   ensure all stakeholder communication takes place.

4.3   **Test Manager**

A Post Office participant who shall:

    4.3.1   Create and maintain an overarching Test Strategy for all DDS Products

    4.3.2   Create and maintain a risk-based Test Plan for each DDS Product

    4.3.3   Define and own the test activities as part of an integrated Test and Release process

    4.3.4   Review and validate the test results delivered by each sprint

    4.3.5   Confirm to the Release Manager that delivered code is ready for release

    4.3.6   Own a continual service improvement plan for quality assurance activities

    4.3.7   Ensure that the Test Strategy, Test Plans and processes are communicated to all team members and stakeholders

    4.3.8   Work with the Product Delivery Manager, Product Owner, Business Analysts and Architects to understand the Product Roadmap for each product, and identify the requirements for automated testing.

    4.3.9   Identify, select and continuously review appropriate testing tools and frameworks to meet the testing requirements.

    4.3.10   Create and maintain a technical design for the fully automated test solution to support all DDS Products

    4.3.11   Support the Sprint Teams in the use and adoption of test automation tooling

    4.3.12   Ensure consistency and standards in the creation of automated test scripts across all products and teams through continuous review and feedback

    4.3.13   Ensure that test coverage and quality statistics are produced automatically and included in the agreed service reporting pack

    4.3.14   Provide advice and guidance to the Sprint Teams as required

4.4   **DDS Lead**

A Fujitsu Services participant who shall:

    4.4.1   Acts as Fujitsu Services single point of contact for Post Office Delivery Lead

    4.4.2   Is accountable for the delivery of the entire DDS capability

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4.4.3 Manages demand, through the Digital Demand Forecasting Board, for all existing products and new products

4.4.4 Manages overall resource provision to meet demand

4.4.5 Owns the metrics and reporting related to the services

4.4.6 Contributes to new Business Cases through sizing and estimation for portfolios of work

4.4.7 Chairs and facilitates DDS Service Review meetings

4.4.8 Ensures timely billing and invoicing for all services, including calculation of credits

4.4.9 Manages continual service improvement activities across the whole DDS service

4.4.10 Deals with issues and escalations

4.5 The DDS Lead shall be a Key role for the DDS Term

4.6 **Architecture Owner**

A Fujitsu Services participant who shall:

4.6.1 Define and agree architectural documentation requirements for DDS Products

4.6.2 Review and approve all design documentation produced during the Product Initiation phase

4.6.3 Contribute to the architectural roadmap for DDS Products and services

4.6.4 Act as technical design authority for all DDS design decisions which do not impact the Post Office enterprise architecture

4.6.5 Seek approval, via an agreed technical authorisation process for all DDS design decisions which impact the Post Office enterprise architecture

4.6.6 Ensure that all solution designs are compliant with industry best practice and published Post Office technical standards

4.6.7 Ensure that IPR ownership for all delivered components is registered as per agreed processes.

4.7 The Architecture Owner shall be a Key role for the DDS Term

4.8 **Solution Architect**

A Post Office participant who shall;

4.8.1 Define and document the enterprise architecture within which DDS Products must operate

4.8.2 Define and document any architectural principles and policies that DDS Products must comply with

4.8.3 Provide timely review and approval of key architectural decisions required for DDS Products

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4.8.4 Facilitate the approval of any change requests to the Post Office enterprise architecture that are needed to facilitate development of a DDS Product

4.9 Release Co-ordinator

A Fujitsu Services participant who shall:

4.9.1 support the Release Manager in release planning activities

4.9.2 co-ordinate and schedule all Fujitsu Services activities related to a release deployment

4.9.3 identify dependencies on other Fujitsu Services provided services in relation to DDS releases

4.9.4 ensure release decisions and plans are communicated to all Fujitsu Services stakeholders

4.9.5 act as a single point of contact for the Release Manager

5. PRODUCT ROLES

5.1 The roles in this section relate to individual Products.

5.2 Product Owner

A Post Office participant who, in respect of their Product, shall:

5.2.1 support Sprint Teams during development;

5.2.2 request User Stories to be added to the Product Backlog;

5.2.3 acts as Post Office's point of contact for the Product Delivery Manager and Sprint Teams;

5.2.4 maintains and articulates the Product Vision;

5.2.5 owns the Product Backlog content, definitively sets priorities and agrees Acceptance Criteria with the Product Delivery Manager and is empowered to make full and binding decisions on functionality and features that should be included in the Product on behalf of the Post Office;

5.2.6 works with the Sprint Teams(s) to explain User Stories, clarify User Stories and make decisions when requested on a daily basis;

5.2.7 participates in Sprint Review Meetings and confirms Sprint Requirements as "done" in accordance with the Definition of Done;

5.2.8 participates in product review meetings and contributes to Product Roadmap;

5.2.9 reviews and updates the relevant Product Backlog no less frequently than fortnightly; and

5.2.10 communicates to Post Office stakeholders and users.

5.3 Product Sponsor

A Post Office participant who, in respect of their Product, shall:

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5.3.1 be responsible for managing the stakeholders within the Post Office organisation with a view to keeping each stakeholder engaged, informed and supportive of the Product Vision and goals;

5.3.2 promote and champion the Product internally within Post Office;

5.3.3 review progress at product review meetings; and

5.3.4 act as the escalation point for issues within the Post Office.

5.3.5 ensure Budget is agreed for Product development and Release;

5.3.6 ensure that the Product receives the correct priority against other business needs; and

5.3.7 ensure business value is delivered.

5.4 **Product Delivery Manager**

A Fujitsu Services participant who, in respect of their Product, shall:

5.4.1 act as Fujitsu Services' single point of contact for the Product Owner and Product Sponsor;

5.4.2 advise the Product Owner;

5.4.3 seek to ensure User Stories meet the Definition of Ready;

5.4.4 ensure Sprint Teams are resourced;

5.4.5 be accountable for the delivery of DDS for a Product;

5.4.6 ensure compliance with technical standards and ensure quality of deliverables;

5.4.7 manage all Fujitsu Services resources responsible for delivery;

5.4.8 be accountable for the delivery of DDS for a Product;

5.4.9 Own and maintain the Product Roadmap and Release Plan for the Product;

5.4.10 Own the Metrics and reporting related to a Product;

5.4.11 Chair and facilitate product review meetings;

5.4.12 Mentor, coach and advise the Product Owner;

5.4.13 Deal with issues and escalations; and

5.4.14 Ensure compliance for identification and reporting of IPR ownership. The Product Delivery Manager shall be a Key role for as long as the Product is still progressed through DDS.

5.5 **Solution Owner**

A Fujitsu Services Participant who shall:

5.5.1 Define the architectural roadmap for a DDS product

5.5.2 Produce architectural documentation for the DDS product as agreed with the Architecture Owner

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5.5.3　Seek and obtain all necessary approvals for architectural decisions related to the product

5.5.4　Provide any necessary support to the sprint and standing teams to ensure the architectural designs are realised

5.5.5　Ensure that IPR ownership for all delivered components is registered as per agreed processes

5.6　**UX Designer**

A Post Office participant who shall:

5.6.1　Create and maintain a style guide describing the framework for the user interface, and rules and guidelines for how to apply the style guide to different requirements, scenarios and devices

5.6.2　Create a library of reusable assets for use by the development team when building UI components

5.6.3　contribute to team estimates of User Stories and tasks;

5.6.4　engage with the Business Analyst, Product Owner and business stakeholders in advance of Sprints to create and amend User Stories that meet the INVEST criteria and document Acceptance Criteria for each;

5.6.5　engage with other team members to clarify and elaborate User Stories as required during Sprint execution;

5.6.6　work with the Business Analyst and Product Owner to visually capture user requirements, using wireframes, mockups and other techniques to represent what the delivered Product will look like;

5.6.7　work with the Business Analyst to map User Stories to business functions and create a story map for approval by the Product Owner;

5.6.8　work with developers to ensure delivered code meets the requirements for user interface and contributes to the creation of graphical assets for use by developers;

5.6.9　create and update relevant documentation to agreed standards;

5.6.10　participate in agile ceremonies and follows the agreed agile processes;

5.6.11　actively participate in any other activities that are necessary to achieve the agreed Sprint Requirements; and

5.6.12　maintain all necessary technical skills and qualifications as agreed and defined in the Product Overview Document.

6.　**STANDARD SPRINT TEAM**

6.1　**ScrumMaster**

A Fujitsu Services participant, who shall:

6.1.1　lead the Sprint Team and manage the agile process;

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6.1.2   agree the Sprint Requirements with the Product Owner and Product Delivery Manager and ensure delivery of the Sprint Requirements within the Sprint;

6.1.3   accept User Stories from the Product Backlog into the Sprint Backlog when the Definition of Ready is met;

6.1.4   ensure that the Sprint Team reviews and confirms and/or refines estimates of Story Points using the Estimation Model;

6.1.5   protect the Scrum Sprint Team from interference and distraction; and

6.1.6   conduct Sprint Retrospective Meetings and capture actions arising

6.2   **Developer**

A Fujitsu Services participant who shall:

6.2.1   contribute to team estimates of User Stories and tasks;

6.2.2   work with the Test Analyst, create, update and execute automated testing scripts for functional unit testing;

6.2.3   create and update software code that meets the agreed technical standards and satisfies the Acceptance Criteria and Definition of Done for assigned User Stories;

6.2.4   create and update relevant documentation to agreed standards;

6.2.5   participate in agile ceremonies and follow the agreed agile processes;

6.2.6   actively participate in any other activities that are necessary to achieve the agreed Sprint Requirements;

6.2.7   maintain all necessary technical skills and qualifications as agreed and defined in the Product Overview Document.

6.3   **Tech Lead**

A Fujitsu Services participant who shall:

6.3.1   contribute to team estimates of User Stories and tasks;

6.3.2   work with the Sprint Team to ensure that software is created to an architectural design that is consistent and maximises reuse of existing assets;

6.3.3   ensure that code delivered is to a consistent quality standard

6.3.4   create and update relevant documentation to agreed standards;

6.3.5   participate in agile ceremonies and follow the agreed agile processes;

6.3.6   actively participate in any other activities that are necessary to achieve the agreed Sprint Requirements; and

6.3.7   maintain all necessary technical skills and qualifications as agreed and defined in the Product Overview Document.

6.4   **Test Analyst**

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A Fujitsu Services participant who shall:

6.4.1 contribute to team estimates of User Stories and tasks;

6.4.2 work with the Developers, Business Analyst and other team members, create, update and execute automated testing scripts for functional unit testing;

6.4.3 create and update relevant documentation to agreed standards;

6.4.4 participate in agile ceremonies and follow the agreed agile processes;

6.4.5 actively participate in any other activities that are necessary to achieve the agreed Sprint Requirements; and

6.4.6 maintain all necessary technical skills and qualifications as agreed and defined in the Product Overview Document.

6.5 **Business Analyst**

A Post Office participant who shall:

6.5.1 contribute to team estimates of User Stories and tasks;

6.5.2 engage with the Product Owner and business stakeholders in advance of Sprints to create and amend User Stories that meet the INVEST criteria and document Acceptance Criteria for each;

6.5.3 engage with other team members to clarify and elaborate User Stories as required during Sprint execution;

6.5.4 work with the UX Designer to map User Stories to business functions and create a story map for approval by the Product Owner;

6.5.5 work with the Test Analyst to ensure automated testing scripts satisfy the Acceptance Criteria;

6.5.6 create and update relevant documentation to agreed standards;

6.5.7 participate in agile ceremonies and follow the agreed agile processes;

6.5.8 actively participate in any other activities that are necessary to achieve the agreed Sprint Requirements; and

6.5.9 maintain all necessary technical skills and qualifications as agreed and defined in the Product Overview Document.

7. GENERAL

7.1 In addition to the responsibilities described for each role above, Participants shall respond to reasonable queries and/or reasonable requests for information from other Participants as soon as reasonably possible.

7.2 In particular, any Participants which are provided by Post Office shall comply with reasonable security-related requests arising from the Environment and Configuration Engineering function of the Platform Standing Team.

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APPENDIX 4
GOVERNANCE

Part 1

1.   **GENERAL**

1.1   During the Transition Period, the parties shall review the contents of this Appendix 4 (*Governance*) and shall agree any required updates together with amended meeting attendees, terms of reference for each meeting and meeting schedules. Wherever possible, the parties will make use of existing meetings within the overall governance structure under the Agreement (Schedule A2 Governance) to meet the governance requirements under this Appendix 4 (*Governance*). Until such time as the content of this Appendix 4 is superseded by a CCN, the remainder of this Appendix 4 shall continue to apply.

1.2   All meetings shall be minuted.

2.   **MEETINGS**

Digital Demand Forecasting Board

2.1   The Digital Demand Forecasting Board shall be conducted in accordance with paragraph 7.1 of Schedule I3 (*Digital Development Services*)

2.2   The provisional attendees at the Digital Demand Forecasting Board are:

2.2.1   For Post Office:

(a)   Post Office CIO Retail;

(b)   Product Owner(s);

(c)   Digital Development Lead; and

(d)   Product Sponsor; and

2.2.2   For Fujitsu Services:

(a)   Product Manager(s);

(b)   DDS Lead; and

(c)   Ops Director.

This list of provisional attendees shall be revised during the Transition Period through the mutual agreement of the parties.

DDS Service Review

2.3   The DDS Service Review shall occur monthly.

2.4   The purpose of the DDS Service Review is to undertake a review across all Products and the DDS as a whole to:

2.4.1   review the Agreed Metrics for the preceding month, assess the performance of Fujitsu Services against the DDS Service Levels and determine any

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Corrective Action and/or Service Credits (in accordance with Appendix 8 (*Service Credit Mechanism*));

2.4.2　jointly review a holistic service improvement plan with agreed actions on either Fujitsu Services and/or Post Office as applicable to drive for ongoing improvements to DDS;

2.4.3　approve any open adjustments to the Per Sprint Story Point Allocation for a particular Sprint to reflect agreed impact of any Relief Event(s) on that Sprint; and

2.4.4　resolve any disputes or escalations referred to it.

2.5　The provisional attendees for the DDS Service Review shall be:

2.5.1　Delivery Lead;

2.5.2　DDS Lead;

2.5.3　Post Office CIO Retail;

2.5.4　Post Office Vendor Manager;

2.5.5　Fujitsu Services Commercial Manager; and

2.5.6　representatives as required from the Product Owners and Product Managers.

This list of provisional attendees shall be revised during the Transition Period through the mutual agreement of the parties.

Part 2

1.　AGREED METRICS AND REPORTING

1.1　The parties agree that reporting shall cover the following objectives:

1.1.1　measures for the monitoring and management of Sprints;

1.1.2　measures for the monitoring and management of the Platform Standing Team; and

1.1.3　measures used for Service Credits.

1.2　Reports will be undertaken using data at source and compiled using automated tooling such as Jira.

1.3　During the Transition Period, the parties will agree the specific metrics to be measured and reported in respect of the Digital Development Services (the "**Agreed Metrics**"). Fujitsu Services shall make available to Post Office a dashboard comprising the Agreed Metrics. Some examples of metrics that may be agreed are as follows:

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Examples of Key Metrics

Sprint Measures

- Quantity of Story Points Delivered vs Story Points Committed
- % of User Stories accepted into sprint agreed as 'Done' by Product Owner
- Sprint Velocity & Burndown, absolute and trends
- Quantity of Stretch items completed in Sprint
- Sprint Retrospective improvement actions identified

Backlog Measures

- Themes / Epics / User Stories created that meet INVEST criteria
- Quantity of User Stories that are ready for sprint
- User Stories by Priority, estimated size
- Net change in size of backlog
- Length of time on backlog by priority
- Items rejected by Sprint teams as not ready

Agile Maturity

- 49-step to Agile Maturity Survey
- Sprint Retrospective actions implemented

Quality Measures

- Code check-in meeting quality standards
- Automated Test Code coverage
- Defects identified requiring

Release Measures

- Release delivery to schedule
- Elapsed time from inception to delivery

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APPENDIX 5
DDS CHARGES

1. CHARGES

1.1 In consideration for the provision of the Digital Development Services by Fujitsu Services, Post Office shall pay to Fujitsu Services:

    1.1.1   the Platform Standing Team Charges;

    1.1.2   the Oversight Roles Charges;

    1.1.3   the Product Team Charges;

    1.1.4   the Sprint Team Charges;

    1.1.5   the Product Initiation Charges;

    1.1.6   any Burst Capacity Charges; and

    1.1.7   the Tooling Charges,

    as each such Charge is set out below.

1.2 The Charges shall be payable monthly in arrears and shall become due for payment in accordance with the provisions relating to Charges as described within Schedule D2 (Ordering, Invoicing and Payment).

1.3 Platform Standing Team Charges

    1.3.1   The Platform Standing Team Charges shall be formed of two components:

        (a)   the applicable Fixed Platform Standing Team Charge as set out within the Charges Table (Annex A); and

        (b)   the Variable Platform Standing Team Charge, calculated on a time and materials basis on the basis of the DDS Rate Card, for any additional capacity required for the provision of the Platform Standing Team.

    1.3.2   Prior to the DDS Commencement Date, Post Office shall sign a CT to cover the Variable Platform Standing Team Charge to cover the period until the end of the first three month period following the end of the Transition Period. The signature of such a CT shall be considered a Transition Dependency. At the end of this first three month period following completion the end of the Transition Period, the parties shall consider whether any upward adjustment is required to the Fixed Platform Standing Team Charge or amendment to the variable commercial model to reflect the usage of resources which are the subject of the Variable Platform Standing Team Charge during the aforementioned period. Such considerations shall include: (i) the number of roles that are the subject of the Fixed Platform Standing Team Charge (with the current Fixed Platform Standing Team Charge representing 3 FTEs); (ii) the number of concurrent Sprint Teams that the Platform Standing Team are required to support; and (iii) the variable commercial model for supporting incremental Sprints. The parties shall aim to reach agreement on any such adjustment on or before 31 December 2018. Where any such adjustment is agreed, this shall be documented

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via a CCN. Where no such adjustment is agreed, the Variable Platform Standing Team Charge shall continue to apply and be calculated on a time and materials basis in accordance with the DDS Rate Card and Post Office must raise a further CT to cover the Variable Platform Standing Team Charge as required.

1.3.3　Where in any given month the number of concurrent Sprint Teams exceeds 6 the parties shall agree any adjustment that may be required to the Platform Standing Team and associated Platform Standing Team Charges.

1.3.4　The Fixed Platform Standing Team Charges (and the Variable Platform Team Charges associated to Solar) shall be considered spend on Committed Development Services (as defined in Schedule I1 to the Agreement).

1.4　Oversight Roles Charges

1.4.1　The Oversight Roles Charges shall be as set out within the Charges Table (Annex A).

1.4.2　The Oversight Roles Charges shall be considered spend on Committed Development Services (as defined in Schedule I1 to the Agreement).

1.5　Product Team Charges

1.5.1　The Product Team Charges shall be calculated as follows:

# of Products x Per Product Charge,

Where:

- the # of Products refers to the number of distinct active Products in relation to which Fujitsu Services are providing Digital Development Services, as agreed between the parties; and

- The Per Product Charge is the applicable Charge for the Product Team for the applicable Product (that shall be the amount listed within the Charges Table (Annex A) unless otherwise agreed by the parties).

1.5.2　The Product Team Charges shall be considered spend on Committed Development Services (as defined in Schedule I1 to the Agreement).

1.6　Sprint Team Charges

1.6.1　The Sprint Team Charges shall be calculated as follows (calculated for each Sprint Team and then aggregated across all Sprint Teams):

# of Sprints x Per Sprint Charge,

Where:

- # of Sprints = the number of Sprints scheduled for completion by the Sprint Team within the preceding calendar month; and

- Per Sprint Charge = the agreed charge per Sprint for the applicable Sprint Team.

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1.6.2 The Per Sprint Charge for any given Sprint Team shall be as set out within the Charges Table (Annex A), save where:

(a) Post Office requests Fujitsu Services to provide resources in place of any Sprint Team resources which are Post Office roles or any Post Office Participants (to the extent that Fujitsu Services is able to provide such resources); or

(b) a particular Product requires additional resources over and above the Standard Sprint Team Structure, within a given Sprint,

in which case, the parties shall agree an appropriate adjustment to the Per Sprint Charge for such Sprint Team.

1.6.3 Where in accordance with the provisions of paragraph 6.2.3, Post Office requires a Fujitsu Services Sprint Team participant to be replaced with a Post Office Sprint Team participant then Fujitsu Services shall provide the Post Office with a credit equal to 10% of the Per Sprint Charge per resource so replaced which may be used to offset any further Sprint Charges for the same Sprint Team.

1.6.4 The Sprint Team Charges shall be considered spend on Committed Development Services (as defined in Schedule I1 to the Agreement).

1.7 Product Initiation Charges

1.7.1 Where Post Office requires Fujitsu Services to provide resources to support Product Initiation in accordance with paragraph 8, then such resources shall be chargeable on a time and materials basis in accordance with the DDS Rate Card.

1.7.2 The Product Initiation Charges shall not be considered spend on Committed Development Services (as defined in Schedule I1 to the Agreement).

1.8 Burst Capacity Charges

1.8.1 Where the parties agrees that additional resources are required from Fujitsu Services above and beyond those resources which are the subject of the Platform Standing Team Charges, the Oversight Roles Charges, the Product Team Charges, the Sprint Team Charges and the Product Initiation Charges, then such additional resource shall be chargeable on a time and materials basis in accordance with the DDS Rate Card.

1.8.2 The Burst Capacity Charges shall not be considered spend on Committed Development Services (as defined in Schedule I1 to the Agreement).

1.9 Tooling Charges

1.9.1 The Tooling Charges shall be as set out within the Charges Table (Annex A).

1.9.2 The Tooling Charges shall not be considered spend on Committed Development Services (as defined in Schedule I1 to the Agreement).

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1.9.3 Once the list of tooling is finalised during the Transition Period in accordance with Appendix 6 (*Tooling*), the parties shall review the Tooling Charges and make any reasonably necessary adjustments to reflect the final list of tooling.

2. COMMITMENT

2.1 Subject to Fujitsu Services complying with the terms of this Schedule, the Post Office hereby commits that the DDS Charges paid or payable in respect of each of the first two fiscal years commencing 1 April 2018 (each such fiscal year being a "**DDS Commitment Year**") will equal or exceed £7,358,400 per annum, in the third fiscal year, commencing 1st April 2020 it will equal or exceed £2,456,384, and in the subsequent two fiscal years commencing 1st April 2021 and 1st April 2022 for financial year 1st April 2021 to 31 March 2022 £1,034,602 for financial year 1st April 2022 to 31st March 2023 (the "DDS Commitment"). Fujitsu Services agrees that any amount which has been spent to date on Development Services between the 1 April 2018 and the DDS Commencement Date will contribute towards the commitment for the first DDS Commitment Year. The DDS Oversight Roles Service Charge and the DDS Platform Standing Team Service Charge are excluded from the DDS Commitment for the two latter DDS Commitment Years (those commencing on 1st April 2021 and 1st April 2022). The parties agree that the DDS Oversight Roles Service Charge and the DDS Platform Standing Team Service Charge (regardless of the activities assigned to the personnel to whom the DDS Oversight Roles Service Charge and the DDS Platform Standing Team Service Charge relate) shall constitute Actual Spend for the purposes of the calculation in Schedule I1 (Revenue Switch Mechanism).

2.2 Where Post Office in either the first or second DDS Commitment Years only fails to meet the commitment set forth within paragraph 2.1 of this Appendix 5 (*DDS Charges*):

2.2.1 by an amount equal to or less than £500,000, Post Office shall, notwithstanding such shortfall, be deemed to have met such commitment in respect of the given DDS Commitment Year provided that the Charges within the four (4) month period immediately following the end of the applicable DDS Commitment Year (the "**Remedy Period**") exceed the amount of the shortfall. For the avoidance of doubt, until such time as the relevant shortfall is met, the Charges during the Remedy Period shall count towards the shortfall only and not towards meeting any commitment in the subsequent DDS Commitment Year (if applicable);

2.2.2 by an amount exceeding £500,000, Fujitsu Services may invoice Post Office for the shortfall in excess of £500,000 and subsequently paragraph 2.2.1 shall apply in respect of the remaining £500,000 (by way of example, should Post Office fail to meet the commitment by £600,000, Fujitsu Services may invoice Post Office for £100,000, with the remaining £500,000 being then subject to the Remedy Period specified within paragraph 2.2.1 of this Appendix 5 (*DDS Charges*)); or

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2.2.3 by any amount following the end of the applicable Remedy Period, Fujitsu Services may invoice Post Office for the shortfall at any time following the end of the relevant Remedy Period (as applicable).

2.3 With respect to the final three DDS Commitment Years (ending 31st March 2021, 31st March 2022 and 31st March 2023) paragraphs 2.2.1 to 2.2.3 shall not apply. Instead, if, in one of the final three DDS Commitment Years, Post Office exceeds the DDS Commitment for that DDS Commitment Year then the excess shall be credited against any shortfall in the DDS Commitment for the following DDS Commitment Year. If, after applying such credit, there remains a shortfall within one of the final three DDS Commitment Years then Fujitsu Services shall be entitled to invoice Post Office for such shortfall at the end of the relevant DDS Commitment Year.

2.4 Paragraph removed by CCN1670a

3. ORDERING OF SPRINT TEAM CAPACITY

3.1 Subject to paragraph 3.8 below, the parties shall agree the number of Sprint Teams at the Digital Demand Forecasting Board.

3.2 Sprint Teams shall be agreed and ordered in blocks of 6 Sprints to cover a 12-week period.

3.3 Each block of Sprints shall be ordered at least 90 days in advance of their commencement. For example, the Digital Demand Forecasting Board meeting in March would order Sprints commencing no earlier than July

3.4 Post Office shall confirm the Sprint Team capacity in writing through the minutes of the meeting and Fujitsu Services shall ensure that the ordered capacity is ready to commence work in accordance with such order for each ordered Sprint.

3.5 Once ordered Sprints can only be adjusted on less than 90 days' prior notice pursuant to paragraph 3.6 (for the avoidance of doubt, this shall not affect the ability for the Digital Demand Forecasting Board to adjust such Sprints with more than 90 days' prior notice).

3.6 Where Post Office requests a change in accordance with paragraph 3.5 the following shall apply;

3.6.1 Where there is a request to increase the number of Sprint Teams and using reasonable endeavours Fujitsu Services is able to meet the request, Post Office shall pay the Charges for such additional Sprint teams in accordance with paragraph 1.6 above.

3.6.2 Where there is a request to decrease the number of Sprint Teams allocated to a specific Product or the number of Sprints then, in addition to the general ability for the Digital Demand Forecasting Board to reallocate Sprint Teams between Products, then with Fujitsu Services' agreement, Post Office may require the Sprint Teams that are the subject to the reduction request to undertake other activities not contained within a Product Backlog ("**Additional Activities**"), provided that such Additional Activities are reasonably within scope of the capabilities and expertise of the applicable

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> Sprint Team. In such circumstances: (i) the Charges for such Sprint Team shall remain as scheduled for the applicable period; and (ii) any work undertaken by such Sprint Team in respect of any Additional Activities shall be excluded from any assessment of performance by such Sprint Team pursuant to Appendix 8.

3.7   The parties have agreed the initial Sprint Team capacity (being two Sprint Teams) and following the DDS Commencement Date, Fujitsu Services shall stand up this number of Sprint Teams and this shall be the minimum number of Sprint Teams during the first 90 day period following the DDS Commencement Date (the "**Ramp-Up Period**"). During the Ramp-Up Period, Fujitsu Services agrees that Post Office may increase the number of Sprint Teams up to a maximum of 4, provided that:

3.7.1   Post Office provides Fujitsu Services with at least 30 days' prior notice of the requirement for an additional Sprint Team;

3.7.2   where more than 3 concurrent Sprint Teams will be required before 60 days after the DDS Commencement Date, any additional requested concurrent Sprint Teams will be subject to paragraph 3.6.1;

3.7.3   where more than 4 concurrent Sprint Teams will be required before 90 days after the DDS Commencement Date, any additional requested concurrent Sprint Teams will be subject to paragraph 3.6.1; and

3.7.4   each Sprint Team uses the Standard Sprint Team Structure.

The provisions of this paragraph 3.7 are without prejudice to paragraph 3.6.1.

3.8   Within 10 business days of the DDS Commencement Date the parties shall hold a Digital Demand Forecasting Board and agree and or confirm the number of Sprint Teams for the next block of 6 Sprints following the Ramp-Up Period.

Annex B contains worked examples of the planning approach for the initial Digital Demand Forecasting Board.

4.   GENERAL

4.1   All amounts set out in this Appendix 5 (DDS Charges) are before adjustment for RPI as set out in paragraph 16 of Schedule D1 (Charges) and exclusive of VAT.

4.2   All monthly Charges relate to calendar months.

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ANNEX A – CHARGES TABLE AND DDS RATE CARD

All Charges are set out in GBP Sterling and are exclusive of VAT.

Fixed Charges

DDS Summary	Resource Unit Charge (£ ex VAT)	Charging Basis
DDS Oversight Roles		
Service Charge	78,441	Monthly Charge
DDS Platform Standing Team		
(Initial Fixed Platform Standing Team Service Charge)	58,034	Monthly Charge
DDS Product Roles		
Service Charge	39,146	Charge per Product Team per month
DDS Tooling Charges		
Variable Service Charge	2,055	Charge per Sprint Team per month
DDS Sprint Consumption Charge		
Blended Teams	54,767	Charge per Sprint Team per month

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DDS Rate Card

Role	Charge per Day (ex VAT)	Minimum Experience Level
Junior Software Engineer	634	A
Senior Software Engineer	901	B
Test Automation Analyst	901	A
Junior Business Analyst	901	A
Platform Engineer	901	A
Tech Lead	901	B
UX Designer	901	A
Senior Business Analyst	1,014	B
Release Controller	1,014	B
Scrum Master	1,014	B
Product Manager	1,165	C
Solution Owner	1,165	C
Text Architect	1,165	B
Platform Lead Engineer	1,165	B
Architecture Owner	1,756	C/D
Agile Coach	1,756	D
DDS Lead	1,756	D

Experience definitions

A	3-5 years relevant IT experience with some industry knowledge
B	5-10 years relevant IT experience with good industry knowledge
C	10+ years relevant IT experience with good industry knowledge, management experience
D	15+ years relevant IT experience, through leader

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ANNEX B – DIGITAL DEMAND FORECASTING NOTICE TIMESCALES

Fujitsu - Post Office Digital Demand Forecasting Board

Meeting Date: 1st July 2018

Post Office Attendees: POL Digital Lead, POL Retail CIO, Product A Product Owner, Product B Product Owner, Release Manager

Fujitsu Attendees: FJ DDS Lead, FJ Product Delivery Manager,

Apologies:

Sprint Commitment (2 sprints per team per month)

Product	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Product A														
Previous Commitment	2	4	4	6	6	6	6	6	6	6	6	6		
New Commitment	2	4	4	6	6	4	4	4	4	4	4	4	4	4
Product B														
Previous Commitment														
New Commitment					2	2	2	2	2	2	2	2		
Product C														
Previous Commitment														
New Commitment														
Total Sprint Commitment														
Previous Commitment	2	4	4	6	6	6	6	6	6	6	6	6	0	0
New Commitment	2	4	4	6	8	6	6	6	6	6	6	6	4	4

Key	
	Previously committed, cannot be changed, as within 90 day period
	New Commitment, changeable up to 90 days prior to sprint start
	Forecast for information only, can be changed up to 90 days prior to sprint start

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APPENDIX 6
TOOLS

Fujitsu Services will provide appropriate tooling for all Products for use by both Fujitsu Services and Post Office resources in order to provide DDS:

1) A task tracking scheduling tool;
2) A collaborative document and knowledge management repository;
3) A collaborative communication and messaging tool; and
4) A code quality analysis tool.

Fujitsu Services will procure licences for each DDS Participant as defined in this Schedule I3 and in addition for up to 24 additional Post Office users.

If Post Office require additional licences with respect to any of the above tooling, Fujitsu Services shall provide a price on request.

Any Product specific tooling requirements will be agreed during Product Initiation.

The final list of tooling will be agreed during the Transition Period and this Appendix 6 shall be updated accordingly via a CCN.

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APPENDIX 7
INTELLECTUAL PROPERTY RIGHTS TRACKER

In determining whether the IPR in any of the Software to be created pursuant to a Product (or a Release) is a Listed Right, the Fujitsu Services Architect Owner shall, as part of Product Initiation consider the requirements and the manner in which the Sprint Requirements could be delivered by Fujitsu Services. The Architect Owner will liaise with the Product Delivery Manager and the Product Owner to discuss and agree the IPR strategy for the Product. An agreed IPR strategy will be contained within the Product Initiation deliverables.

Any changes to the Product Initiation deliverables that relate to FJ Digital Background IPR, K5 IPR or Horizon IPR will be updated as part of any relevant Sprint Review. With respect to the use of open source or third party IP Rights, recognising the requirement for the Sprint Team to be able to deliver the User Stories in the most efficient manner possible, the use of any such open source or third party IP Rights shall be tracked as part of the Sprint Review Report.

To the extent that there is a change to the Product requirements following Product Initiation that relate to the usage of FJ Digital Background IPR, K5 IPR or Horizon IPR, the Fujitsu Services Architect Owner shall escalate to the Product Owner and the Delivery Lead such that the parties may agree upon any revision to the IPR strategy and the same will be tracked within the updated Product Initiation deliverables accordingly. The parties acknowledge that such a change in the Product may require the Sprint Team to be re-set prior to re-commencing the Product delivery.

The Product Owner shall be responsible for ensuring that Post Office's Chief Technical Office (or nominated representative) agrees to the IPR strategy (including any changes to the IPR strategy) with respect to any Sprint Requirement which is to be designed, coded or supplied as a pre-existing component or an algorithm using any Listed Rights prior to formally approving the Product to be delivered under DDS.

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APPENDIX 10
TRANSITION

During the course of the Transition Period the parties shall review and agree the contents of the following Appendices:

- Appendix 3 (*DDS Participants*);
- Appendix 4 (*Governance*); and
- Appendix 6 (*Tooling*),

as set out within such Appendices.

Where Post Office fails to meet a Transition Dependency then, to the extent that such failure directly impacts a Sprint, the failure shall be a Relief Event for the purpose of the relevant Sprint and Fujitsu Services shall comply with paragraph 11.

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APPENDIX 8
SERVICE CREDIT MECHANISM

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Appendix, the following terms and expressions shall have the meaning set out below:

"**Average Sprint Performance**" means in respect of a given Sprint Team, subject to paragraph 3.1.3 of this Appendix 8 (*Service Credit Mechanism*), the average Completion Rate over the previous six Sprints completed by such Sprint Team;

"**Completion Rate**" means in respect of a given Sprint, the percentage of Story Points that were scheduled for completion during such Sprint that were actually completed during such Sprint;

"**Expected Service Level**" means, in respect of a given Sprint, the expected target percentage (as set out as the 'expected' percentage within Attachment 1 to this Appendix 8 (*Service Credit Mechanism*)) of the Story Points due for completion during such Sprint;

"**Improvement Plan**" has the meaning given to it in paragraph 4.1 of this Appendix 8 (*Service Credit Mechanism*);

"**Minimum Service Level**" means, in respect of a given Sprint, that at least 75% of the Story Points due for completion during such Sprint were actually completed and Accepted;

"**Sprint Charges**" means, in respect of any given Sprint, the total charges payable by Post Office in respect of such Sprint;

"**Sprint Service Credit**" means, in respect of any given Sprint, ten per cent (10%) of the Sprint Charges; and

"**Threshold Service Level**" means, in respect of a given Sprint, the threshold target percentage (as set out as the 'threshold' percentage within Attachment 1 to this Appendix 8 (*Service Credit Mechanism*)) of the Story Points.

2. **SERVICE LEVEL PRINCIPLES**

2.1 During each Sprint, Fujitsu Services shall provide the Services to a level that meets or exceeds the Expected Service Level for such Sprint and Fujitsu Service' performance against this target shall be measured and reported in accordance with this Appendix.

3. **SERVICE LEVEL MEASUREMENT**

3.1 **Reporting**

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3.1.1 During each Sprint, Fujitsu Services shall measure its performance against the Expected Service Level, Threshold Service Level and Minimum Service Level for such Sprint.

3.1.2 Within the DDS Service Review, Fujitsu Services and Post Office shall review Fujitsu Services' performance during the previous two Sprints. Fujitsu Services shall provide sufficient evidence of its performance during such Sprints to allow assessment of its performance.

3.1.3 Where the period for assessing the Average Sprint Performance of any given Sprint Team includes any Disrupted Sprints, such Disrupted Sprints shall be discounted from the calculated average. By way of example only, where the relevant 6 month period contained 1 Disrupted Sprint, the Average Sprint Performance shall be calculated as an average of the remaining 5 Sprints within such period. Where the number of Disrupted Sprints within any such period exceeds 2, the period shall be extended until an average can be taken across at least 4 Sprints that are not Disrupted Sprints.

4. CORRECTIVE ACTION

4.1 Creation of an Improvement Plan

Where, in respect of any Sprint, the Completion Rate fails to meet the Expected Service Level in respect of such Sprint, Fujitsu Services shall, within 5 business days of the end of such Sprint, provide Post Office with a written plan for improving Fujitsu Services' performance, so as to improve Fujitsu Services' performance and satisfy such Service Levels in the future (an "**Improvement Plan**") for Post Office's approval. In the event that Post Office (acting reasonably) does not approve the Improvement Plan, Fujitsu Services shall submit a revised plan to address Post Office's concerns. For the avoidance of doubt, an Improvement Plan may result in an individual resource being removed from a Sprint Team where the parties agree that this is an appropriate action to help to address Fujitsu Services' performance issues).

4.2 Implementation of Improvement Plan

Upon Post Office's approval, the Improvement Plan shall be implemented by Fujitsu Services in accordance with the timescales set out in the Improvement Plan and Fujitsu Services shall bear the cost of performing its obligations and responsibilities under such Improvement Plan. During the implementation of such Improvement Plan, Fujitsu Services shall provide to Post Office weekly status reports containing progress updates until such time as Fujitsu Services' performance is fully evidenced to be in compliance with the applicable Service Level. For the avoidance of doubt, the implementation of the Improvement Plan shall not relieve Fujitsu Services of any obligations hereunder or from incurring additional Sprint Service Credits.

5. SPRINT SERVICE CREDITS

5.1 This paragraph 5 of Appendix 8 (*Service Credit Mechanism*) shall not apply until 1 November 2018.

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5.2   **Calculation**

Where, in respect of any Sprint, the Completion Rate fails to meet:

(i)   the Minimum Service Level (a "**Minimum Service Level Default**"); or

(ii)   the Threshold Service Level (but does not fail to meet the applicable Minimum Service Level) in respect of such Sprint and the Average Sprint Performance by Fujitsu Services does not exceed the Threshold Service Level,

then, subject to paragraphs 5.3, 5.4 and 5.5 of this Appendix 8 (*Service Credit Mechanism*), Fujitsu Services shall pay to Post Office an amount equal to the Sprint Service Credit for the applicable Sprint, which shall be applied as a credit for the next invoice as a separate line item.

5.3   In no circumstances will the total amounts payable by Fujitsu Services in Sprint Service Credits for any given Sprint exceed 10% of the Sprint Charges for such Sprint.

5.4   Subject to paragraph 6.1 of this Appendix 8 (*Service Credit Mechanism*), but without prejudice to paragraph 4 (*Corrective Action*), the payment of Sprint Service Credits shall be the Post Office's sole remedy with respect to any failure to meet the Service Levels.

5.5   Where a new Product is introduced to the DDS Service or a new Sprint Team commences (as described in the table set out in Attachment 1 to this Appendix 8 (*Service Credit Mechanism*)), then the Threshold Service Level shall apply for the first 3 or 5 Sprints (as applicable) prior to it becoming set at the "Existing Team" levels. For the purposes of calculating the Average Sprint Performance across 6 Sprints which include new Products or new Sprint Teams, the Threshold Service Level will be calculated as the average of the Threshold Service Level targets across all of the 6 Sprints for the purposes of determining whether a Sprint Team has meet the Average Sprint Performance. An example of this process is set out beneath the table in Attachment 1 to this Appendix 8 (*Service Credit Mechanism*).

6.   **TERMINATION**

6.1   Where the average Completion Rate across any twelve (12) consecutive Sprints across all Sprint Teams commencing at any time after 1 November 2018, fails to meet the Threshold Service Level ("**Critical Service Failure**"), then, notwithstanding paragraph 5.4 of this Appendix 8 (*Service Credit Mechanism*), provided that during such period there were an average of at least four (4) Sprint Teams running consecutively, Post Office may terminate the Digital Development Service a result of Default by Fujitsu Services by giving Fujitsu Services no less than sixty (60) days' prior written notice. In the event of any Critical Service Failure, paragraph 5.4 of this Appendix 8 (*Service Credit Mechanism*) shall cease to apply.

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6.2   If, in the event of a Critical Service Failure, Post Office commences proceedings against Fujitsu Services in respect of the provision of the Digital Development Services by Fujitsu Services in relation to one or more Products, Fujitsu Services shall not be required to (but may if it so chooses to) provide further Digital Development Services in respect of such Product(s) and Fujitsu Services or Post Office may elect for Fujitsu Services to cease to provide Digital Development Services in respect of such Product(s) on providing at least 10 business days' prior written notice to Post Office, and in that case:

6.2.1   Fujitsu Services will use all reasonable endeavours to procure an orderly and efficient transition from the provision of the DDS for the Product so terminated to the Post Office or a Replacement Service Provider;

6.2.2   for the avoidance of doubt, Fujitsu Services shall continue to provide Digital Development Services in accordance with this Schedule I3 in respect of all other Products;

6.2.3   the Charges relating to the Product Roles and the Sprint Teams associated with the terminated Product shall cease to apply from the date of termination (the "**Product Reduction Amount**") and the Charges related to the Platform Standing Team Charges and the Oversight Roles Charges shall be reviewed by the parties with a view to reducing them by a percentage equal to the average Sprint Team Charges for the affected Product(s) over the previous 6 month period as a proportion of the DDS Charges (excluding the Platform Standing Team Charges, Oversight Roles Charges and Tooling Charges) until such time as new Products are introduced or additional concurrent Sprint Teams are engaged to support existing Products that require additional resources within the Platform Standing Team or Oversight Roles, or such other proportion taking reasonable account of the continued provision of DDS (the "**Product Reduction Percentage**"). The DDS Commitment for the remainder of the current DDS Commitment Year and for each subsequent DDS Commitment Year shall also be reduced by the Product Reduction Amount and, for so long as it applies, by a percentage equivalent to the Product Reduction Percentage; and

6.2.4   the annual liability cap referenced in Clause 14.1(ii) shall be reduced by the Product Reduction Amount for each subsequent year of the DDS Term and, for so long as it applies, (for each subsequent year of the DDS Term) by a percentage equivalent to the Product Reduction Percentage.

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ATTACHMENT 1 TO APPENDIX 8

Target Story Point Percentages

Type of Sprint Team		Number of Sprints Completed by Standard Sprint Teams					
		1***	2	3	4	5	6+
Existing Team	*Expected*	90%	90%	90%	90%	90%	90%
	Threshold	85%	85%	85%	85%	85%	85%
New Product*	*Expected*	75%	75%	75%	85%	85%	90%
	Threshold	75%	75%	75%	75%	75%	85%
New Team**	*Expected*	85%	85%	85%	90%	90%	90%
	Threshold	75%	75%	75%	85%	85%	85%

* A 'New Product' Sprint Team refers to a Sprint Team supporting a new Product that has not previously formed part of the scope of activity undertaken by Fujitsu Services as part of the Digital Development Services. For clarity, an Existing Team moving to a New Product will have the New Product measures applied.

** A 'New Team' Sprint Team refers to any new Sprint Team created to provide support for an existing Product that already forms part of the scope of activity undertaken by Fujitsu Services as part of the Digital Development Services.

*** The number of Sprints completed by a Sprint Team refers to the number of concurrent complete Sprints undertaken by the specific Sprint Team in question, starting from the first Sprint undertaken by that Sprint Team since the last Product Initiation.

WORKING EXAMPLE

Working Example of calculating Average Sprint Performance where the Threshold Service Level is at different figures during the 6 Sprint measurement Period.

NEW PRODUCT

Threshold is 75 Story Points for first 5 sprints, then 85 for subsequent sprints

A new Product is introduced and the Sprint Team performs as follows:

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Sprint Number	1	2	3	4	5	6	7	8	9	10	11	12
Minimum	75	75	75	75	75	75	75	75	75	75	75	75
Threshold	75	75	75	75	75	85	85	85	85	85	85	85
6 sprint avg Threshold						76.7	78.3	80.0	81.7	83.3	85.0	85.0
Delivered	76	84	88	92	96	100	100	100	100	100	100	100
6 sprint avg delivered						89.3	93.3	96.0	98.0	99.3	100.0	100.0
Credits	0	0	0	0	0	0	0	0	0	0	0	0

The 6 Sprint Average Threshold for Sprint 6 onwards will be calculated as shown in the table above for the purposes of measuring whether the Threshold Service Level and the Average Sprint Performance has been met.

NEW TEAM FOR EXISTING PRODUCT

Threshold is 75 Story Points for first 3 sprints, then 85 for subsequent sprints

A new Sprint Team is introduced and performs as follows:

Sprint Number	1	2	3	4	5	6	7	8	9	10	11	12
Minimum	75	75	75	75	75	75	75	75	75	75	75	75
Threshold	75	75	75	85	85	85	85	85	85	85	85	85
6 sprint avg Threshold						80.0	81.7	83.3	85.0	85.0	85.0	85.0
Delivered	76	84	88	92	96	100	100	100	100	100	100	100
6 sprint avg delivered						89.3	93.3	96.0	98.0	99.3	100.0	100.0
Credits	0	0	0	0	0	0	0	0	0	0	0	0

The 6 Sprint Average Threshold for Sprint 6 onwards will be calculated as shown in the table above for the purposes of measuring whether the Threshold Service Level and the Average Sprint Performance has been met.

SPRINT TEAMS COMMENCING PRIOR TO 1ST NOVEMBER

A new Sprint Team commences DDS on 1st October. For Sprints 1 and 2, Service Levels shall be measured but no Service Credits will apply. For Sprints 3 onwards, the Threshold Service Levels and Expected Service Levels will be as per the table but Service Credits will apply.

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