

Appendix A

Statement of Work ("SOW")

Scope of services

Following our email correspondence in August 2022 and the subsequent meeting with you on 22 August 2022, you have asked us to investigate the facts and circumstances which led to accounting entries being posted incorrectly into the prior financial year (2021-2022) and to Welsh Government approval not being obtained on certain contracts, together with the explanations provided over time ("the Matter").

In accordance with your instructions, the scope of our work will include but not be limited to a review of:

- System and processes to address slippage against projected outturn position
- System and processes around year end, in comparison to the last financial year
- Contract approval and putting forward recommendations for BCUHB to implement a robust process of vesting certificates
- Financial control and assurance procedures
- Learning and recommendations for implementing best practice, taking into account financial controls report
- Financial oversight and scrutiny effectiveness from operational to Board level.

Our work will address these points in as much as they arise from our investigation work.

Limitations on scope

EY's work will consist primarily of analytical procedures applied to information and data made available to us and explanations provided to us. EY's procedures will not intend, or seek, to express an audit opinion on the information and, therefore, will not constitute an audit and should not be relied on as such. None of the Services or any Deliverables will constitute any legal opinion or advice.

Subject to our obligation to conduct our work with reasonable skill and care, EY shall have no liability for any loss or damage, of whatsoever nature, arising from information material to our work being withheld or concealed from us or misrepresented to us by the directors, employees, or agents of BCUHB or any other person of whom EY makes enquiries. Notwithstanding the above, if EY becomes aware, in carrying out our work, of any withholding, concealment or misrepresentation, which we believe will have material implications for the performance of our work, we will inform you as soon as reasonably practicable.

Your specific obligations

You agree to notify us promptly if you become aware of changes in the status of the Matter or any legal proceedings in connection with which the Services are provided, or objections or issues with respect to the performance of the Services.

Our work will be carried out solely for your benefit, and should a Report be prepared, it will be addressed only to you. You should not show this report to any third party without our prior written consent.

As you will appreciate, the conclusion of our work will necessarily depend upon receiving full relevant documents and any omissions may impact upon the quality of our conclusions and hence the reliance which may reasonably be placed on those conclusions.

EY shall need you to provide us with access to the appropriate staff and to the necessary information and papers to enable us to conduct our work.

In consultation with you, EY shall arrange to interview and question employees and third parties in order to gather evidence and additional information.

In EY's experience it is common for further information to become available as our work develops, and we emphasise that it is important to ensure that we continue to be provided with such information as our work progresses.

Specific additional terms and conditions

The performance of EY's services may necessarily involve the collection, processing and/or hosting of electronically stored information (ESI). To perform such services, EY may need to utilise hard drives and/or other computing hardware to copy or process such ESI. The cost of such hard drives used exclusively on this engagement will be passed on as a disbursement at cost. At the conclusion of the delivery of EY's services, we shall agree with you an appropriate protocol for the decommissioning, destruction and/or transfer to you of such hardware.

To the extent that the delivery of EY's services involves the hosting of data and provision of document review software, if the use of such applications becomes dormant for any significant period, EY reserves the right, upon one week's notice in writing, to move such data offline or to less readily accessible storage.

EY cannot and does not provide any assurance that our work and findings will either support or contradict any particular position. You agree that, because the Services are limited in nature and scope, they cannot be relied upon to discover all documents and other information, or provide all analyses, that may be important to you or any proceeding.

We have reviewed our available records to determine whether potential conflicts might arise out of our performance of the Services and no such conflicts have been identified. However, the very nature, diversity, and magnitude of the Ernst & Young organisation and its past and present professional relationships does not allow us to be certain that each and every possible relationship or potential conflict has come to EY's attention. If relevant relationships or potential conflicts come to our attention, we will promptly notify you. You agree that any EY Firm may

provide the Services under this SOW, as well as services to other such parties, as long as (a) no member of the EY team performing these Services (the "EY Team") is part of any team serving other clients in connection with the Matter, and (b) the EY Team does not disclose to any other such team any confidential information relating to you or the Matter (except as required by applicable law, regulation or professional obligation), in either case without your prior written consent.

Limitation of liability

We draw your attention to sections 14 to 16 of the General Terms and Conditions which refer to the limitation of this firm's liability.

EY may utilise certain third-party software and hardware (the "engagement tools") to perform the Services. The engagement tools are provided "as is," and none of EY or any other party involved in the creation, production or delivery of any engagement tool makes any warranties, express or implied, with respect to any thereof, including, without limitation, any implied warranty of merchantability or fitness for any particular purpose or use, or any warranty that the operation of any engagement tool will be uninterrupted, error free or that it will be compatible with any hardware or software used by you or your client.

In addition, if, as part of this engagement, EY have access to your information technology resources including but not limited to computer hardware, software and telecommunication systems and access to pertinent data through or with such resources, you agree not to hold EY responsible or liable for any loss or damage incurred by you as a result of our work in this regard, including without limitation any loss or damage caused to your systems, software, hardware or your business or any third party claims brought against you relating to or arising out of our work save, to the extent that any such loss or damage arises as a result of EY's failure to take reasonable skill and care in carrying out our activities.

Timetable

We will discuss with you the nature and timing of the programme of work which we intend to carry out. The timetable for the completion of various aspects of our work will be agreed following such consultation.

Contacts

You have identified yourself as the contact with whom we should communicate about these Services.

██████████ will maintain overall responsibility for the work. He will be assisted by ██████████ and other members of our Forensic & Integrity Services practice. Wherever appropriate, we will endeavour to make use of more junior staff, but you should be aware that considerable senior time may sometimes be required in work of this nature.

Fees

The General Terms and Conditions address EY's fees and expenses generally. The obligation to pay our fees is not contingent upon the nature of our findings or the outcome of the Matter.

You shall pay our fees for the Services based on actual time incurred at the following hourly rates, plus expenses.

The current hourly rates which will apply to this SOW are:

Partner
Assistant director
Manager
Senior



You agree to reimburse us at these rates for any work that we are required to perform as a result of the requirements of law or regulation.

The processing of data will be charged at [REDACTED] per GB for data presented to the processing software. The cost includes the workspace set up, OCR and indexing operations.

In respect of any data hosted and made available to you on our Relativity review database, we will also apply the following charges:

- (1) a software usage fee of [REDACTED] per GB per calendar month (or any part thereof) for ESI held in readily accessible format in the Relativity review database; and/or
- (2) a User Support fee of [REDACTED] per person per calendar month (or any part thereof) in respect of any user with access to the Relativity review database.

The above rates will continue to apply until 30 June 2023, at which time an increase may be applied.