

Dated

20[◆]

ROYAL MAIL GROUP LIMITED

[CUSTOMER]

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ACCESS LETTERS  
CONTRACT

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Dated

20[◆]

Between

- (1) **Royal Mail Group Limited** (No. 04138203) whose registered office is at 185 Farringdon Road, London EC1A 1AA (**us** or **we**); and
- (2) **[Customer's Registered Name]**, (No. [◆]) whose registered office is at [◆] (**you**).

**Background**

- (A) Under the terms of the USP access conditions imposed on us by Ofcom, we must provide access to our Inward Mail Centres to other postal operators and users who have Letters and Large Letters for delivery in the United Kingdom.
- (B) You have asked for access to our Inward Mail Centres and this Contract sets out the terms and conditions that will apply to that access. This Contract is only available for as long as we are required under the USP access conditions to provide access to our Inward Mail Centres for Letters and Large Letters.

**Contract Details**

## 1 Definitions and interpretation

- 1.1 In this Contract, words and expressions with an initial capital letter have meanings set out in Schedule 1 (Definitions and Interpretation). Schedule 1 (Definitions and Interpretation) also sets out some rules on how to interpret this Contract.

## 2 Your Access Start Date

- 2.1 Your Access Start Date will be [◆].

## 3 Your Price Plan or Plans

- 3.1 Subject to satisfying the relevant eligibility criteria set out in Schedule 3 (Price Plans), you may opt to operate on:
  - (a) a single Price Plan selected from: National Price Plan One (SSCs), Averaged Price Plan Two (Zones), the Regional Price Plan (Zones) or the Zonal Price Plan; or
  - (b) a combination of (i) one of either the National Price Plan One (SSCs) or the Averaged Price Plan Two (Zones) and (ii) the Zonal Price Plan.

You may not operate on both National Price Plan One (SSCs) and Averaged Price Plan Two (Zones) at the same time. If you opt to operate on the Regional Price Plan (Zones), you may not operate on any other Price Plan. After you have selected a Price Plan in accordance with paragraph 3.1(a) or a combination of Price Plans under paragraph 3.1(b), you will be given separate account numbers which you will need to use in order to identify the Price Plan(s) under which your Mailing Items are being declared.

- 3.2 You have opted to operate on [National Price Plan One (SSCs)] / [Averaged Price Plan Two (Zones)] [and] [the Zonal Price Plan] / [the Regional Price Plan (Zones) and your selected Region is [England and Wales] / [Scotland] / [Northern Ireland]]. The

terms of your Price Plan[s] are set out in Schedule 3 (Price Plans) and you agree to comply with the terms of [that] / [those] Price Plan[s].

- 3.3 You may elect to switch your selected Price Plan[s] by giving us no less than 30 days' written notice provided that your new selection must be made in line with the criteria set out in paragraph 3.1 above.

#### **4 Contact Information**

- 4.1 Your Operational Contact is:

Name:	Email address:
Title:	Postal Address:
Telephone number:	
Mobile number:	

- 4.2 Your Commercial Contact must be a person who has authority to act on your behalf in entering into this Contract and in approving any variation to this Contract. We may ask you to verify the Commercial Contact's authority at any time. Your Commercial Contact is:

Name:	Email address:
Title:	Postal Address:
Telephone number:	
Mobile number:	

- 4.3 Either Party may change its Operational Contact or its Commercial Contact by confirming the new contact details by email to the other Party's Commercial Contact.
- 4.4 Details of our Operational Contact and our Commercial Contact are published on our Website, as updated from time to time.

#### **5 The documents that make up your Contract**

- 5.1 Your Contract is made up of the following documents:

- (a) the Contract Details;
- (b) the General Access Terms and Conditions;
- (c) the User Guide;
- (d) Schedule 1 – Definitions and Interpretation;
- (e) Schedule 2 – Service Standard and General Service Obligations;
- (f) Schedule 3 – Price Plans;

- (g) Schedule 4 – Standard Services;
- (h) Schedule 5 – Operational Presentation Facilities;
- (i) Schedule 6 – Container Options;
- (j) Schedule 7 – Agency Terms; and
- (k) Schedule 8 – Mailmark® Options.

5.2 Subject to paragraph 5.3 below, where you have signed up to a Service your use of such Service shall be governed by:

- (a) the terms and conditions set out in the General Access Terms and Conditions;
- (b) the terms set out in the relevant Schedule and Part to this Contract that apply to the provision of that Service; and
- (c) the relevant provisions in the User Guide.

5.3 The documents which are listed in paragraph 5.1 above and which form your Contract should be read together with no particular order of priority, but if there is any ambiguity or conflict between them, then priority will be given as follows unless expressly stated elsewhere in the Contract (in order of descending importance):

- (a) the Contract Details together with Schedule 1 (Definitions and Interpretation);
- (b) the General Access Terms and Conditions;
- (c) Schedule 2 (Service Standard and General Service Obligations) (unless expressly stated otherwise in the other Schedules);
- (d) the other Schedules (except for Schedule 1 (Definitions and Interpretation) and Schedule 2 (Service Standard and General Service Obligations)); and
- (e) the User Guide.

The User Guide expands on the terms of the Contract Details, General Access Terms and Conditions and Schedules and this expansion shall not be treated as an inconsistency between each of these documents.

**EXECUTED** by the Parties

<p><b>Signed by [insert name of signatory]</b> duly authorised for and on behalf of <b>Royal Mail Group Limited</b></p>	
<p><b>Signed by [insert name of signatory]</b> duly authorised for and on behalf of <b>[registered name of Customer]</b></p>	

## GENERAL ACCESS TERMS AND CONDITIONS

### Introduction

These General Access Terms and Conditions form part of your Contract with us. You will find the information about the different parts of your Contract in your Contract Details.

### 1 When this Contract starts and ends

- 1.1 This Contract begins on the date that this Contract is signed by both of us and dated.
- 1.2 Your access to our Inward Mail Centres begins on your Access Start Date.
- 1.3 Where any Schedule (and any Part thereof) forms a part of your Contract with us, the terms of that Schedule (and any Part thereof) shall take effect from the Access Start Date or such other date that is agreed between you and us in writing.
- 1.4 The terms of each Schedule (and any Part thereof) shall continue to have effect until the date that the Schedule or the Part is terminated in line with the termination rights set out in the Contract, including any rights specified in that Schedule or Part.

### 2 The Services

- 2.1 We will provide the Services from the Access Start Date. We will carry out our obligations set out in this Contract and we will comply with the terms of this Contract.
- 2.2 You agree to carry out your obligations set out in this Contract and to comply with the terms of this Contract. If you post any Mailing Items on behalf of a third party, you agree to ensure that they also comply with the terms of this Contract.

### 3 Essential requirements for your Mailing Items

- 3.1 You must ensure that the Mailing Items handed over to us under this Contract:
  - (a) do not break the Advertising Codes;
  - (b) do not contain any Prohibited Items;
  - (c) do not contain any Restricted Items unless those Mailing Items meet our requirements for Restricted Items;
  - (d) do not contain any Valuables;
  - (e) comply with all relevant requirements of this Contract, including any relevant requirements in the User Guide; and
  - (f) comply with all relevant laws and regulations.
- 3.2 You and we each acknowledge and agree that we do not keep detailed records of any Mailing Items.
- 3.3 You must comply with the provisions in the User Guide in relation to Forecasts.

### Minimum posting requirements

- 3.4 During each Contract Year, you must make sure that in aggregate you hand over to us at least either (i) 6,000,000 Mailing Items, or (ii) 1,000,000 Mailing Items if delivering to fewer than 4 Inward Mail Centres in that Contract Year, and if you fail to hand over the relevant amount to us in any Contract Year after the first Contract Year, we may terminate your Contract in accordance with clause 7.4(b).
- 3.5 You must make sure that each Daily Posting you hand over to us contains a minimum of 4,000 Mailing Items, and if UCID Postings are handed over within the Posting, that each UCID Posting contains a minimum of 4,000 Mailing Items.

### **Sampling and checking your Daily Postings**

- 3.6 We may sample to check your Mailing Items where we reasonably consider this necessary to make sure that you have declared the correct Postage payable on those Mailing Items and that you have complied with the terms of this Contract in respect of your Mailing Items.
- 3.7 Mailing Items are not accepted by us until we have had an opportunity to carry out this sampling and checking and have done so or failed to do so within a reasonable period of time (and in any case within one Working Day of your handing over the Mailing Items to us at the relevant Inward Mail Centre). The full details of our procedures for dealing with and (if relevant) charging for Mailing Items on which you have not declared the correct Postage and for all non-compliant Mailing Items are set out in the User Guide.
- 3.8 If, after sampling and checking your Mailing Items in line with this Contract, we are reasonably satisfied that you have not declared the correct Postage or that you have submitted Mailing Items that do not comply with any requirement under this Contract, we:
- (a) shall notify you (including by telephone or electronically) as soon as is reasonably practicable after identifying the error but no later than within 24 hours of identifying the error; and/or
  - (b) may take any of the following actions:
    - (i) carry out any rectification action that we consider appropriate so that your Mailing Items comply with the Contract. This includes but is not limited to amending the Posting Docket on the number of Mailing Items received and the Postage payable. We will let you know what rectification action we have taken, but we do not have to wait for your approval before taking that action. We may charge you an additional amount to recover our reasonable costs in undertaking any of these rectification actions;
    - (ii) exercise any other applicable remedies for non-compliance set out in Section 10 of the User Guide; and
  - (c) in addition to the actions set out in clause 3.8(b), we have the right to take any of the following actions in respect of Mailing Items that do not comply with the relevant Access Service Specification:
    - (i) reject the Mailing Items;

- (ii) allow you to handover the relevant Posting but remove the relevant Discount for that Posting (if relevant) and/or charge you the applicable Access Charges for the Access Service Specification that those Mailing Items meet; or
- (iii) suspend or terminate your right to post using the relevant Access Service under Schedule 4 (Standard Services) immediately on giving written notice to you.

### **Using UCIDs**

- 3.9 If you have correctly applied your approved numbering methodology in accordance with the User Guide, and we can easily identify Mailing Items in a Posting which have been prepared discretely from other Mailing Items by use of a specific UCID in line with the User Guide, then we shall limit the actions we may take under clause 3.8(b) to those Mailing Items of the same UCID in the Posting.

## **4 Health and safety and indemnities**

- 4.1 At any time when you visit our premises, you must ensure that you and your employees, agents and contractors comply with:
- (a) our health and safety requirements whilst on our premises, as set out in our health and safety policies;
  - (b) our reasonable requests relating to health and safety; and
  - (c) the requirements of the User Guide on health and safety in force from time to time.

We will give you a copy of our health and safety policies and of any amendments made to them in future. You will find our current health and safety policies published on our Website, as updated from time to time.

- 4.2 You must ensure (where applicable) that your custody, use, management and transportation of the Containers complies with all applicable health and safety legislation.
- 4.3 You shall indemnify us against any liabilities, costs, expense, damages and losses (including reasonable legal expenses) suffered or reasonably incurred by us (or our employees, agents and contractors) arising from any breach by you of clauses 4.1 or 4.2.
- 4.4 If we want to claim under the indemnity under clause 4.3, we will:
- (a) notify you of the relevant facts giving rise to that claim as soon as reasonably practicable (and within 180 days) of first becoming aware of the claim;
  - (b) consult with you about:
    - (i) liabilities, costs, expense, damages and losses connected with or arising from that claim;
    - (ii) the circumstances giving rise to the claim; and



- (iii) how any loss, liability, cost, expense, damages and/or claim may be restricted or mitigated or any potential claim prevented or restricted;
- (c) take all reasonable steps to restrict or mitigate those circumstances or losses, or to prevent or restrict any potential claim;
- (d) not admit liability, or reach agreement or compromise with any person, body or authority about the potential claim unless we have:
  - (i) first consulted with you about an admission, agreement or compromise; and
  - (ii) given you a chance to give your reasons as to why you object to the admission, agreement or compromise within a reasonable period of time; and
- (e) give you (and any other person, body or authority who has reason to be concerned with the claim) in writing all relevant information and documents relating to the potential claim or the matters which will or are likely to give rise to a claim as may reasonably be required by you or by such other person, body or authority.

## **5 Liability**

- 5.1 For the purposes of this clause 5, a reference to a Party includes its officers, employees or agents.
- 5.2 Nothing in this Contract limits or excludes the liability of a Party for:
- (a) death or personal injury caused by its negligence;
  - (b) fraud or fraudulent misrepresentation; or
  - (c) any liability which cannot be limited or excluded by applicable law.
- 5.3 Subject to clause 5.2, paragraphs 3 and 4.4 of Schedule 2 (Service Standard and General Service Obligations) and paragraph 5.4 of Part 2 of Schedule 8 (Mailmark® Options), you agree on your own behalf and duly authorised for and on behalf of each Relevant Principal that we are not liable to you or to your Relevant Principals, whether in contract, tort (including negligence) or otherwise, arising under or in connection with this Contract for any loss, damage or delay:
- (a) to any Mailing Item under this Contract;
  - (b) to any Mailing Item given to a carrier to whom you have authorised us to give it under the Letter of Responsibilities;
  - (c) where any person misrepresents their authority to receive the item on the intended recipient's behalf or your behalf.
- 5.4 Subject to clause 5.2, paragraphs 3 and 4.4 of Schedule 2 (Service Standard and General Service Obligations) and paragraph 5.4 of Part 2 of Schedule 8 (Mailmark® Options), you agree on your own behalf and duly authorised for and on behalf of each Relevant Principal that we are not liable to you or to your Relevant Principals,

whether in contract, tort (including negligence) or otherwise, arising under or in connection with this Contract for:

- (a) loss of profit;
- (b) loss of revenue;
- (c) loss of contracts;
- (d) loss of business;
- (e) loss of anticipated savings;
- (f) loss of or damage to goodwill;
- (g) loss of data;
- (h) any indirect or consequential loss.

5.5 Subject to clause 5.2 and clause 11, you are not liable to us, whether in contract, tort (including negligence) or otherwise, arising under or in connection with this Contract for any:

- (a) loss of profit;
- (b) loss of revenue;
- (c) loss of contracts;
- (d) loss of business;
- (e) loss of anticipated savings;
- (f) loss of or damage to goodwill;
- (g) loss of data;
- (h) any indirect or consequential loss.

## **6 Disruptive Events**

6.1 We will tell you about a Disruptive Event as soon as we reasonably can (and in any event no later than the end of the Financial Quarter Period which immediately follows the Financial Quarter Period during which we are first unable to perform any of our obligations as a result of the Disruptive Event) and let you know what it is we are unable to do as a result of it.

6.2 Our obligations under this Contract will be suspended;

- (a) to the extent that it is affected by the Disruptive Event; and
- (b) while the Disruptive Event continues;

provided that (except in the case of industrial dispute) we promptly take reasonable steps to resume performance as soon as reasonably possible.

- 6.3 If we cannot carry out any obligation under this Contract because of a Disruptive Event we will:
- (a) not be in breach of this Contract; and
  - (b) not be liable for any delay on our part or any inability to carry out any obligation under this Contract.

## **7 Terminating this Contract**

- 7.1 You may terminate this Contract at any time by giving us 28 days' written notice.
- 7.2 Either of us may terminate this Contract (in our case, either in whole or in part including by terminating the provision of any individual Service to you) by giving written notice to the other (and the termination shall be effective immediately) if:
- (a) the other Party commits any material or persistent breach of the relevant terms and conditions of this Contract and either:
    - (i) the breach cannot be remedied, which shall include you using any of the Services fraudulently, in connection with any criminal offence or in a way which breaks any law that applies; or
    - (ii) where the breach can be remedied, it has not been remedied within 30 days of the Party in breach having been notified of the breach by the other and asked to take steps to remedy the breach; or
  - (b) an Insolvency Event occurs in respect of the other Party.
- 7.3 We may terminate this Contract (either in whole or in part including by terminating the provision of any individual Service to you) by giving you written notice (and the termination shall be effective immediately) if you:
- (a) fail to make any payment due under this Contract within 30 days of the date of our invoice and we have given you notice that we intend to terminate this Contract for non-payment of invoices and have given you seven days to pay; or
  - (b) do anything which in our reasonable opinion damages or may damage our reputation or business, or the reputation or business of any member of the Royal Mail Group.
- 7.4 In addition to our rights to terminate set out above, we may terminate this Contract at any time by giving you not less than:
- (a) 28 days' written notice if you do not hand over any Mailing Items to us for a period of 190 consecutive days; or
  - (b) 90 days' written notice if during any Contract Year after the first Contract Year of this Contract you do not hand over at least either (i) 6,000,000 Mailing Items to us, or (ii) 1,000,000 Mailing Items to us if delivering to fewer than 4 Inward Mail Centres;
  - (c) 12 months' written notice if we wish to replace the terms of this Contract with new access terms, provided that:

- (i) the relevant notice describes the terms of this Contract we propose to change and the new terms which we will offer you in place of those current terms; and
- (ii) the complete new Access Contract is made available to you at least 190 days before the end of that 12 months' notice period (if at that time Access is a Regulatory Condition).

7.5 We shall discuss the proposed termination with you before we terminate your Contract for any reason.

7.6 You may apply to the Regulator if you consider that we are not acting fairly and reasonably in terminating your Contract.

7.7 If:

- (a) any Regulatory Body makes a formal public notification that it has opened an investigation into us or accepted to resolve a dispute referred to it involving us through formal proceedings; and
- (b) the outcome of the investigation or formal proceedings is reasonably likely to affect our rights to terminate your Contract or it would be reasonable to expect us to take that outcome into consideration in deciding whether we were acting fairly and reasonably in terminating your Contract,

then the relevant notice period referred to in clause 7.4 shall be suspended as between the Parties, until the Regulatory Body determines that the investigation or formal proceedings have been concluded and makes a decision or issues directions regarding our decision to terminate your Contract.

## **8 Consequences of Termination**

8.1 Termination of this Contract or of an Agency Customer Contract (or any individual Service) for any reason shall not affect any rights which either of us may already have under the Contract before the date of termination, or whether or not any obligations under the Contract which were intended either to come into or remain in force after termination do so.

8.2 In respect of all sums which remain outstanding on the date of the termination or expiry of this Contract, the payment terms as set out in the Contract in relation to such sums shall continue to apply despite the termination of the Contract.

8.3 If this Contract is terminated, you and we shall:

- (a) return to each other all documents and materials (including copies) containing, reflecting, incorporating or based on the other's Confidential Information;
- (b) erase all of the other's Confidential Information from our and your computer systems (to the extent reasonably possible); and
- (c) notify each other in writing confirming that you and we have complied with this clause 8.3,

save that you and we may keep documents and materials reflecting, incorporating or based on the other's Confidential Information to the extent required by law or any

applicable governmental or regulatory authority, and the terms of clause 9 shall continue to apply to that kept information.

- 8.4 If this Contract is terminated and subject to any express terms set out elsewhere in this Contract you will:
- (a) immediately stop using the Royal Mail Access Indicator on your Letters and Large Letters;
  - (b) stop supplying, distributing and printing any stationery incorporating the Royal Mail Access Indicator for your Letters and Large Letters;
  - (c) at our sole discretion and request, either make sure that the Royal Mail Access Indicator is completely concealed on the remaining copies of such stationery (for example by over-labelling of the whole of the Royal Mail Access Indicator) or destroy the remaining copies of such stationery and provide us with a certification signed by one of your directors that all remaining copies are destroyed.

## **9 Confidentiality**

9.1 You and we must treat the terms and conditions of this Contract and any Confidential Information as confidential and must not disclose the Contract Details or any Confidential Information to any third party without the other Party's written consent, except as permitted by clause 9.2. However this does not apply where:

- (a) the disclosed information was known to the receiving Party before the information was disclosed to it by the disclosing Party;
- (b) the information has become available to the public (except where the information became available through a breach of confidentiality); or
- (c) you and we agree in writing that the information is not confidential or may be disclosed.

9.2 Either of us may (in good faith) disclose the terms and conditions of this Contract or any Confidential Information without the approval of the other:

- (a) to our respective Affiliate(s), professional advisers, auditors, bankers, contractors (including franchisees and owner-drivers) and independent companies responsible for measuring our performance against the Service Standard, in each case who need to know such information for the purposes of exercising the Party's rights or carrying out its obligations under or in connection with this Contract, provided that the disclosing Party requires them to maintain the confidentiality of the information;
- (b) to the extent required by any securities exchange, regulatory or governmental body relevant to either of us, any written request of any taxation authority or as required by any undertaking given to the Regulator;
- (c) to the extent required by the Act, any regulation or any other applicable law; and
- (d) to the extent necessary for the proper conduct of any judicial proceedings or for any process under clause 12.

In the case of clauses 9.2(b), 9.2(c) and 9.2(d) the disclosing Party must first notify the other Party of an intention to disclose information, unless the law prohibits this.

- 9.3 Each of us may use the other's Confidential Information to exercise our respective rights and perform our respective obligations under this Contract without the other Party's consent.
- 9.4 The terms of this clause 9 shall continue to apply after this Contract is terminated or ends.

## **10 Notices**

- 10.1 All notices and other communications (excluding invoices) to be served on or given to either Party under this Contract shall be:
- (a) for all notices to be served on or given to either Party under clause 7, given in writing and sent by a form of delivery in which delivery must be signed for and recorded by the deliverer to the Commercial Contact;
  - (b) for all notices to be served on or given to either Party under clause 12, given in writing and sent by a form of delivery in which delivery must be signed for and recorded by the deliverer to the Commercial Contact or the Operational Contact (as applicable); and
  - (c) for any notices to be served on or given to either Party in relation to all other matters relating to this Contract other than as listed in clauses 10.1(a) and 10.1(b), given by email to the Commercial Contact.
- 10.2 A notice is classed as having been given:
- (a) if sent by recorded delivery, at the time of delivery;
  - (b) if sent by email, when received at the place it was sent to (and in the case of email if an out of office message is received the notice is classed as having been received) unless the time you or we receive the notice is after 5pm on any Working Day in which case we shall class the notice as having been received at 9am on the next Working Day.
- 10.3 For notices served pursuant to clause 10.1(c), you may request hard copies of the notice from us but, for the avoidance of doubt, that additional notice shall be for information only and the original notice shall remain valid and be deemed to have been served in accordance with clause 10.2(b).

## **11 Charges and Payment Terms**

### Calculation and checking of Access Charges

- 11.1 You must ensure that Postage for each Daily Posting is calculated and declared by you accurately and completely in your Posting Docket in line with the relevant Price Plan and with the requirements of the User Guide, unless you are using eManifest Billing in which case no Posting Docket is required.
- 11.2 Unless otherwise specified in this Contract, we publish the Access Charges relating to the Services (including any related discounts) on the pricing page of the Website, as amended from time to time in line with clause 13. Only Mailing Items eligible for the

specified Service that you hand over to us and we accept will qualify for the charges related to that Service.

11.3 You agree:

- (a) (at all reasonable times and upon reasonable notice) to let us inspect your records relating to your Daily Postings in order to check the details of each Daily Posting and the Postage payable for each Posting; and
- (b) to co-operate with our reasonable requests for information about each Daily Posting and the Postage payable for each Daily Posting.

11.4 You do not need to identify by name the third parties for whom you have posted.

#### Payment Terms

11.5 Unless expressly stated otherwise in this Contract, we will make available to you weekly invoices. The invoices will show the total Access Charges you owe for the Access Services that we have agreed to provide to you under this Contract during the previous 7 days.

11.6 You shall pay all invoices in full within 30 days of the date of the invoice.

11.7 All Access Charges or other charges are expressed as exclusive of VAT. You shall pay any VAT payable on Access Charges and other charges due under this Contract.

11.8 If there is a dispute over an invoice, you should pay the invoiced amount in full, in line with the payment terms of this Contract, pending the dispute being resolved. If the dispute is resolved in your favour:

- (a) we shall make any adjustment due immediately upon the dispute being resolved;
- (b) you may charge us daily interest on that part of the amount of payment that was in dispute and resolved in your favour. Interest will be calculated for the period commencing on the date of payment of the amount by you and ending on the date of repayment of the amount by us at an annual rate equal to 8 per cent above the Bank of England base lending rate as is current from time to time.

11.9 You shall operate a Credit Account with us for Postage throughout the period of this Contract. We will give you an account number for the Credit Account as soon as reasonably practicable, and at least 28 days before the Access Start Date. You may not post under this Contract until you have received the account number and we have activated it.

11.10 You must comply with any credit limit placed on the Credit Account and all other conditions relating to the Credit Account. We shall operate the Credit Account in line with our standard credit policy and procedures in place from time to time. If you are no longer eligible for a Credit Account, you may not hand over any Mailing Items to us until your Credit Account has been reinstated. You acknowledge that additional terms and conditions may be applied to your Credit Account before it is reinstated.

11.11 If you fail to make any payment by the date when payment is due then, regardless of any other right or remedy we may have, we may:

- (a) (provided we have given you 7 days' notice of our intention to do so) immediately suspend the performance or further performance of our obligations under this Contract, without liability to you;
- (b) charge daily interest on all amounts not paid until payment is received in full. That interest will be calculated at an annual rate equal to 8 per cent above the Bank of England base lending rate as is current from time to time;
- (c) charge a fixed sum fee (a **Late Payment Fee**) in respect of such late payment, tiered according to the value of the debt as follows:

Amount of Debt	Late Payment Fee
Up to £999.99	£40.00
£1000 to £9999.99	£70.00
More than £10,000	£100.00

and;

- (d) charge reasonable costs incurred by us as a result of actions taken to recover the debt to the extent such reasonable costs exceed the Late Payment Fee.

## 12 Disputes

12.1 The following conditions shall apply to any claims related to Postage or Adjustments paid or payable under this Contract:

- (a) you must submit any claims up to and including £5,000 in value to us within 90 days from the date of the invoice;
- (b) you must submit any claims over £5,000 in value to us within 6 months from the date of the invoice;
- (c) you must provide us with all information we may require from you to investigate the claim; and
- (d) we will consider and try to resolve the claim within 30 Working Days of us receiving all of the necessary information pursuant to clause 12.1(c).

12.2 Where:

- (a) a claim related to Postage and Adjustments has not been resolved in accordance with clause 12.1(d); or
- (b) there is a dispute otherwise arising out of or under or in connection with this Contract,

either of us shall in the first instance send a notice in writing to our and your Operational Contact identifying the circumstances giving rise to the dispute and the remedy sought. The Operational Contacts shall consider and try to reach agreement to resolve the dispute.

12.3 If the Operational Contacts are unable to reach agreement to resolve the dispute within 14 days after receipt of the notice referred to in clause 12.2 (or such further



time as the Operational Contacts agree) then the dispute shall, as soon as that period has expired, be referred to the Commercial Contacts who shall consider and try to reach agreement to resolve the dispute within 14 days of the referral to them.

12.4 If:

- (a) the claim referred to in clause 12.1(a) or clause 12.1(b) is not resolved in accordance with clause 12.1(d), 12.2 or 12.3; and
- (b) the value of the claim is more than £20,000 but less than £125,000; and
- (c) (where you wish to refer the dispute to adjudication) we give our written consent,

the dispute may be referred to adjudication and the Centre for Effective Dispute Resolution (CEDR) Rules for Adjudication (2021 edition) shall apply to the adjudication.

12.5 If the dispute is not resolved in accordance with one of the procedures previously referred to in this clause 12:

- (a) either of us may (but do not have to) refer the dispute to arbitration and the Chartered Institute of Arbitrators Arbitration Rules (2015 edition) will apply to that arbitration;
- (b) provided we give our written consent, we and you may try to resolve the dispute by mediation and the CEDR Model Mediation Procedure (2020 edition) shall apply to any mediation. To request mediation, you must send a notice in writing to our Commercial Contact.

12.6 Nothing in this Contract (including the other terms of this clause 12) affects what is stated in clause 17.6, or shall prevent either of us from referring a dispute to the Regulator or applying to the court for interim relief pending the dispute being resolved in line with the terms of this Contract.

## 13 Changes

13.1 You may ask for a change to this Contract by following the procedure set out in the Statement of Process which you will find on the Website.

13.2 We may change this Contract without your consent:

- (a) on giving you at least 190 days' written notice:
  - (i) *Any change*: to make any change to this Contract not otherwise provided for in this Contract. For the avoidance of doubt this clause 13.2(a)(i) may not be used to change all of the terms of this Contract as such an extensive change would require termination of the Contract in accordance with clause 7.4(c);
  - (ii) *Pricing Structure Change*: to make any change to the Pricing Structure affecting any calculation or measurement of the Access Charges; or

- (iii) *Royal Mail Access Indicator*: to make any change to our Royal Mail Access Indicator, provided that we may make only one such change in any period of 18 months; or
  - (iv) *Access Service*: to withdraw an Access Service (unless a different notice period is set out in the relevant Part of the relevant Schedule, in which case that notice period shall take precedence);
- (b) on giving you at least 70 days' written notice:
- (i) *New Products and Services*: to introduce one or more new services or products, provided that such notice period is accepted by 67 per cent of the members of each Customer Segment (**Acceptance Threshold**) in accordance with the calculation mechanism set out in clause 13.8. If the Acceptance Threshold is not reached in respect of all Customer Segments, we will give you at least 120 days' written notice rather than 70 days' written notice prior to introducing the new product(s) or service(s); or
  - (ii) *Changes to Access Services*: to make any changes to one or more Access Services (including any changes to the Access Service Specification, the terms of Schedule 4 (Standard Services) (except for Part 4 (Trunking Services) of Schedule 4 (Standard Services)) and/or Schedule 8 (Mailmark® Options) (except for paragraphs 3 to 5 of Part 2 (Royal Mail Mailmark® Economy) or Part 4 (eManifest Billing) of Schedule 8 (Mailmark® Options)) but for the avoidance of doubt this clause may not be used to:
    - (A) change the General Access Terms and Conditions, Schedule 2 (Service Standard and General Service Obligations), Part 4 (Trunking Services) of Schedule 4 (Standard Services), paragraphs 3 to 5 of Part 2 (Royal Mail Mailmark® Economy) or Part 4 (eManifest Billing) of Schedule 8 (Mailmark® Options), as such changes can only be made in accordance with clause 13.2(a)(i); and/or
    - (B) withdraw an Access Service, as such a change can only be made in accordance with clause 13.2(a)(iv);
- (c) *Change required by Regulator*: on giving you at least 90 days' written notice (or, if shorter, such period of notice as is required to allow us to comply with the requirements of the Regulator), where the change is needed to comply with any legal or regulatory requirement which applies to us;
- (d) *Access Charges, Permitted Variances Compensation Rates and each Quarterly Cap*: on giving you at least 70 days' written notice, to increase any Access Charge and/or change any Discount, and/or Permitted Variance and/or one or more of the Compensation Rates and/or each Quarterly Cap, provided that we may not make more than:
- (i) two increases to Postage for each Access Service in any Financial Year;

- (ii) two increases to any Profile Adjustment or Adjustment in any Financial Year;
- (iii) two changes to Permitted Variances in any Financial Year;
- (iv) two changes to each of the Compensation Rates in any Financial Year in accordance with the following terms:
  - (A) each Compensation Rate shall be changed to reflect a change in Postage and the percentage amount by which a Compensation Rate shall be changed shall be equal to the weighted average percentage change (calculated by reference to volumes) to the Postage payable for Letters and Large Letters as a result of such price change; and
  - (B) such a change to each Compensation Rate shall become effective from the beginning of the Financial Quarter Period after the Financial Quarter Period in which the Postage price change becomes effective (for example by way of illustration only, if the Postage price change becomes effective from November, the Compensation Rates shall correspondingly change from the fourth Financial Quarter Period); and
- (v) one increase to all Quarterly Caps in any Financial Year (such increase to each Quarterly Cap taking effect on the same date).
- (e) *Postcode Sector Change*: on giving you at least 70 days' written notice, to move a Postcode Sector or Postcode Sectors from one Zone to another where we reasonably believe that the characteristics of any Postcode Sector within a Zone do not adequately reflect our costs;
- (f) *Incentive Products and Promotions*: on giving you at least 70 days' written notice, to introduce from time to time incentive products and promotions of specified duration which are intended to promote the use of Access Services and increase the volumes of Letters and Large Letters. The introduction of such incentive products and promotions shall not be considered to be a change to any Access Charge or Permitted Variance for the purposes of clause 13.2(d) and, accordingly, any such incentive products and promotions will not count towards the number of changes permitted under clause 13.2(d); and
- (g) *Carbon Reporting Requirements*: on giving you at least 70 days' written notice, to change the provisions of clause 17.10 of the General Access Terms and Conditions and/or to change the Annual Carbon Reporting Return.

13.3 Except for any changes to the User Guide that fall within the scope of clause 13.2(b)(ii), we may change any other provisions of the User Guide without your consent:

- (a) where a change which affects all Inward Mail Centres is needed because of:
  - (i) national operational or network changes (including the timing of transport connections, the location and numbers of Inward Mail

Centres, the extent and use of our property and latest acceptance times); or

- (ii) other structural or procedural changes that we will implement,

in which case we will give you at least 190 days' written notice of the change.

- (b) where the change is needed because of network changes (including local latest acceptance times, local routings and the extent and use of our property) or other structural or procedural changes to be implemented by us affecting a particular Inward Mail Centre, in which case we will give you at least 70 days' written notice of the change;
- (c) where the change is needed because of changes we have made to our generic or individual Services and Service specifications, including addressing standards and sortation requirements, in which case we will give you at least 70 days' written notice of the change.

In each case, our notice will set out the change and the reasons for the change.

- 13.4 Where we give you notice of any change under this clause 13, we will in that notice describe which terms of this Contract we propose to change and the new terms which we will offer in place of those current terms. This obligation does not apply in relation to notices under clause 13.2(c) in respect of changes directed or determined or otherwise required by the Regulator.
- 13.5 Where we intend to make any changes to the Contract pursuant to this clause 13, we shall consult with you on any such change which we reasonably believe may have a material impact on Access Customers, provided that this obligation shall not apply in relation to changes under clauses 13.2(c), 13.2(d) and 13.2(e).
- 13.6 Where we intend to make a change to the Contract pursuant to clause 13.2(a)(i), we shall consult with you prior to serving notice in accordance with clause 13.2(a)(i) if we reasonably believe the proposed change may have a material impact on Access Customers. This consultation process shall run for a period of at least 6 weeks from the date on which we publish our proposals. After the consultation ends, we will wait for a period of at least 6 weeks before we serve you with the notice set out in clause 13.2(a)(i).
- 13.7 Wherever reasonably possible, we will try to give you longer notice of the changes under clauses 13.2 and 13.3 than the minimum notice periods set out in those clauses.
- 13.8 The following acceptance process shall apply to the introduction of a new product or service pursuant to clause 13.2(b)(i):
  - (a) before the first vote takes place pursuant to the voting mechanism in this clause 13.8, we will agree with you which Customer Segment you belong to. You will remain in the agreed Customer Segment for as long as this Contract remains in place unless otherwise agreed;
  - (b) we will make available our proposal in respect of the new product or service on our Website (**New Service Proposal**) and we will notify you of its publication on our Website within a reasonable time (not to exceed one

Working Day from the date the New Service Proposal is published on our Website);

- (c) you will have 30 days from the date we notify you that we have published the New Service Proposal to submit your vote in the manner set out in the New Service Proposal indicating whether you accept or reject the 70 days' notice period (**Voting Period**). You can only cast one vote in respect of each New Service Proposal;
- (d) within one Working Day of the expiry of the Voting Period we will count the number of votes within each Customer Segment that are in favour of introducing the new product or service on 70 days' notice;
- (e) any nil responses will be marked as abstentions and we shall calculate the Acceptance Threshold on the basis of the total number of votes we have received within each Customer Segment prior to the expiry of the Voting Period; and
- (f) we will publish the voting results on our Website, together with a breakdown of the results achieved across each segment.

13.9 If:

- (a) any Regulatory Body makes a formal public notification that it has opened an investigation into us or accepted to resolve a dispute referred to it involving us through formal proceedings; and
- (b) the outcome of the investigation or formal proceedings is reasonably likely to affect our rights to change your Contract or it would be reasonable to expect us to take that outcome into consideration in deciding whether we were acting fairly and reasonably in changing your Contract,

then the relevant notice period referred to in clauses 13.2 or 13.3 shall be suspended as between the Parties, until the Regulatory Body determines that the investigation or formal proceedings has been concluded and makes a decision or issues directions regarding our decision to change your Contract.

## **14 Assignment and Sub-contracting**

- 14.1 We may assign any of your payment obligations under this Contract without your consent. We may assign the benefit of the Contract for any other purpose with your prior consent, which may not be unreasonably withheld.
- 14.2 You may assign the benefit of this Contract with our prior written consent, which may not be unreasonably withheld.
- 14.3 We recognise that you may use sub-contractors (including Affiliates, franchisees, third party carriers and owner-drivers) to convey Mailing Items from one place to another. They may access our Inward Mail Centres under and in line with this Contract on your behalf, provided that:
  - (a) you ensure that they comply with the terms of this Contract (in so far as it applies to them);
  - (b) you remain responsible for meeting your obligations under this Contract; and

- (c) you shall be liable for the acts and omissions of any such sub-contractor as fully as if they were your acts or omissions.

## **15 Intellectual Property Rights**

- 15.1 All Intellectual Property Rights in the Customer Access Indicator belong to you. All Intellectual Property Rights in the Royal Mail Access Indicator and the Digital Stamp Indicator belong to us. Any other Intellectual Property Rights arising under this Contract belong to the Party responsible for creating those rights. Where the Intellectual Property Rights are created jointly, they belong to both of us jointly unless we need them to comply with our obligations under the Act or the Regulatory Conditions, in which case they belong to us but are subject to clause 15.3.
- 15.2 You acknowledge our ownership and proprietary rights in the Intellectual Property Rights in the Royal Mail Containers and agree and acknowledge that you shall not:
  - (a) obtain any rights in the Intellectual Property Rights of the Royal Mail Containers, except as expressly granted under Schedule 6 (Container Options); or
  - (b) register or attempt to register any of the Intellectual Property Rights in the Royal Mail Containers in any jurisdiction.
- 15.3 Subject to clause 16, each of us grants the other a royalty free, non-exclusive, non-transferable licence of the Intellectual Property Rights that the granting Party owns (solely or jointly with the other), solely to the extent needed to be able to properly perform the receiving Party's obligations and exercise the rights under this Contract.
- 15.4 Each of us shall inform the other of all applications for trade marks, patents or registration of designs or any other acts regarding protection or exploitation of all Intellectual Property Rights arising from this Contract. Where both of us have contributed to the creation of such Intellectual Property Rights, the Party making the application must get the consent of the other Party before making any application or taking any other action and/or the other Party may join any applications or other actions.
- 15.5 Each of us shall take all steps as and when the other Party may reasonably require (and at the other Party's expense) to help the other Party maintain and enforce its Intellectual Property Rights in its Access Indicator throughout this Contract.
- 15.6 Each of us undertakes (at its own cost) to execute any other documents or perform other further acts as the other may reasonably request, to give effect to the terms of this clause 15.

## **16 Royal Mail Access Indicator and Digital Stamp Indicator Licence**

- 16.1 We grant you a non-exclusive licence to use the Royal Mail Access Indicator and the Digital Stamp Indicator, as updated from time to time, until termination of the permission strictly in accordance with the terms of this Contract. This licence shall not constitute or imply any agreement between you and us or any undertaking or obligation whatsoever on our part regarding the carriage of any Mailing Item other than on the terms of this Contract.
- 16.2 You may only use a Royal Mail Access Indicator if you:

- (a) reproduce the Royal Mail Access Indicator in the form as set out in the User Guide;
  - (b) have first been assigned an Access Licence Number by us;
  - (c) incorporate the Access Licence Number into the Royal Mail Access Indicator and do not make any amendment, modification, alteration, or reformatting except with our written approval;
  - (d) ensure that any Royal Mail Access Indicator or Customer Access Indicator used does not contain any date reference;
  - (e) have an active and fully paid up Credit Account operating under this Contract;
  - (f) have approval to use our electronic docketing system to declare your Daily Postings;
  - (g) inform us immediately if your contact details change;
  - (h) use the Royal Mail Access Indicator on Mailing Items to be delivered under the terms of this Contract; and
  - (i) submit to us a correctly completed Posting Docket and pay the correct Postage to us.
- 16.3 You undertake that you shall not make any statements or claims that indicate that we have approved or recommended any goods or services offered by you and/or your agents.
- 16.4 The rights granted under clauses 15 and 16 are personal to you and you may not assign or license any of the rights granted under these clauses 15 and 16 without our written consent. Without affecting the terms of clause 17.7, nothing in this Contract confers on any third party any benefit nor the right to enforce any clause of these terms.
- 16.5 We shall indemnify you against any liabilities, costs, expenses, damages and losses (including reasonable legal expenses) that you suffer or incur from any claim that the use of the Royal Mail Access Indicator on Mailing Items within the United Kingdom (which for this clause 16.5 and clause 16.6 only includes Jersey, Guernsey and the Isle of Man if and for so long as they are treated as domestic destinations under our business bulk mail sortation services) in the manner set out in this Contract infringes the Intellectual Property Rights of any third party, provided that you comply with clause 16.7.
- 16.6 You shall indemnify us against any liabilities, costs, expenses, damages and losses (including reasonable legal expenses) that we suffer or incur from any claim that the use of the Customer Access Indicator on Mailing Items within the United Kingdom in the manner set out in this Contract infringes the Intellectual Property Rights of any third party, provided that we comply with clause 16.7.
- 16.7 The indemnities in clauses 16.5 and 16.6 shall apply provided that in each case the indemnified Party:
- (a) gives the indemnifying Party prompt notice (including full details in writing) of any claim received;

- (b) gives the indemnifying Party control and conduct of all negotiations and litigation arising from the claim;
- (c) makes no admission and does not do anything to prejudice the defence of the claim; and
- (d) gives the indemnifying Party any assistance (at the indemnifying Party's expense) that the indemnifying Party reasonably needs in defending the claim.

## 17 General

17.1 *Opening Mailing Items:* We may open Mailing Items to check that they comply with this Contract if we reasonably believe that we need to open and check Mailing Items to see if you are complying with this Contract.

17.2 *Service Management:* Your and our relevant senior personnel shall formally review both Parties' adherence to this Contract each month (or any other period as you and we agree). However, nothing in this Contract shall stop discussions taking place at any time about changing the terms of this Contract. At these meetings, you and we shall discuss any concerns about performance under this Contract (such as potential breaches of this Contract and steps needed to remedy any breaches) and any proposed changes to this Contract.

17.3 *Sanctions:*

- (a) You must ensure that the Mailing Items handed over to us under this Contract are not prohibited under applicable Sanctions Laws. Information about sanctions can be found on our website at [www.royalmail.com/international-sanctions](http://www.royalmail.com/international-sanctions) (the information listed here does not constitute legal advice and we accept no liability in relation to this information). If your Mailing Items need a licence under applicable Sanctions Laws, it is your responsibility to obtain it and (if we ask for it) you must provide us with acceptable evidence that you have it.
- (b) If we have reasonable suspicion that a Mailing Item does not comply with Sanctions Laws we may:
  - (i) open that Mailing Item or delay processing and delivery; and/or
  - (ii) deal with such Mailing Item in our absolute discretion (without incurring any liability whatsoever to you or the intended recipient) including destroying or otherwise disposing of such Mailing Item in whole or in part, or returning the relevant Mailing Item to you.

If we take one or all of the actions described in this clause, we are entitled to charge you the cost of disposal and/or destruction, the standard Postage price and all other costs reasonably incurred by us.

17.4 *Waiver:* Any failure by either Party to enforce or to exercise (at any time or for any period) any term of or right under this Contract shall not:

- (a) constitute a waiver of that term or right; or
- (a) affect that Party's right to enforce or exercise that term or right later.



- 17.5 *Entire agreement:* This Contract (and the documents referred to in it) set out the entire agreement between you and us. There are no additional terms or obligations other than those contained or referred to in this Contract (and the documents referred to in it). Nothing in this clause will limit or exclude liability for fraud or fraudulent misrepresentation. Each Party acknowledges that in entering into this Contract it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Contract.
- 17.6 *Law and jurisdiction:* This Contract is deemed to have been made in England and is subject to the laws of England. You and we agree to submit to the exclusive jurisdiction of the courts of England.
- 17.7 *Rights of third parties:* Nothing in this Contract is intended to confer any benefit or any right on any person to enforce any term of it which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.
- 17.8 *Invalidity:* If any authority or court finds that any clause or part of a clause of this Contract is invalid, illegal or unenforceable, then that invalidity, illegality or unenforceability shall not affect the other clauses or parts of those clauses of this Contract.
- 17.9 *Compliance with law or regulatory requirement:* Regardless of any other term of this Contract, if this Contract or any part of it puts or would put either of us in breach of any law or regulatory requirement, then both of us shall use our reasonable efforts to change the relevant terms of this Contract so that it does comply with that law or regulatory requirement.
- 17.10 *Carbon Reporting Requirements:* We will provide you with a completed copy of the Annual Carbon Reporting Return for each Financial Year within 3 months of the end of that Financial Year.

## Schedule 1

### Definitions and Interpretation

#### 1 Definitions

In this Contract, the following terms shall have the following meanings:

<b>48 SSCs</b>	has the meaning given to it in paragraph 2.1 of Part 6 of Schedule 5 (Operational Presentation Facilities);
<b>48-Way Sort Mech Letter Option</b>	means the Services described in Part 6 of Schedule 5 (Operational Presentation Facilities);
<b>Abbreviated Financial Year</b>	means the period of time between the start of a Financial Year and the date of termination of your Contract if that period is shorter than a year, as described in the National Price Plan One (SSCs) and Average Price Plan Two (Zones) in Schedule 3 (Price Plans);
<b>ABV Implementation Timeline</b>	means the implementation timeline available on the Website;
<b>Acceptance by Vehicle</b>	means the Service described in Part 3 of Schedule 5 and in the User Guide;
<b>Acceptance Threshold</b>	has the meaning set out in clause 13.2(b)(i) of the General Access Terms and Conditions;
<b>Access Charge</b>	means any charges we may make under this Contract including Postage, Adjustments and Profile Adjustments;
<b>Access Condition</b>	means the condition imposed on us by the Regulator on 27 March 2012 pursuant to its powers under the Act requiring us to provide access to our postal network at our Inward Mail Centres and as amended or reviewed by the Regulator from time to time;
<b>Access Contract</b>	means an agreement between us and a Postal Operator or user following a request for access by such Postal Operator or user permitting access to our Inward Mail Centres;
<b>Access Customer</b>	means a Postal Operator or user who has entered into an Access Contract with us;
<b>Access Customer Base Volume</b>	means, in respect of each Service Standard Period, either: <ul style="list-style-type: none"> <li>(a) your Individual Base Volume, where you do not hand over any Agency Postings on behalf of your Relevant Principals, (excluding any Mailmark Economy Mailing Items); or</li> </ul>

	(b) the remainder of your Individual Base Volume after we have subtracted from your Individual Base Volume all Agency Base Volumes,  as appropriate;
<b>Access Indicator</b>	means the Customer Access Indicator or the Royal Mail Access Indicator, as the context requires;
<b>Access Licence Number</b>	means [RMG will insert the number], which must be displayed on the Royal Mail Access Indicator;
<b>Access Selection Files</b>	means data files controlled and made available by us which enables the sortation by Postcode of Mailing Items in to groupings which we call Selections, as described in Section 2 of the User Guide;
<b>Access Service</b>	means the services set out in Figure 1 of the User Guide;
<b>Access Service Specification</b>	means the specification for each Access Service provided by us to you as further detailed in the relevant Part of Schedule 4 (Standard Services) and/or the User Guide;
<b>Access Slot</b>	means the period within the Access Window for an Inward Mail Centre agreed by us and you in line with the User Guide;
<b>Access Start Date</b>	has the meaning set out in paragraph 2.1 of the Contract Details;
<b>Access Window</b>	means (a) the hours between 07.30am and 12 noon on any Working Day; or (b) in respect of Earlier Access Mail Centres, the time period beginning at the start of the Earlier Access Window and ending at 12 noon on any Working Day;
<b>Act</b>	means the Postal Services Act 2011;
<b>Actual Performance</b>	has the meaning set out in paragraph 2.4(e) of Schedule 2 (Service Standard and General Service Obligations);
<b>Actual Posting Profile</b>	means the volume of your Mailing Items delivered by us to each Zone in a Financial Year under your chosen Price Plan;
<b>Actual Profile Percentage</b>	means the volume of your Mailing Items delivered by us to each Zone in a Financial Year under your chosen Price Plan (excluding London for the purposes of the Regional Price Plan) expressed as a percentage of the total volume of all your Mailing Items delivered by us to all Zones in that Financial Year under your chosen Price Plan (excluding London for the purposes of the Regional Price Plan);
<b>Actual SSC Percentage</b>	means your volume of Mailing Items for an SSC as invoiced by us in a Contract Year expressed as a percentage of your total volume of all Mailing Items for all SSCs as invoiced by us in that Contract Year under National Price Plan One (SSCs);

<b>Adjusted Mailing Volume</b>	has the meaning set out in paragraph 2.4 of Appendix 1 of Schedule 2 (Service Standard and General Service Obligations);
<b>Adjustment</b>	means an amount charged to cover our reasonably incurred costs in remedying any non-compliance of Mailing Items or Postings with the requirements of the Contract, including any Presentation Specifications;
<b>Ad Mail Information</b>	means in respect of a given Posting described in Part 1 of Schedule 4 (Standard Services):  (a) the information provided to us on a Posting Docket or eManifest (as applicable), in the course of providing the Access Service for that Posting; (b) the Sample/Seed which relates to that Posting; and (c) the Mail Reference provided on the Posting Docket or eManifest (as applicable) and on the Sample/Seed to us pursuant to paragraph 6 of Part 1 of Schedule 4 (Standard Services) for that Posting;
<b>Advertising Codes</b>	means the United Kingdom Code of Non-Broadcast Advertising, Sales Promotion and Direct Marketing as amended from time to time, and any additional or up-dated relevant code or guidance, issued by the Advertising Standards Authority or the Committee of Advertising Practice or by any replacement or successor body;
<b>Advertising Mail</b>	means Mailing Items which are declared by you as advertising mail, and which meet the criteria for Advertising Mail set out in this Contract including Part 1 of Schedule 4 (if Part 1 of Schedule 4 is incorporated into your Contract);
<b>Advertising Mail Posting</b>	means a UCID Posting containing only Advertising Mail;
<b>Affiliate</b>	(in relation to any company) means a company which is either:  a) a Holding Company or a Subsidiary of such company; or b) a company which is a Subsidiary of a Holding Company of which such company is also a Subsidiary;
<b>Agency Access Start Date</b>	has the meaning set out in each Agency Customer Contract;
<b>Agency Adjusted Mailing Volume</b>	has the meaning set out in paragraph 2.5 of Appendix 1 of Schedule 2 (Service Standard and General Service Obligations);
<b>Agency Base Volume</b>	means, in respect of each of your Relevant Principals, the aggregate volume of Agency Postings for that Relevant Principal that you hand over to us under this Contract during a Service Standard Period (excluding for the avoidance of doubt any Mailmark Economy Mailing Items that form part of those Agency Postings);
<b>Agency Customer</b>	means a customer of an Operator where that customer has entered into an Agency Customer Contract (including pre-existing Agency Customers, unless stated otherwise);

<b>Agency Customer Contract</b>	means an agreement between an Agency Customer and us, in the form set out on our Website;
<b>Agency Customer Contract Year</b>	means the period of 12 months from an Agency Access Start Date until the anniversary of that Agency Access Start Date and each subsequent period of 12 months from each anniversary of that Agency Access Start Date;
<b>Agency Posting</b>	means the total amount of Mailing Items you receive from a Relevant Principal and handed over to us on any single Working Day to deliver to the relevant address;
<b>Aggregate Base Volume</b>	has the meaning set out in paragraph 2.4(a) of Schedule 2 (Service Standard and General Service Obligations);
<b>Aggregate Eligible Mailing Items</b>	has the meaning set out in paragraph 2.4(c) of Schedule 2 (Service Standard and General Service Obligations);
<b>Aggregate Excluded Mailing Items</b>	has the meaning set out in paragraph 2.4(b) of Schedule 2 (Service Standard and General Service Obligations);
<b>Aggregate Performance Rebate Amount</b>	means (in respect of any given Service Standard Period) the sum of all Standard Performance Rebate Amounts and all Mailmark Economy Performance Rebate Amounts (if applicable) due in each case to you, all other Access Customers and all Agency Customers (including your Relevant Principals) under all Access Contracts and the relevant Agency Customer Contracts (including this Contract);
<b>Agreed Lease Pool</b>	means the total number of Leased Yorks or Leased ALPS that are available to you to use in accordance with the terms of Part 4 of Schedule 6 (Container Options), being: <ul style="list-style-type: none"> <li>a) for the remainder of the first calendar year following the Container Start Date, the number of Royal Mail Yorks or Royal Mail ALPS that we agree to lease to you on the Container Start Date, as set out in each relevant Application Form;</li> <li>b) for each subsequent calendar year thereafter, such number of Royal Mail Yorks or Royal Mail ALPS as may be agreed between you and us pursuant to paragraph 5 of Part 4 of Schedule 6 (Container Options); and</li> <li>c) in each of the above cases for ALPS only, as may be increased from time to time pursuant to paragraph 3.9 of Part 4 of Schedule 6 (Container Options);</li> </ul>
<b>Allowed Customer Invoiced Amount</b>	means the permitted invoiced amount of your Postings when applying the Royal Mail Zonal Posting Profile Adjusted for Tolerance to your annual volume of Averaged Price Plan Two (Zones) as referenced in Appendix 1 of Averaged Price Plan Two (Zones);
<b>ALPS</b>	means an auto level packet sleeve;

<b>ALPS Lease Application Form</b>	means the application form available on the Website to request the leasing of Royal Mail ALPS from us;
<b>ALPS Usage Data</b>	means the following data for each calendar year to be recorded and provided by you and by us: a) by month, your average daily handover volume of Royal Mail ALPS under the Contract; b) by month, your average peak day handover volume of Royal Mail ALPS under the Contract; c) (by you only) by month, the daily volume of Royal Mail ALPS you use upstream; and d) (by us only) by month, the total number of Royal Mail ALPS allocated to you under the Contract;
<b>Annual Carbon Reporting Return</b>	means the annual carbon reporting return available on our Website, as amended from time to time in accordance with clause 13.2(g) of the General Access Terms and Conditions;
<b>Annual Lease Charge</b>	means the annual charge to be paid by you for the lease and maintenance of Leased Yorks under Part 4 of Schedule 6 (Container Options);
<b>Annual Per ALPS Lease Fee</b>	means the annual leasing charge for each Leased ALP in your Agreed Lease Pool, which charge is published on our Website as at the Container Start Date and amended from time to time in accordance with the terms of the Contract;
<b>Annual Per ALPS Maintenance Fee</b>	means the annual charge payable for the maintenance of each Leased ALP in your Agreed Lease Pool, which is published on our Website as at the Container Start Date and amended from time to time in accordance with the terms of the Contract;
<b>Annual Per York Lease Fee</b>	means the annual leasing charge for each Leased York, which is published on our Website as at the Container Start Date and amended from time to time in accordance with the terms of the Contract;
<b>Annual Per York Maintenance Fee</b>	means the annual charge for the maintenance of each Leased York, which is published on our Website as at the Container Start Date and amended from time to time in accordance with the terms of the Contract;
<b>Annual Review Meeting</b>	has the meaning given to it in paragraph 5.1 of Part 4 of Schedule 6 (Container Options);
<b>Annual Total Per ALPS Fee</b>	means a sum equal to the Annual Per ALPS Lease Fee and the Annual Per ALPS Maintenance Fee;
<b>Annual Total Per York Fee</b>	means a sum equal to the Annual Per York Lease Fee and the Annual Per York Maintenance Fee;
<b>Application Form</b>	means a York Lease Application Form or an ALPS Lease Application Form (as applicable);

<b>Application Period</b>	means, in respect of each Trunking Scheme, a period of 30 days commencing on the date on which we publish the potential Trunking Scheme in accordance with paragraph 3.2 of Part 4 (Trunking Services) of Schedule 4;
<b>ASBOF</b>	means the Advertising Standards Board of Finance or any successor body of that body from time to time;
<b>ASBOF Levy</b>	means the voluntary levy on Advertising Mail or Partially Addressed Mail (as applicable) payable to ASBOF;
<b>Associate</b>	means in relation to either Party (i) any Affiliate of that Party or (ii) an agent (including a franchisee or owner-driver) of that Party engaged by that Party to fulfil its obligations under the Contract;
<b>Attributable Volumes</b>	means has the meaning given to it in paragraph 5.1 of National Price Plan One (SSCs);
<b>Averaged Price Plan Two (Zones)</b>	means the price plan set out in Option B of Schedule 3;
<b>Batch</b>	means a selection of Mailmark Mailing Items that meet the minimum entry volume requirement for the service being used and which are all of the same format, sortation and machine-readability option. A Batch is submitted to the eManifest;
<b>Band 1 Compensation Rate</b>	means the pence per Mailing Item rate published on our Website, as may be updated from time to time in accordance with clause 13.2(d)(iv) of the General Access Terms and Conditions;
<b>Band 1 Compensation Rate for Mailmark Economy</b>	means the pence per Mailmark Economy Mailing Item rate published on our Website, as may be updated from time to time in accordance with clause 13.2(d)(iv) of the General Access Terms and Conditions;
<b>Band 1 Compensation Threshold</b>	ninety (90) percent;
<b>Band 1 Compensation Threshold for Mailmark Economy</b>	ninety (90) percent;
<b>Band 2 Compensation Rate</b>	means the pence per Mailing Item rate published on our Website, as may be updated from time to time in accordance with clause 13.2(d)(iv) of the General Access Terms and Conditions;

<b>Band 2 Compensation Rate for Mailmark Economy</b>	means the pence per Mailmark Economy Mailing Item rate published on our Website, as may be updated from time to time in accordance with clause 13.2(d)(iv) of the General Access Terms and Conditions;
<b>Baseline Year</b>	means 1 April 2019 to 31 March 2020, or such other period of 12 months as may be amended by us from time to time in line with clause 13.2(a) of the General Access Terms and Conditions;
<b>Benchmark</b>	means the National Spread Benchmark and the Urban Density Benchmark;
<b>Bill Payer</b>	means the Participant in the Supply Chain that is responsible for paying Royal Mail for the Mailmark Mailings;
<b>Black Friday and Cyber Monday Period</b>	means the sixteen (16) day period comprising the retail events "Black Friday" and "Cyber Monday", such period occurring once in each Financial Year and (in the case of each such Financial Year) commencing on the Saturday directly preceding the "Black Friday" event in the UK in the relevant Financial Year;
<b>Business Mail Large Letters</b>	means Mailing Items which are declared by you as Business Mail Large Letters and which meet the criteria set out in Part 2 (Royal Mail Business Mail Large Letter™) of Schedule 4 and the User Guide;
<b>Business Mail Large Letters Posting</b>	means a UCID Posting containing only Business Mail Large Letters;
<b>Carrier</b>	means a carrier, who has an Access Contract with us, and hands over its own Mailing Items to us or has the authority to report and handover Mailing Items on behalf of an Originating Customer, other Postal Operators or other users who have an Access Contract with us;
<b>Carrier Combined York Allocation</b>	means the total maximum number of Royal Mail Yorks allocated to all Carriers for each Posting, as set out in the relevant Trunking Scheme Particulars;
<b>Chronic Excess Event</b>	has the meaning given to it in paragraph 3.7(a)(ii) of Part 4 of Schedule 6 (Container Options);
<b>Client Report</b>	means the client report generated by us in accordance with the User Guide as varied from time to time;
<b>Commercial Contact</b>	means: a) in your case, the person identified at clause 4.2 of the Contract Details; b) in our case, the person who is appointed as our commercial contact in relation to the Contract, whose details are as published on the Website and as may be amended from time to time;
<b>Compensation Target</b>	means for each Service Standard Period, 92 per cent;



<b>Compensation Target for Mailmark Economy</b>	means for each Service Standard Period, 94.5 per cent;
<b>Compensation Rates</b>	means, together the:  a) Band 1 Compensation Rate; b) Band 2 Compensation Rate; c) Band 1 Compensation Rate for Mailmark Economy; and d) Band 2 Compensation Rate for Mailmark Economy,  and <b>Compensation Rate</b> means any one of them as the context dictates.
<b>Confidential Information</b>	means all information of a confidential nature (including details of mailing profiles and security processes in respect of Mailing Items) which is disclosed by one of us to the other:  a) before or after the date of this Contract; and b) relating to the subject matter of this Contract.  The disclosure may be in writing, orally or by any other means, directly or indirectly;
<b>Consistent Excess Event</b>	has the meaning given to it in paragraph 3.7(a)(i) of Part 4 of Schedule 6 (Container Options);
<b>Container</b>	means a bag, Tray, York, ALPS or any other primary container type approved by us from time to time;
<b>Container Option</b>	means the provision of Containers under Schedule 6 (Container Options) or any of its Parts;
<b>Container Start Date</b>	means the date we agree to start providing you with Royal Mail Containers or such other date as agreed between you and us;
<b>Contract</b>	means this contract between you and us, which is comprised of the documents set out in paragraph 5.1 of the Contract Details;
<b>Contract Details</b>	means the part of this Contract entitled "Contract Details" signed by you and us;
<b>Contract Year</b>	means the period of 12 months from your Access Start Date until the anniversary of your Access Start Date and each subsequent period of 12 months from each anniversary of your Access Start Date;
<b>Credit Account</b>	means the credit account operated in line with clause 11 of the General Access Terms and Conditions;
<b>Customer Access Indicator</b>	means your marks, impressions or other devices that may, subject to our prior approval, be shown on each Mailing Item which is to be conveyed and

	delivered under this Contract and that may be changed by agreement between you and us (acting reasonably);
<b>Customer ALPS</b>	means ALPS containers purchased by you from time to time in line with paragraphs 2.3 and 2.5 of Part 2 of Schedule 6 (Container Options);
<b>Customer Entity</b>	means a discrete posting unit or third party that you wish to be recognised for the purpose of handing over Mailing Items as UCID Postings in line with this Contract;
<b>Customer Segment</b>	means each of the following customer categories: a) Direct Customers; b) Carriers; and c) Intermediaries;
<b>Customer Yorks</b>	means York containers purchased by you from time to time in line with paragraphs 2.2 and 2.4 of Part 2 of Schedule 6 (Container Options);
<b>Daily Posting</b>	means the total amount of Mailing Items handed over by you on any single Working Day to us to deliver under this Contract;
<b>Data Opt Out</b>	means: (a) your right (where you are the posting customer); or (b) the Originating Customer's or Customer Entity's right (as applicable), to opt out of JICMAIL's data sharing initiative as referred to in paragraph 5.2(b) or 5.2(c) of Part 1 of Schedule 4 (Standard Services);
<b>Data Opt Out Notification</b>	has the meaning given to it in paragraph 5.2(b) of Part 1 of Schedule 4 (Standard Services);
<b>December and New Year Period</b>	means the period starting on the first Working Day of December in any year and ending: a) (in England, Wales and Northern Ireland) at the start of the first Working Day after the immediately following New Year public holiday; or b) (in Scotland) at the start of the first Working Day after the immediately following Scottish New Year public holiday;
<b>Delivery Address</b>	means the address to which a Mailing Item is to be delivered and which must consist of an addressee and a geographic address;
<b>Delivery Points</b>	means a postal address (business or residential) to which we deliver Mailing Items;
<b>Destination Inward Mail Centre</b>	means the Inward Mail Centre to which we will transport Mailing Items for the Destination Postcodes Areas on your behalf if you are participating in the relevant Trunking Scheme, as specified in the Trunking Scheme Particulars;
<b>Destination Postcode Areas</b>	means the Postcode Areas for each Trunking Scheme specified in the Trunking Scheme Particulars;

<b>Digital Stamp Design Specification</b>	means the specification for the design, approval, print and production of the Digital Stamp Indicator as set out in Appendix F of the User Guide;
<b>Digital Stamp Indicator</b>	has the meaning given to it in paragraph 1.1 of Part 5 of Schedule 5 (Operational Presentation Facilities);
<b>Direct Customer</b>	means an Originating Customer, who has an Access Contract with us;
<b>Discount</b>	means the reduction on the charges payable on a Mailing Item eligible for the selected Access Service, as published on our Website and as amended from time to time in line with the terms of this Contract for the amendment of Access Charges;
<b>Disruptive Events</b>	means any cause beyond our reasonable control (including industrial disputes);
<b>Dual Access Slots</b>	two Access Slots, at least one of which must be (i) an Early Access Slot; or (ii) if the Dual Slot Mail Centre is an Earlier Access Mail Centre, an Early Access Slot or an Earlier Access Slot;
<b>Dual Slot Mail Centre</b>	means an Inward Mail Centre at which Dual Access Slots have been agreed between you and us, as set out in the ABV Implementation Timeline (or as subsequently agreed between us);
<b>Dynamic National Spread Benchmark</b>	means a dynamic version of our National Spread Benchmark which we use to provide you with regular updates on your performance against the Profile Commitment in accordance with paragraph 8 'Reviews' of Schedule 3 – Price Plans OPTION A (National Price Plan One (SSCs)). It is calculated using the same methodology as the National Spread Benchmark, apart from the measurement period, which shall be a rolling 12 month period ending on the last day of the immediately preceding Quarter rather than the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter;
<b>Dynamic Royal Mail Zonal Posting Profile</b>	means a dynamic version of our Royal Mail Zonal Posting Profile which we use to provide you with regular updates on your performance against the Profile Commitment in accordance with paragraph 5 'Reviews' of Schedule 3 – Price Plans OPTION B (Averaged Price Plan Two (Zones)) and paragraph 4 'Reviews' of Schedule 3 – Price Plans OPTION D (Regional Price Plan (Zones)). It is calculated using the same methodology as the Royal Mail Zonal Posting Profile, apart from the measurement period, which shall be a rolling 12 month period ending on the last day of the immediately preceding Quarter rather than the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter;
<b>Dynamic Urban Density Benchmark</b>	means a dynamic version of our Urban Density Benchmark which we use to provide you with regular updates on your performance against the Profile Commitment in accordance paragraph 8 'Reviews' of Schedule 3 – Price Plans OPTION A (National Price Plan One (SSCs)). It is calculated using the same methodology as the Urban Density Benchmark, apart from the measurement period, which shall be a rolling 12 month period ending on the

	last day of the immediately preceding Quarter rather than the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter;
<b>Earlier Access Mail Centre</b>	means an Inward Mail Centre at which Earlier Access Slots are available as detailed on our Website;
<b>Earlier Access Slot</b>	means, in respect of each Earlier Access Mail Centre, a 30-minute period which commences during the Earlier Access Window allocated to you by us in accordance with the User Guide;
<b>Earlier Access Window</b>	means the time period applicable to each Earlier Access Mail Centre as detailed on our Website.
<b>Early Access Slot</b>	has the meaning set out in the User Guide;
<b>eManifest</b>	means an electronic file created via the eManifest Handling System (eMHS) for each Supply Chain per Working Day. A Batch or Batches are submitted to the eManifest, and once confirmed the eManifest contains a record of your Mailmark Mailing Items which is used to provide eManifest and Batch level reporting;
<b>eManifest Billing</b>	has the meaning given to it in paragraph 1.1 of Part 4 of Schedule 8 (Mailmark® Options);
<b>eManifest Billing Specification</b>	means the process and requirements set out in the User Guide for eManifest Billing;
<b>eManifest Billing Start Date</b>	means the date from which you may start to use eManifest Billing as notified by us to you in writing;
<b>eManifest Handling System (eMHS)</b>	means the web based interface which enables the creation of the eManifest and is used for all actions relating to the eManifest (such as submitting Batches);
<b>Estimate Performance</b>	has the meaning set out in paragraph 2.4(d) of Schedule 2 (Service Standard and General Service Obligations);
<b>Exceptions Process</b>	the Procedures for Handling non-Compliant Postings set out in Section 10 of the User Guide;
<b>Excess Containers</b>	means Containers in excess of the number of Containers that we agreed to provide to you under this Contract, and Excess Trays, Excess ALPS, Excess Leased ALPS, Excess Yorks and Excess Leased Yorks shall be construed accordingly;
<b>Excess Lease Charge</b>	has the meaning given to it in paragraph 3.7(b) of Part 4 of Schedule 6 (Container Options);

<b>Excess Trigger Event</b>	has the meaning given to it in paragraph 3.7(a) of Part 4 of Schedule 6 (Container Options);
<b>Failed SSC</b>	has the meaning given to it in paragraph 4.2 of National Pricing Plan One (SSCs);
<b>Fees Uplift</b>	has the meaning given to it in paragraph 7.3(a) of Part 4 of Schedule 4 (Standard Services);
<b>Financial Quarter Periods</b>	means our financial quarter periods (as published on our Website on a periodic basis) and each one them shall be referred to as a " <b>Financial Quarter Period</b> ";
<b>Financial Year</b>	means 1 April to 31 March;
<b>Forecast</b>	means what you tell us about your planned future Postings under the User Guide;
<b>Format</b>	means the format of a Mailing Item, i.e. whether it is a Letter or a Large Letter;
<b>General Access Terms and Conditions</b>	means the part of this Contract entitled "General Access Terms and Conditions";
<b>General Large Letters</b>	means Mailing Items that are treated as General Large Letters in accordance with the requirements set out in Figure 1 of the User Guide;
<b>Handover Day</b>	has the meaning set out in the User Guide;
<b>Handover Inward Mail Centre</b>	means the Inward Mail Centre where you shall deposit Mailing Items which correspond to the Destination Postcode Areas if you are participating in the relevant Trunking Scheme, as specified in the Trunking Scheme Particulars;
<b>Holding Company</b>	has the meaning set out in Section 1159 of the Companies Act 2006;
<b>Implied Customer Invoiced Amount</b>	means using the Implied Zonal Average Unit Prices, calculation of the invoiced amount that you would have paid if your Actual Posting Profile had been posted on the Zonal Price Plan;
<b>Implied Zonal Average Unit Price</b>	means your average unit price of your Postings on Averaged Price Plan Two (Zones) multiplied by the Weighted Average Price Variance Percentage for each Zone, as referenced in Annex A;
<b>Incorrect Sort</b>	has the meaning given to it in paragraph 2.4 of Part 6 of Schedule 5 (Operational Presentation Facilities);

<b>Independent Marketing Specialists</b>	means Nielsen Media Research Limited (company no. 01765758) with registered offices at Venture House, 2 Arlington Square, Downshire Way, Bracknell, Berkshire, RG12 1WA, and such additional and/or replacement independent advertising market analysts as appointed by JICMAIL from time to time;
<b>Indicium</b>	means the marks placed on a Mailing Item in line with the User Guide comprising the Royal Mail Access Indicator and if required by you the Customer Access Indicator;
<b>Individual Base Volume</b>	means all Mailing Items handed over by you to us pursuant to this Contract during a Service Standard Period (including any Agency Postings but excluding any Mailmark Economy Mailing Items);
<b>Industry Input Data</b>	means, in respect of each Advertising Mail Posting and/or Partially Addressed Mail Posting (as applicable) for which the Data Opt Out has not been exercised: <ul style="list-style-type: none"> <li>a) the identity of the advertiser and the brand for that Posting;</li> <li>b) the volumes for that Posting disaggregated to SSC level (but no lower); and/or</li> <li>c) the Mail Reference for that Posting;</li> </ul>
<b>Insolvency Event</b>	means any of the following events (or any event analogous to any of the following in a jurisdiction other than England and Wales): <ul style="list-style-type: none"> <li>a) an administrator or a receiver (including any administrative receiver or manager) is appointed over the whole or any part of a Party's assets;</li> <li>b) in your case: <ul style="list-style-type: none"> <li>i. you have an order made or a resolution passed for the winding-up of your company or business or the appointment of a provisional liquidator (except in the case of a bona fide scheme of solvent amalgamation or reconstruction);</li> <li>ii. you have an application for an administration order presented in respect of you or documents are filed with court for the appointment of an administrator or notice of intention to appoint an administrator has been given by you, one of your directors or members or by a qualifying floating chargeholder in respect of you (as defined in paragraph 14 Schedule B1 Insolvency Act 1986);</li> <li>iii. circumstances arise which entitle a court or a creditor to appoint a receiver or manager or entitle the court to appoint an administrator or make a winding-up order;</li> <li>iv. if you have made any composition with your creditors generally;</li> <li>v. a creditor or encumbrancer of yours attacks or takes possession of the whole or any part of your assets;</li> <li>vi. a distress, execution, sequestration, or other such process is levied or enforced on or sued against the whole or any part of your assets which (in our reasonable opinion) puts your ability to fulfil your obligations to us at risk, and where such attachment or process is not discharged within 10 Working Days; or</li> </ul> </li> <li>c) if the other party: <ul style="list-style-type: none"> <li>i. suspends, or threatens to suspend, payment of its debts</li> <li>ii. is unable to pay its debts as they fall due</li> <li>iii. admits inability to pay its debts or</li> <li>iv. is deemed unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986; or</li> </ul> </li> </ul>

	v. suspends or ceases to carry on all or a substantial part of its business;
<b>Intellectual Property Rights</b>	means patents, rights to inventions, copyright and related rights, trade marks business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;
<b>Intermediaries</b>	means an intermediary entity, who has an Access Contract with us, and who produces or manages Mailing Items on behalf of a Customer Entity or an Originating Customer, and hands those Mailing Items over to a Carrier for subsequent handover to us;
<b>Inward Mail Centre</b>	means one of our inward mail centres as detailed on our Website;
<b>JICMAIL</b>	means JICMAIL LIMITED with company number 04123433 and whose registered address is 70 Margaret Street London W1W 8SS, or such replacement company from time to time;
<b>JICMAIL Levy</b>	means the voluntary levy on Advertising Mail and/or Partially Addressed Mail (as applicable) payable to JICMAIL;
<b>JICMAIL Levy Cap</b>	means:  (a) in the 2021 calendar year, a cap of £5,000 per each Originating Customer and Customer Entity; and  (b) in any subsequent year, the amount published on our Website (and, for the avoidance of doubt, if no cap is published on our Website then no cap shall apply);
<b>Large Letter</b>	means a Mailing Item the dimensions of which meet the specifications for a large letter as set out in the User Guide;
<b>Leased ALPS</b>	means a Royal Mail ALPS that we lease to you from time to time in accordance with the terms of Part 4 of Schedule 6 (Container Options), including any Excess Leased ALPS;
<b>Leased York</b>	means a Royal Mail York that we lease to you from time to time in accordance with the terms of Part 4 of Schedule 6 (Container Options), including any Excess Leased Yorks;
<b>Letter</b>	means a Mailing Item the dimensions of which meet the specifications for a letter as set out in the User Guide;
<b>Letter of Responsibilities</b>	means the letter agreed between us giving details of any sub-contracting arrangements agreed to by us under which you have sub-contracted to a

	third party the performance of any of your obligations under your Contract, as amended by agreement between us from time to time;
<b>Magazine Subscription Mail</b>	means Large Letters which are declared by you as Magazine Subscription Mail and which meet the criteria for Magazine Subscription Mail set out in this Contract including the User Guide;
<b>Magazine Subscription Mail Posting</b>	means a UCID Mailing containing only Large Letters of the same Title;
<b>Mailing Item</b>	means a Letter or Large Letter;
<b>Mailmark Adjustment</b>	means an adjustment charge payable in relation to non-compliant Mailmark Mailing Items, as published on our Website and as may be amended from time to time;
<b>Mailmark Barcode</b>	means a barcode which is either a Royal Mail 2D data matrix barcode or a Royal Mail 4-state barcode which contains encoded data and offers eManifest and Batch level reporting;
<b>Mailmark Economy Access Customer Base Volume</b>	means, in respect of each Service Standard Period, either: <ul style="list-style-type: none"> <li>(a) your Mailmark Economy Individual Base Volume, where you do not hand over any Agency Postings on behalf of your Relevant Principals ; or</li> <li>(b) the remainder of your Mailmark Economy Individual Base Volume after we have subtracted from your Mailmark Economy Individual Base Volume all Mailmark Economy Agency Base Volumes,</li> </ul> as appropriate;
<b>Mailmark Economy Actual Performance</b>	has the meaning set out in paragraph 3.4(e) of Part 2 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy Adjusted Mailing Volume</b>	has the meaning set out in paragraph 2.4 of Appendix 1 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy Agency Adjusted Mailing Volume</b>	has the meaning set out in paragraph 2.5 of Appendix 1 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy</b>	means, in respect of each of your Relevant Principals, the aggregate volume of Mailmark Economy Mailing Items that form part of the Agency Postings



<b>Agency Base Volume</b>	for that Relevant Principal that you hand over to us under Part 2 of Schedule 8 (Mailmark® Options) during a Service Standard Period;
<b>Mailmark Economy Aggregate Base Volume</b>	has the meaning set out in paragraph 3.4(a) of Part 2 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy Aggregate Eligible Mailing Items</b>	has the meaning set out in paragraph 3.4(c) of Part 2 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy Aggregate Excluded Mailing Items</b>	has the meaning set out in paragraph 3.4(b) of Part 2 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy Estimate Performance</b>	has the meaning set out in paragraph 3.4(d) of Part 2 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy Individual Base Volume</b>	means all Mailmark Economy Mailing Items handed over by you to us pursuant to this Contract during a Service Standard Period (including any Mailmark Economy Mailing Items that form part of the Agency Postings);
<b>Mailmark Economy Mailing Items</b>	means Letters which are declared by you as Mailmark Economy Mailing Items and which meet the criteria for the Mailmark Economy Mail Service set out in this Contract including the User Guide;
<b>Mailmark Economy Performance Rebate Amount</b>	has the meaning given to it in paragraph 3.8 of Part 2 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy Posting</b>	means a UCID Posting containing Mailmark Economy Mailing Items;
<b>Mailmark Economy Service Standard</b>	has the meaning given to it in paragraph 3.2 of Part 2 of Schedule 8 (Mailmark® Options);
<b>Mailmark Economy Service</b>	means either:  (c) the Mailmark Economy Actual Performance; or

<b>Standard Performance</b>	(d) the Mailmark Economy Adjusted Performance, if the Mailmark Economy Actual Performance was adjusted in accordance with paragraph 3.6 of Part 2 of Schedule 8 (Mailmark® Options);
<b>Mailmark IP</b>	means intellectual property rights in the Reports (and the information in them) and the brands Royal Mail Mailmark® and Mailmark™;
<b>Mailmark Mailing(s)</b>	means a Batch or multiple Batches of Mailmark Mailing Items declared on the eManifest;
<b>Mailmark Mailing Items</b>	means Mailing Items which are declared by you as Mailmark Mailing Items and which meet the criteria for the Royal Mail Mailmark® Service set out in this Contract including the User Guide;
<b>Mailmark option</b>	means an option for making Letter and Large Letter format Mailing Items machine-readable, involving the addition of a Mailmark barcode on each Mailing Item to make that item uniquely identifiable. The Mailmark option provides eManifest and Batch level reporting;
<b>Mail Originator</b>	means the Participant in the Supply Chain on whose behalf the Mailmark barcode Mailing Items are being produced and delivered;
<b>Mail Producer</b>	means the Participant in the Supply Chain that is responsible for producing (including printing and enclosing) the Mailmark barcode Mailing Items;
<b>Mail Reference</b>	means a unique reference code of no more than twenty (20) characters which identifies a Customer Entity's or Originating Customer's specific Partially Addressed Mail or Advertising Mail Posting such that each Partially Addressed or Advertising Mail Posting will have a unique and distinct Mail Reference associated with it;
<b>Manifest</b>	means a declaration by you giving details of a Posting, in line with the User Guide;
<b>Maintenance Charge Review</b>	has the meaning given to it in paragraph 3.4 of Part 2 of Schedule 5 (Container Options);
<b>Manual Mailmark Mailing Items</b>	means General Large Letters which are declared by you as Manual Mailmark Mail and which meet the criteria for Manual Mailmark Mail set out in this Contract including the User Guide;
<b>Manual Mailmark Mail Posting</b>	means Manual Mailmark Mailing Items containing only General Large Letters;
<b>Misrouted Container</b>	means any Container which is handed over by you to an Inward Mail Centre bearing a Standard Selection Code which is not served by that particular Inward Mail Centre to which it is handed;
<b>Missorted Mailing Item</b>	means any Mailing Item which is handed over by you to an Inward Mail Centre bearing a Postcode which is not served by that particular Inward Mail Centre to which it is handed;

<b>Misrouted Mailmark Economy Container</b>	means any Container of Mailmark Economy Mailing Items which is handed over by you to an Inward Mail Centre bearing a Standard Selection Code which is not served by that particular Inward Mail Centre;
<b>Missorted Mailmark Economy Item</b>	means any Mailmark Economy Mailing Item which is handed over by you to an Inward Mail Centre bearing a Postcode which is not served by that particular Inward Mail Centre;
<b>Mixed SCID Container(s)</b>	means a Container containing Mailmark Mailing Items that are from different SCIDs but are all of the same Format, Price Plan and Access Service;
<b>Mixed Weight</b>	has the meaning given in the User Guide;
<b>Mixed Weight Mailing Items</b>	means a Container of Mailing Items of different weight bands but all of the same Format which is labelled and declared by you as mixed weight mail, and which meets the criteria for such mail set out in this Contract and Part 1 of Schedule 5 (Operational Presentation Facilities);
<b>Mixed Weight Specification</b>	means the process and requirements set out in the User Guide, as amended from time to time in accordance with clause 13 of the General Access Terms and Conditions;
<b>Mixed Weight Start Date</b>	means the date from when you can use the Mixed Weight Operational Presentation Facility;
<b>Mixing SCIDs</b>	has the meaning given to it in paragraph 1 of Part 4 of Schedule 5 (Operational Presentation Facilities);
<b>Mixing SCID Specification</b>	means the process and requirements set out in the User Guide, as amended from time to time in accordance with clause 13 of the General Access Terms and Conditions;
<b>Mixing SCID Start Date</b>	means the date from when you can use the Mixed SCID Operational Presentation Facility;
<b>Multiple Access Slots</b>	means the Dual Access Slots and the Tri-Access Slots;
<b>Multiple Slot Mail Centres</b>	means the Dual Slot Mail Centres and the Tri-Slot Mail Centres;
<b>National Price Plan One (SSCs)</b>	means the price plan set out in Option A of Schedule 3 (Price Plans);
<b>National Profile Areas</b>	means the two national profile areas of the United Kingdom which are (a) England and Wales and (b) Scotland and Northern Ireland;

<b>National Spread Adjustment</b>	means the Adjustments for failure to meet the National Spread Benchmark calculated as set out in paragraph 5 of National Price Plan One (SSCs) in Schedule 3 (Price Plans);
<b>National Spread Adjustment Rate</b>	means your average unit price for Mailing Items sent under National Price Plan One (SSCs) of Schedule 3 as calculated using your Mailing Items invoiced by us in the Contract Year;
<b>National Spread Benchmark</b>	means our geographic profile as measured by the combined volumes of Retail bulk Mailing Items and Access Mailing Items for each SSC in the applicable Financial Year expressed as a percentage of total volumes for Retail bulk Mailing Items and Access Mailing Items for all SSCs in the Financial Year, as published by us within a reasonable time period after the end of each Financial Year;
<b>New Service Proposal</b>	has the meaning set out in clause 13.8(b) of the General Access Terms and Conditions;
<b>Operational Contact</b>	means: <ul style="list-style-type: none"> <li>a) in your case, the person identified at clause 4.1 of the Contract Details;</li> <li>b) in our case, the person who is appointed as our operational contact in relation to the Contract, whose details are as published on the Website and as may be amended from time to time;</li> </ul>
<b>Operational Presentation Facility</b>	means any of the services provided under Schedule 5 (Operational Presentation Facilities);
<b>Operator</b>	means a customer permitted by us to hand over Mailing Items on behalf of Originating Customers;
<b>Opt Out Period</b>	has the meaning given to it in paragraph 5.2(c) of Part 1 of Schedule 4 (Standard Services);
<b>Originating Customer</b>	means an end posting customer (including an Agency Customer) for whom a Carrier hands over Mailing Items to us;
<b>Partially Addressed Mail</b>	means Mailing Items which are declared by you as partially addressed mail, and which meet the criteria for Partially Addressed Mail set out in this Contract including Part 1 of Schedule 4 (Standard Services) and the User Guide;
<b>Partially Addressed Mail Posting</b>	means a UCID Posting containing only Partially Addressed Mail;
<b>Participant</b>	means for a Mailmark Mailing, the Participant is each of the Bill Payer, Carrier, Mail Originator, and Mail Producer that together make up a Supply Chain;

<b>Parties</b>	means you and us, and the word <b>Party</b> will be interpreted accordingly;
<b>Performance Rebate Amount</b>	means the Standard Performance Rebate Amount and / or any Mailmark Economy Performance Rebate Amount (as applicable) and the words <b>Performance Rebate Amounts</b> will be construed accordingly;
<b>Permitted Variance</b>	means a variance we permit from a measurement used in the measurement of your profile and compliance with National Price Plan One (SSCs) or Averaged Price Plan Two (Zones) expressed either as a percentage of that measurement or as a whole number by which variance up or down from that measurement will be permitted, as published on our Website and as amended from time to time in accordance with clause 13.2(d) of the General Access Terms and Conditions;
<b>Postage</b>	means the amount payable by you to us for Mailing Items handed over in a Daily Posting;
<b>Postal Operator</b>	means a postal operator, as defined in the Act;
<b>Postcode</b>	means an alphanumeric code owned and developed by us, and allocated by us, to identify a Delivery Point or group of Delivery Points;
<b>Postcode Area</b>	means the first (either one or two) letter(s) of a Postcode, which is used to identify a geographical area for Mailing Items to be delivered;
<b>Postcode Sector</b>	means the first three, four or five alphanumeric digits of a Postcode up to and including the first alphanumeric digit of the inward Postcode, which is used to identify a geographical area for Mailing Items to be delivered;
<b>Posting</b>	means the total amount of Mailing Items each day which you hand over to an individual Inward Mail Centre for us to convey and deliver;
<b>Posting Docket</b>	means the certificate containing details of Postings (which we need to calculate the Postage), described in the User Guide;
<b>Posting Entity</b>	means a posting site or consolidation machine used to prepare Mailing Items for hand over to us as a UCID Posting under the terms of this Contract;
<b>Presentation Specifications</b>	means the requirements set out in the User Guide as to how a Posting must be sorted, segregated, presented and handed over to us including meeting the relevant Access Service Specifications;
<b>Price</b>	has the meaning given to it in your Transitional Arrangement (if you are a Transitional Customer);
<b>Price Plan</b>	means a Price Plan which is made available by us as set out in Schedule 3 (Price Plans);
<b>Pricing Structure</b>	means those elements of the Price Plans used to establish the price and the measurement of your profile and compliance including SSCs, Postcode Sectors and Zones;

<b>Profile Adjustment</b>	means an Adjustment that we may levy if you fail to meet (a) in the case of National Price Plan One (SSCs) or Averaged Price Plan Two (Zones), the Profile Commitment of that Price Plan or (b) in the case of the Regional Price Plan, the relevant Royal Mail Zonal Posting Profile for your chosen Region or Regions;
<b>Profile Commitment</b>	means in National Price Plan One (SSCs), your commitment to meet the Benchmarks and in Averaged Price Plan Two (Zones), your commitment to meet the Royal Mail Zonal Posting Profile;
<b>Prohibited Item</b>	has the meaning set out in the User Guide;
<b>Qualifying Criteria</b>	means the eligibility criteria for eManifest Billing as set out in paragraph 2.1 of Part 4 of Schedule 8 (Mailmark® Options);
<b>Quarter</b>	means each three-month period starting on the first day of April, July, October, and January in each Financial Year;
<b>Quarterly Cap</b>	has the meaning set out in paragraph 3.2 of Schedule 2 (Service Standard and General Service Obligations);
<b>Ratio Threshold</b>	means the level at which the SSC Ratio is accepted by us to be meeting the National Spread Benchmark, as published on our Website;
<b>Region</b>	means one of: (a) England and Wales; (b) Scotland; or (c) Northern Ireland;
<b>Regional Price Plan (Zones)</b>	means the price plan set out in Option D of Schedule 3 (Price Plans);
<b>Regional Zonal Calculator</b>	means the calculator described in Annex A to the Regional Price Plan (Zones) for your use in the calculation of Profile Adjustments under that Price Plan and which is available on our Website;
<b>Regulator</b>	means Ofcom, or any successor body that is appointed to fulfil its functions;
<b>Regulatory Body</b>	means the Regulator, the Competition Commission, the European Commission, the Office of Fair Trading and in each case, any successor body or bodies in the United Kingdom or European Union;
<b>Regulatory Conditions</b>	means the conditions which the Regulator imposes on persons providing postal services under Part 3 of the Act, as amended;
<b>Relevant Principal</b>	means any Agency Customer on whose behalf you may from time to time hand over Agency Postings to us pursuant to an Agency Customer Contract;
<b>Reports</b>	means the eManifest and Batch level reports relating to your Mailmark Mailings that are produced by Royal Mail's systems when you use the Mailmark option;
<b>Restricted Item</b>	has the meaning set out in the User Guide;

<b>Royal Mail Access Indicator</b>	means our marks, impressions or other devices shown on each Mailing Item which is to be conveyed and delivered under this Contract. These marks, impressions and devices are set out in the User Guide and may be changed by us (acting reasonably) in line with clause 13.2(a);
<b>Royal Mail ALPS</b>	means ALPS that we own, lend and/or are willing to lease to you in line with the terms of Parts 2 and 4 of Schedule 6 (Container Options) (as applicable), including any Excess ALPS;
<b>Royal Mail Container</b>	means a Royal Mail bag, Tray, Royal Mail York or Royal Mail ALPS;
<b>Royal Mail Group</b>	means each and any Subsidiary or Holding Company of Royal Mail Group Limited and each and any Subsidiary of a Holding Company of Royal Mail Group Limited;
<b>Royal Mail SSC Percentage</b>	means the volume of Mailing Items delivered by us for each SSC in the applicable Financial Year expressed as a percentage of total volume delivered by us for all SSCs in the applicable Financial Year;
<b>Royal Mail's Transportation Cost</b>	means the annual cost which we incur for providing the Trunking Services for each Trunking Scheme, for the Trunking Scheme Period, as notified to you by us;
<b>Royal Mail Yorks</b>	means Yorks that we own, lend, hire and/or are willing to lease to you in line with the terms of Parts 2, 3 and 4 of Schedule 6 (Container Options) (as applicable), including any Excess Yorks;
<b>Royal Mail Zonal Posting Profile</b>	means our zonal posting profile as measured by the combined volumes of retail bulk Mailing Items and access Mailing Items delivered by us to each Zone (excluding London for the purposes of the Regional Price Plan) in each Financial Year and expressed as a percentage of the total volume of all those Mailing Items delivered by us to all Zones (excluding London for the purposes of the Regional Price Plan) in each Financial Year, as published by us within a reasonable time period after the end of each Financial Year;
<b>Royal Mail Zonal Posting Profile Adjusted for Permitted Variance</b>	means the adjusted Royal Mail Zonal Posting Profile that results when we apply the relevant Permitted Variance under Averaged Price Plan Two (Zones);
<b>Rural Zone Variance Percentage</b>	means your average national price as calculated using the Letters variance percentage to the Rural Zone of the Zonal Price Plan, detailed in the price tables on the Website;
<b>Sample/Seed</b>	has the meaning given to it in paragraph 4 of Part 1 (Royal Mail Advertising Mail® and Royal Mail Partially Addressed Mail®) of Schedule 4 (Standard Services);

<b>Sanctions Laws</b>	means all laws, export controls, regulations and orders imposing sanctions (including trade restrictions and economic sanctions) on countries, individuals or entities;
<b>Security Checks</b>	means the checks that we may be required by law, or the laws or regulations of other jurisdictions, or as part of our security operations to carry out and which may include X-ray screening, decompression or, in exceptional circumstances, the opening of a Mailing Item;
<b>Segregation by Format</b>	has the meaning given to it in the User Guide;
<b>Service</b>	means a service that we agree to provide to you under this Contract, as varied from time to time in accordance with clause 13 of the General Access Terms and Conditions;
<b>Service Standard</b>	has the meaning set out in paragraph 2.2 of Schedule 2 (Service Standard and General Service Obligations);
<b>Service Standard Performance</b>	means either: <ul style="list-style-type: none"> <li>(a) the Actual Performance; or</li> <li>(b) the Adjusted Performance, if the Actual Performance was adjusted in accordance with paragraph 2.6 of Schedule 2 (Service Standard and General Service Obligations);</li> </ul>
<b>Service Standard Period</b>	means each of our Financial Quarter Periods, but excluding from such Financial Quarter Periods (where applicable, in each case): <ul style="list-style-type: none"> <li>i. the December and New Year Period; and</li> <li>ii. the Black Friday and Cyber Monday Period;</li> </ul>
<b>Sold ALPS</b>	has the meaning given to it in your Transitional Arrangement (if you are a Transitional Customer);
<b>Sold York</b>	has the meaning given to it in your Transitional Arrangement (if you are a Transitional Customer);
<b>SSC Permitted Variance Number</b>	means a Permitted Variance number of SSCs for the England and Wales National Profile and one for the Scotland and Northern Ireland National Profile, as published on our Website and applied to National Price Plan One (SSCs) of Schedule 3 (Price Plans);
<b>SSC Ratio</b>	has the meaning given in paragraph 4.1 of National Price Plan One (SSCs) in Schedule 3 (Price Plans);
<b>Standard Selection Code or SSC</b>	means the unique numeric code that identifies the selections as used in the Access Selection File. Also referred to in this Contract as 'SSC';



<b>Standard Performance Rebate Amount</b>	has the meaning given to it in paragraph 2.8 of Schedule 2 (Service Standard and General Service Obligations);
<b>Statement of Process</b>	means a document on our Website which you may use to request a change to this Contract;
<b>Subsidiary</b>	has the meaning set out in Section 1159 of the Companies Act 2006;
<b>Supply Chain</b>	means the combination of all of the four Participants (Bill Payer, Carrier, Mail Originator, Mail Producer) that is required for each Mailmark Mailing relating to those specific Participants;
<b>Supply Chain IDs (SCIDs)</b>	means the unique identifier assigned to each Supply Chain;
<b>Title</b>	means a specific Magazine Subscription Mail publication;
<b>Tolerance</b>	has the meaning set out in Section 10 of the User Guide;
<b>Transitional Arrangement</b>	means, if you are a Transitional Customer, your written agreement with us setting out the process by which we have agreed for the transitional: <ul style="list-style-type: none"> <li>a) sale by you (and purchase by us) of certain Customer Yorks or Customer ALPS previously used to hand over mail to us under the terms of Part 2 of Schedule 6 (Container Options) (as applicable); and</li> <li>b) leasing by us of an equivalent number of Royal Mail Yorks under Part 4 of Schedule 6 (Container Options) to replace those purchased Customer Yorks or Customer ALPS;</li> </ul>
<b>Transitional Customer</b>	means a customer who has entered into a Transitional Arrangement with us;
<b>Transitional Yorks</b>	means, if you are a Transitional Customer, those Royal Mail Yorks that are to be leased to you pursuant to Part 4 of Schedule 6 (Container Options) in replacement of the Sold Yorks, as identified in your Transitional Arrangement;
<b>Trays</b>	means trays that we own and lend to you in line with the terms of Part 1 of Schedule 6 (Container Options), including any Excess Trays;
<b>Tray Decanting</b>	means the Service described in Part 2 of Schedule 5 (Operational Presentation Facilities);
<b>Tri-Access Slots</b>	three Access Slots, at least two of which must be (i) Early Access Slots; or (ii) if the Tri-Slot Mail Centre is an Earlier Access Mail Centre, Early Access Slots, or Earlier Access Slots, or an Early Access Slot and an Earlier Access Slot;
<b>Tri-Slot Mail Centres</b>	means an Inward Mail Centre at which Tri-Access Slots have been agreed between you and us (or as subsequently agreed between us);

<b>Trunking Fee</b>	means the charge for each Trunking Scheme specified in the Trunking Scheme Particulars, payable for the Trunking Services and calculated in accordance with paragraph 6 of Part 4 of Schedule 4 (Standard Services);
<b>Trunking Scheme</b>	means the provision of Trunking Services from one specified Handover Inward Mail Centre to one specified Destination Inward Mail Centre;
<b>Trunking Scheme Particulars</b>	means the particulars of each Trunking Scheme, as set out in the User Guide and as otherwise notified to you and/or published from time to time on our Website;
<b>Trunking Scheme Period</b>	has the meaning given to it in paragraph 3.2 of Part 4 of Schedule 4 (Standard Services);
<b>Trunking Scheme Start Date</b>	means the start date of each Trunking Scheme, as specified in the Trunking Scheme Particulars;
<b>Trunking Services</b>	means the services to be provided by us under Part 4 of Schedule 4 (Standard Services);
<b>Trunking Specification</b>	means the document set out in the User Guide, as amended from time to time in accordance with clause 13 of the General Access Terms and Conditions;
<b>UCID</b>	means the optional unique customer identifying number assigned by you to each of your Originating Customers, Customer Entities and Posting Entities and used and displayed as specified in the User Guide;
<b>UCID Posting</b>	means the total amount of Mailing Items which you hand over on any single Working Day to us to deliver which has been identified by the use of a UCID as discrete to an Originating Customer, Customer Entity or Posting Entity;
<b>Uplift Notice</b>	has the meaning given to it in paragraph 7.3(a) of Part 4 of Schedule 4 (Standard Services);
<b>Urban Density Adjustment Rate</b>	means a unit price equivalent to the Rural Zone variance percentage for Letters as applied to your average national price of National Price Plan One (SSCs);
<b>Urban Density Benchmark</b>	means our urban density profile for each SSC. We will measure the urban density profile for a given SSC by using the combined volumes of Retail Bulk Mail Items and Access Mailing Items for that SSC in the applicable Financial Year to determine the Urban Volume for that SSC and expressing the Urban Volume for that SSC as a percentage of the total volume of Retail bulk Mailing Items and Access Mailing Items for that SSC in that Financial Year, as published by us within a reasonable time period after the end of each Financial Year;
<b>Urban Permitted Variance</b>	means as published on our Website and as applied to National Price Plan One (SSCs);

<b>Urban SSC Percentage</b>	means the percentage of the volume of your Mailing Items delivered in a Contract year to those Postcode Sectors in each SSC that we classify as having a high density of delivery points and/or businesses as published on our Website;
<b>Urban Volume</b>	means the volume of your Mailing Items delivered in the applicable Financial Year to those Postcode Sectors that we classify as having a high density of delivery points and/or businesses as published on our Website;
<b>User Guide</b>	means the document entitled Access Letters User Guide published by us, as may be changed under clause 13 of the General Access Terms and Conditions;
<b>Valuables</b>	has the meaning set out in the User Guide as amended from time to time;
<b>Vehicle Declaration</b>	has the meaning given in the User Guide;
<b>Vehicle Manifest</b>	means the manifest containing additional information about each vehicle and the details of which Containers are carried by each vehicle for handover at an Inward Mail Centre;
<b>Voting Period</b>	has the meaning set out in clause 13.8(c) of the General Access Terms and Conditions;
<b>Website</b>	means <a href="http://www.royalmailwholesale.com">www.royalmailwholesale.com</a> or such other website address as we may use and notify to you from time to time as the website address for our wholesale business, as amended from time to time;
<b><u>Weekday</u></b>	<u>means any day from Monday to Friday which is not a bank holiday, public holiday or a non-service day approved as such by the Regulator;</u>
<b>Weighted Average Price Variance Percentage</b>	means the average Zonal price variance percentage for each Zone (as published with the Zonal Calculator on the Website) weighted according to the percentage contributed by format for each Zone, as referenced in Averaged Price Plan Two (Zones);
<b>Wheeled Containers</b>	has the meaning given to it in paragraph 1.1 of Part 2 of Schedule 6 (Container Options);
<b>Working Day</b>	means any day which is not a Sunday, bank holiday, public holiday or a non-service day approved as such by the Regulator;
<b>York</b>	means a caged trolley(s) used to move or transport bags of Mailing Items;
<b>York Hire Application Form</b>	has the meaning given to it in paragraph 2.2 of Part 3 of Schedule 5 (Container Options);
<b>York Lease Application Form</b>	means the application form available on the Website to request the leasing of Royal Mail Yorks from us;

<b>York Usage Data</b>	means the following data for each calendar year to be recorded and provided by you and us: (a) by month, your average daily handover volume of Royal Mail Yorks under the Contract; (b) by month, your average peak day handover volume of Royal Mail Yorks under the Contract; (c) (by you only) by month, the daily volume of Royal Mail Yorks you use upstream; and (by us only) by month, the total number of Royal Mail Yorks allocated to you under the Contract;
<b>Your Percentage</b>	has the meaning given to it in paragraph 6.2 of Part 4 of Schedule 4 (Standard Services);
<b>Your York Allocation</b>	means the maximum number of Yorks containing Mailing Items for the Destination Postcode Areas which you may present on any given Posting in relation to each Trunking Scheme, as notified by us to you in accordance with Paragraph 3.2(c) of Part 4 of Schedule 4 (Standard Services);
<b>Zonal Calculator</b>	means the calculator described in Appendix 1 to Averaged Price Plan Two (Zones) for your use in the calculation of Adjustments under that Price Plan and which is available on our Website;
<b>Zonal Charges</b>	means the charges for all Mailing Items posted by any access customer under the Zonal Pricing Plan and which are published on the Website as at the date of this Contract and amended from time to time in accordance with the terms of the Contract;
<b>Zonal Indicator</b>	has the meaning set out in the User Guide;
<b>Zonal Price Plan</b>	means the price plan set out in Option C of Schedule 3 (Price Plans);
<b>Zones</b>	means the pricing zones into which we divide the United Kingdom based on the delivery density of Postcode Sectors, as published on the Website and as may be amended from time to time in accordance with clause 13.2(a) of the General Access Terms and Conditions; and
<b>Zone Z Adjustment Rate</b>	means a unit price equivalent to the Rural Zone Variance Percentage for Letters as applied to your average price for your chosen Price Plan (or your chosen Region of the Regional Price Plan (Zones)).

## 2 Interpretation

### 2.1 In this Contract:

- (a) a reference to a background clause, clause, Schedule or Annex is a reference to the relevant background clause, clause, Schedule or Annex of this Contract;
- (b) a reference to a paragraph or a Part is a reference to the relevant paragraph or Part of the Schedule in which it appears;

- (c) headings and sub-headings are included for reference only and shall not affect how this Contract is interpreted;
- (d) use of the singular includes the plural and vice versa;
- (e) use of any gender includes the other genders;
- (f) where a word or expression is defined, related words and expressions shall be construed accordingly;
- (g) the words include, including and in particular are used for illustration or emphasis only, and do not limit or prejudice the generality of the words used before it;
- (h) a reference to a Party to this Contract (including the words you, we and us) includes that Party's successors and permitted assigns;
- (i) a reference to any statute or statutory provision shall be interpreted as including any amendments, modifications or re-enactments to that statute or provision;
- (j) a reference to this Contract or any other document referred to in this Contract is a reference to this Contract or that other document as amended, changed, novated or supplemented (unless this was done in breach of this Contract); and
- (k) a reference to a day (including in the ~~phrases~~ Working Day and Weekday) means a period of 24 hours running from midnight to midnight.

## Schedule 2

### Service Standard and General Service Obligations

#### 1 The Services

1.1 Provided that you comply with the terms of this Contract, you may hand over to an Inward Mail Centre Mailing Items that bear Postcodes served by that particular Inward Mail Centre from the Access Start Date.

1.2 Subject to you complying with the terms of this Contract we shall:

(a) for Mailing Items with a Delivery Address in the United Kingdom, handed over by you at our Inward Mail Centres, and accepted by us in line with this Contract, convey and deliver these Mailing Items to the relevant addresses within the United Kingdom within a reasonable time;

(b) for Mailing Items with a Delivery Address in Jersey, Guernsey or the Isle of Man, handed over by you at our Inward Mail Centres, and accepted by us in line with this Contract, arrange for these Mailing Items to be conveyed and delivered provided that:

(i) the volume of your Mailing Items with Delivery Addresses in Jersey, Guernsey and the Isle of Man in any rolling 12 month period does not exceed the Royal Mail SSC Percentage for those territories; and

(ii) at the time they are handed over we treat the relevant territory as a domestic destination under our business bulk mail sortation services.

If we no longer treat Jersey, Guernsey or the Isle of Man as domestic destinations under our business bulk mail sortation services, we shall notify you under clause 13.2(a) of the General Access Terms and Conditions, and Mailing Items for the relevant territory will no longer be accepted under this Contract; and

(c) use reasonable efforts to meet the Service Standard set out in paragraph 2 below.

#### 2 The Service Standard

2.1 Unless stated otherwise, we will deliver your Mailing Items only on ~~Working Days~~Weekdays.

2.2 Subject to you complying with the terms of this Contract, the **Service Standard** is that we shall deliver or attempt to deliver 95 per cent of the aggregate number of Mailing Items handed over to us by all Access Customers with a correct Delivery Address in the United Kingdom to the relevant address ~~no later than~~ the ~~Working Day~~second Weekday following the date the handover occurred or is deemed to have occurred in accordance with the terms of each Access Contract, provided that:

(a) our performance against the Service Standard shall be calculated by reference to our aggregate average performance over the Service Standard Period;

- (b) any Mailmark Economy Mailing Items shall not count towards the calculation of the Service Standard; and
- (c) we shall be entitled to deduct from the calculation of our performance against the Service Standard the following types of Mailing Items:
  - (i) Mailing Items handed over to us by an Access Customer that are not accepted by us in line with the terms of their respective Access Contract;
  - (ii) Mailing Items the delivery of which is affected by a Disruptive Event during the relevant Service Standard Period;
  - (iii) Mailing Items that have been lost (including Mailing Items which have not been delivered within 15 ~~Working Days~~Weekdays of the date on which we accepted them from an Access Customer in line with the terms of their respective Access Contract); and/or
  - (iv) Mailing Items with a delivery address outside the United Kingdom.

### Calculating our performance against the Service Standard

2.3 For each Service Standard Period, we (or an independent company) will measure how we have performed against the Service Standard. As the holder of an Access Contract you agree to participate in the process of measuring the Service Standard if you are asked to do so by us or the independent company responsible for that process.

2.4 In respect of each Service Standard Period, in order to calculate our performance against the Service Standard, we will:

- (a) measure the aggregate volume of all relevant Mailing Items (other than Mailmark Economy Mailing Items) handed over to us by all Access Customers during the relevant Service Standard Period, including all relevant Agency Postings (other than any Mailmark Economy Mailing Items that form part of those Agency Postings) (**Aggregate Base Volume**);
- (b) determine the aggregate volume of Mailing Items (other than Mailmark Economy Mailing Items) that are excluded from the calculation of our performance against the Service Standard in line with the provisions of paragraph 2.2(c) above (**Aggregate Excluded Mailing Items**);
- (c) deduct from the Aggregate Base Volume the Aggregate Excluded Mailing Items to determine the aggregate volume of Mailing Items that will be taken into account for the purpose of determining our performance against the Service Standard (**Aggregate Eligible Mailing Items**);
- (d) measure the percentage of the Aggregate Eligible Mailing Items which we delivered or attempted to deliver to the relevant address ~~on the Working Day following the date the handover occurred or is deemed to have occurred~~ in accordance with the ~~terms requirements~~ of each relevant Access Contract paragraph 2.2 above, to determine our anticipated performance against the Service Standard (**Estimate Performance**); and

- (e) adjust the Estimate Performance by adding to the Estimate Performance a positive confidence limit of no more than 1 per cent to determine our performance against the Service Standard (**Actual Performance**).

A worked example of how the mechanism in paragraph 2.4 will apply is included below. The worked example is provided for illustration purposes only and shall not be binding on us.

#### *Worked Example*

Where:

- a) the Aggregate Base Volume is 1,000,000 Mailing Items; and
- b) the Aggregate Excluded Mailing Items is 100,000 Mailing Items,

we will deduct the Aggregate Excluded Mailing Items from the Aggregate Base Volume to derive a figure of 900,000 Aggregate Eligible Mailing Items. Where we delivered or attempted to deliver 819,000 of the 900,000 Aggregate Eligible Mailing Items ~~on the Working Day following the date the handover of those Mailing Items occurred or is deemed to have occurred~~ in accordance with the requirements of paragraph 2.2 above, the Estimate Performance is 91.0 per cent.

Where:

- a) the Estimate Performance achieved by us is 91.0 per cent; and
- b) the confidence limit is 0.6 per cent for that Service Standard Period,

our Actual Performance against the Service Standard for the relevant Service Standard Period will be 91.6 percent.

- 2.5 We will publish on our Website our Actual Performance against the Service Standard for each Service Standard Period within 60 Working Days of the end of that Service Standard Period ~~-~~ or such period as is required by the Regulator.

#### **Adjustments to our published performance against the Service Standard**

- 2.6 Subject to paragraph 2.7 below, we shall be entitled to adjust the Actual Performance in any Service Standard Period to account for any Mailing Items affected by a Disruptive Event that took place during the relevant Service Standard Period that have not been included in the calculation of the Aggregate Excluded Mailing Items (**Adjusted Performance**).
- 2.7 We must publish our Adjusted Performance within 14 days of the end of the Service Standard Period during which the Actual Performance was published. The Adjusted Performance shall take precedence over the Actual Performance for that Service Standard Period.

#### **Calculating the Standard Performance Rebate Amount**

- 2.8 Subject to paragraph 2.10, we must pay a performance rebate amount in respect of a Service Standard Period if (but only if) our Service Standard Performance is less than the Compensation Target for that Service Standard Period (**Standard Performance**



**Rebate Amount**) (and in all other circumstances we shall not be obliged to pay any amount in respect of our failure to meet the Service Standard for that Service Standard Period).

- 2.9 Subject to paragraph 2.10, any Standard Performance Rebate Amount that may be due in accordance with paragraph 2.8 will be calculated by us in accordance with the process set out in Appendix 1 (Standard Performance Rebate Amount) to this Schedule 2 (as supplemented by worked examples included at Appendix 2 (Standard Performance Rebate Amount - Worked Examples) to this Schedule 2).
- 2.10 Where we have failed to meet the Compensation Target in any given Service Standard Period pursuant to paragraph 2.8:
- (a) we shall deduct the Agency Postings of each of your Relevant Principals from your Individual Base Volume and we will calculate (pursuant to paragraph 2.9) any Standard Performance Rebate Amount that may be due to you in accordance with paragraph 2.8 on the basis of the remainder of your Individual Base Volume;
  - (b) we shall separately calculate (pursuant to paragraph 2.9) any Standard Performance Rebate Amount that is due to your Relevant Principals in respect of each Relevant Principal's relevant Agency Postings in accordance with paragraph 2.8; and
  - (c) we shall pay any Standard Performance Rebate Amount due to you and/or your Relevant Principals in accordance with the provisions of paragraph 4.2.
- 2.11 We will periodically review the Compensation Target to take into account the performance of similar ~~next day~~ Royal Mail delivery services for letters. Any changes made following such a review will be implemented in accordance with clause 13 of the General Access Terms and Conditions.

### **3 Our maximum aggregate liability in respect of the Aggregate Performance Rebate Amount**

- 3.1 Our aggregate liability to you, all other Access Customers and all Agency Customers (including your Relevant Principals) for our failure to meet the Compensation Target in respect of the Service Standard and the Mailmark Economy Compensation Target in respect of the Mailmark Economy Service Standard shall be capped as set out in this paragraph 3.
- 3.2 In respect of:
- (a) the first, second and fourth Service Standard Periods of any given Financial Year, the Aggregate Performance Rebate Amount due to you, all other Access Customers and all Agency Customers (including your Relevant Principals) (in aggregate) shall not exceed, in each such Service Standard Period, £3,000,000 (GBP); and
  - (b) the third Service Standard Period of any given Financial Year, the Aggregate Performance Rebate Amount due to you, all other Access Customers and all Agency Customers (including your Relevant Principals) (in aggregate) shall not exceed, in each such Service Standard Period, £2,000,000 (GBP),

(each a **Quarterly Cap**).

#### **4 Our liability for the Standard Performance Rebate Amount**

4.1 Where the Aggregate Performance Rebate Amount calculated for a Service Standard Period exceeds the relevant Quarterly Cap for that Service Standard Period, we will calculate the percentage of such excess. We will then reduce the relevant Standard Performance Rebate Amount to which you, all other Access Customers and all Agency Customers (including your Relevant Principals) are entitled under this Schedule 2 (as applicable) on a pro-rata basis by reference to that percentage. For the avoidance of doubt, we will adjust any Standard Performance Rebate Amount due to you and to each of your Relevant Principals (whether paid directly or c/o you) pursuant to paragraph 4.2 in accordance with the mechanism set out in this paragraph 4.1.

4.2 Payment of the Standard Performance Rebate Amount (as adjusted in accordance with paragraph 4.1 where applicable) shall be made by way of a credit note against future Postage, in accordance with the following provisions:

- (a) we shall pay any Standard Performance Rebate Amount owed to you, directly to you;
- (b) where we invoice your Relevant Principals directly, we shall pay the Standard Performance Rebate Amount owed to any such Relevant Principals directly to those Relevant Principals (as applicable); and
- (c) where we invoice your Relevant Principals c/o you, we shall pay the Standard Performance Rebate Amount owed to your Relevant Principals to you, by way of (in the case of each such Relevant Principal) a credit note addressed to the relevant Relevant Principal and (in each such case) you shall provide the applicable credit note to the relevant Relevant Principal promptly following receipt of the same from us;

or

- (d) if you have terminated your Contract within a Service Standard Period in respect of which a Standard Performance Rebate Amount is awarded in accordance with paragraph 2.8, by cheque in accordance with the following provisions:
  - (i) we shall pay any Standard Performance Rebate Amount owed to you, directly to you;
  - (ii) where we invoice your Relevant Principals directly, we shall pay any Standard Performance Rebate Amount owed to any such Relevant Principals directly to those Relevant Principals (as applicable); and
  - (iii) where we invoice your Relevant Principals c/o you, we shall pay the Standard Performance Rebate Amount owed to your Relevant Principals to you, by way of (in the case of each such Relevant Principal) a cheque addressed to the relevant Relevant Principal and (in each such case) you shall provide the applicable cheque to the relevant Relevant Principal promptly following receipt of the same from us.

- 4.3 Any Standard Performance Rebate Amount due to you and / or any of your Relevant Principals in respect of a Service Standard Period shall be paid to you and / or your Relevant Principals (as applicable) within 30 days of the end of the Service Standard Period in which we published our Actual Performance in accordance with paragraph 2.5. Where you are required to provide any credit note and / or cheque to a Relevant Principal pursuant to paragraph 4.2:
- (a) you confirm (in each case) that you have authority to receive payments on behalf of that Relevant Principal and you shall indemnify us for all liabilities, costs, proceedings or expenses (including reasonable legal expenses) suffered or reasonably incurred by us where you do not have requisite authority to receive such payments (including any claims brought against us by any Agency Customer in respect of the same); and
  - (b) you shall indemnify us for all liabilities, costs, proceedings or expenses (including reasonable legal expenses) suffered or reasonably incurred by us arising from your failure to comply with your obligations under paragraph 4.2 (including any claims brought against us by any Agency Customer in respect of the same).
- 4.4 Notwithstanding any other provision of this Contract or any Agency Customer Contract, you agree on your own behalf and duly authorised for and on behalf of each Relevant Principal that our aggregate liability to you and all Relevant Principals together for our failure to meet the Compensation Target (including but not limited to any accrued or future liability) shall not exceed the sum of the amounts due to you and/or to your Relevant Principals (where applicable) pursuant to paragraph 4.2. You agree and acknowledge both for yourself and duly authorised for and on behalf of each of your Relevant Principals that we shall have no additional liability, whether in contract, tort (including negligence) or otherwise, to you or any Relevant Principal in respect of our failure to meet the Compensation Target and that our payment of the Standard Performance Rebate Amounts in aggregate to you and each of your Relevant Principals in accordance with the terms of this Schedule 2 is in full and final settlement of all liability which we may in aggregate have to you and all Relevant Principals under this Contract or any Agency Customer Contract in respect of our failure to meet the Compensation Target under this Schedule 2, including any such liability as may relate to Agency Postings handed over to us by you. The above shall apply notwithstanding the fact (if it is the case) that payments of the Standard Performance Rebate Amounts are being made to you or to the Relevant Principals.

## Appendix 1

### Standard Performance Rebate Amount

#### 1 General

- 1.1 For each Service Standard Period, we will determine:
- (a) our Actual Performance, the Adjusted Performance (if relevant) and the Service Standard Performance;
  - (b) your Individual Base Volume, your Access Customer Base Volume and any relevant Agency Base Volume;
  - (c) your Adjusted Mailing Volume and the Agency Adjusted Mailing Volume where applicable; and
  - (d) the Standard Performance Rebate Amount to which you and your Relevant Principals are each entitled.
- 1.2 In respect of each Service Standard Period, to the extent that our Service Standard Performance:
- (a) is equal to or greater than the Compensation Target relevant to Schedule 2, no Standard Performance Rebate Amount will be due to you in respect of the relevant Service Standard Period;
  - (b) is less than the applicable Compensation Target relevant to Schedule 2, but equal to or more than the Band 1 Compensation Threshold, the Standard Performance Rebate Amount which is due to you shall be calculated in accordance with paragraph 3 of this Appendix 1; and
  - (c) is less than the Band 1 Compensation Threshold, the Standard Performance Rebate Amount which is due to you shall be calculated in accordance with paragraph 4 of this Appendix 1.

#### 2 Adjusted Mailing Volume and Agency Adjusted Mailing Volume

- 2.1 We shall first determine your Individual Base Volume for the relevant Service Standard Period.
- 2.2 Subject to paragraph 2.3 below, in respect of any Agency Postings handed over by you to us:
- (a) we will calculate the Agency Base Volume. The Agency Base Volume will be calculated on the basis of the information you give us pursuant to this Contract and we will not be responsible for the accuracy of such data and/or of the resulting Agency Base Volume; and
  - (b) we will deduct each Agency Base Volume from your Individual Base Volume to determine the aggregate volume of Mailing Items in respect of which we may be liable to pay any Standard Performance Rebate Amount directly to you.

- 2.3 Where you have not provided to us the required information in respect of the volume of Agency Postings handed over by you to us for any particular Relevant Principal:
- (a) we will not be able to calculate their Agency Base Volume and/or any Standard Performance Rebate Amount due to them;
  - (b) the volume of such Agency Postings will remain part of your Access Customer Base Volume; and
  - (c) you will be responsible for paying to the Relevant Principal the proportion of the Standard Performance Rebate Amount that we pay to you that is attributable to that Relevant Principal's Agency Postings.
- 2.4 We shall be entitled (in our sole discretion) to deduct from the Access Customer Base Volume (which may include (if applicable) any Agency Postings pursuant to paragraph 2.3 above) an aggregate volume of the following types of Mailing Items to determine the relevant volume of Mailing Items in respect of which we need to calculate the relevant Standard Performance Rebate Amount that we will pay to you (**Adjusted Mailing Volume**):
- (a) any of your Mailing Items (including, if applicable, any of your Agency Postings pursuant to paragraph 2.3) that are part of the Aggregate Excluded Mailing Items;
  - (b) any of your Mailing Items (including, if applicable, any of your Agency Postings pursuant to paragraph 2.3) that are affected by a Disruptive Event that took place during the relevant Service Standard Period that have not already been included in the calculation of the Aggregate Excluded Mailing Items;
  - (c) any Missorted Mailing Items and any Mailing Items in Misrouted Containers, that are handed over by you and which we accept;
  - (d) the Mailing Items which we accept but which exceed the Tolerance set out in section 10.4.2(b) of the User Guide. For the avoidance of doubt, such exclusion shall apply only in relation to the volume of Mailing Items that have been "under forecasted" as further detailed in section 10.4.2(b); and / or
  - (e) any Mailing Items which are handed over by you outside of the Access Window and / or outside of your booked Access Slot (as applicable) and which we accept.
- 2.5 We shall be entitled (in our sole discretion) to deduct from the Agency Base Volume an aggregate volume of the following types of Mailing Items to determine the relevant volume of Mailing Items in respect of which we need to calculate the relevant Standard Performance Rebate Amount that we will pay to each Relevant Principal (**Agency Adjusted Mailing Volume**):
- (a) any Mailing Items that form part of the Relevant Principals' Agency Postings and that are part of the Aggregate Excluded Mailing Items;
  - (b) any Mailing Items that form part of the Relevant Principals' Agency Postings and that are affected by a Disruptive Event that took place during the relevant

Service Standard Period that have not already been included in the calculation of the Aggregate Excluded Mailing Items; and

- (c) any Missorted Mailing Items that are posted using the Royal Mail Mailmark service and that form part of the Relevant Principals' Agency Postings.

### **3 Standard Performance Rebate Amount at Band 1**

3.1 Where (in respect of any Service Standard Period), our Service Standard Performance is less than the applicable Compensation Target for that Service Standard Period, but equal to or greater than the Band 1 Compensation Threshold, we shall calculate the relevant Standard Performance Rebate Amount in accordance with the following mechanism:

- (a) we shall calculate the applicable compensation percentage by subtracting the Service Standard Performance from the Compensation Target (**Compensation Percentage**);
- (b) we shall multiply the Compensation Percentage by your Adjusted Mailing Volume or the Agency Adjusted Mailing Volume (as applicable) to determine the volume(s) of Mailing Items that have been delivered by us between the Band 1 Compensation Threshold and the Compensation Target (**Applicable Volume(s)**); and
- (c) we shall multiply the Applicable Volume(s) by the Band 1 Compensation Rate to calculate the relevant Standard Performance Rebate Amount due to you and/or to your Relevant Principals (as applicable) under this paragraph 3.

3.2 A worked example of this calculation is included at paragraph 1 of Appendix 2 to this Schedule 2. Any worked examples are provided for illustration purposes only and shall not be binding on us.

### **4 Standard Performance Rebate Amount at Band 2**

4.1 Where (in respect of any Service Standard Period), our Service Standard Performance is less than the Band 1 Compensation Threshold, we shall calculate the relevant Standard Performance Rebate Amount in accordance with the following mechanism:

- (a) we shall multiply your Adjusted Mailing Volume or the Agency Adjusted Mailing Volume (as applicable) by the difference between the Compensation Target and the Band 1 Compensation Threshold (expressed as a percentage) to calculate the volume(s) of Mailing Items to which we apply the Band 1 Compensation Rate (**Band 1 Applicable Volume(s)**); and
- (b) we shall multiply the Band 1 Applicable Volume(s) by the Band 1 Compensation Rate to calculate the applicable Standard Performance Rebate Amount(s) due at the Band 1 Compensation Rate (**Band 1 Compensation(s)**);
- (c) we shall determine the applicable compensation percentage that is relevant to determining the level of compensation due to you and / or your Relevant Principals where our Service Standard Performance is less than the Band 1 Compensation Threshold by subtracting the Service Standard Performance

from the Band 1 Compensation Threshold (**Band 2 Compensation Percentage**);

- (d) we shall multiply the Band 2 Compensation Percentage by the Adjusted Mailing Volume or the Agency Adjusted Mailing Volume (as applicable) to determine the volume(s) of Mailing Items that have been delivered by us between the Band 2 Compensation Threshold and the Band 1 Compensation Threshold (**Band 2 Applicable Volume(s)**);
- (e) we shall multiply the Band 2 Applicable Volume(s) by the Band 2 Compensation Rate to determine the applicable Standard Performance Rebate Amount(s) due at the Band 2 Compensation Rate (**Band 2 Compensation(s)**); and
- (f) we shall add the Band 1 Compensation and Band 2 Compensation to determine the total Standard Performance Rebate Amount due to you and/or to your Relevant Principals (as applicable) under this paragraph 4.

4.2 A worked example of this calculation is included at paragraph 2 of Appendix 2 to this Schedule 2. Any worked examples are provided for illustration purposes only and shall not be binding on us.

## Appendix 2

### Standard Performance Rebate Amount – Worked Examples

#### 1 Worked Example: equal to or greater than the Band 1 Compensation Threshold

Where:

<b>Adjusted Mailing Volume</b>	2,000,000 Mailing Items
<b>Service Standard performance</b>	90.5 per cent
<b>Compensation Target applicable to Service Standard Period</b>	92 per cent
<b>Band 1 Compensation Threshold</b>	90 per cent
<b>Band 1 Compensation Rate</b>	1.4 pence per Mailing Item

Since the Service Standard is 90.5 per cent, which is less than 92 per cent but greater than 90 per cent, the calculation set out in paragraph 3 of Appendix 1 applies.

The **Standard Performance Rebate Amount** due to you will be **£420.00 (GBP)** based on the following series of calculations:

- i.  $92 \text{ per cent} - 90.5 \text{ per cent} = 1.5 \text{ per cent}$
- ii.  $(1.5 / 100) = 0.015$
- iii.  $0.015 \times 2,000,000 = 30,000$
- iv.  $30,000 \times \text{Band 1 Compensation Rate} = \underline{\underline{42,000 \text{ pence}}} = \underline{\underline{£420 \text{ GBP}}}$ .

#### 2 Worked Example: Less than the Band 1 Compensation Threshold

Where:

<b>Adjusted Mailing Volume</b>	2,000,000 Mailing Items
<b>Service Standard performance</b>	89 per cent
<b>Compensation Target applicable to Service Standard Period</b>	92 per cent
<b>Band 1 Compensation Threshold</b>	90 per cent
<b>Band 1 Compensation Rate</b>	1.4 pence per Mailing Item
<b>Band 2 Compensation Rate</b>	3 pence per Mailing Item



Since the Service Standard is 89 per cent, which is less than 90 per cent, the calculation set out in paragraph 4 of Appendix 1 applies.

the **Standard Performance Rebate Amount** due to you will be **£1,160.00 (GBP)** based on the following series of calculations:

- i.  $92 \text{ per cent} - 90 \text{ per cent} = 2 \text{ per cent}$
- ii.  $(2 / 100) = 0.02$
- iii.  $0.02 \times 2,000,000 = 40,000$
- iv.  $40,000 \times \text{Band 1 Compensation Rate} = \underline{\underline{56,000 \text{ pence}}} = \underline{\underline{560 \text{ GBP}}}$

then:

- i.  $90 \text{ per cent} - 89 \text{ per cent} = 1 \text{ per cent}$
- ii.  $(1 / 100) = 0.01$
- iii.  $0.01 \times 2,000,000 = 20,000$
- iv.  $20,000 \times \text{Band 2 Compensation Rate} = \underline{\underline{60,000 \text{ pence}}} = \underline{\underline{600 \text{ GBP}}}$
- v.  $\underline{\underline{£560}} + \underline{\underline{£600}} = \underline{\underline{£1,160.00}} \text{ (GBP)}$

## Schedule 3

### Price Plans

[CUSTOMER: Select your Price Plan(s) from Price Plan Options A, B, C and D. You may select any of Options A, B, C and D alone, or combine either Option A or B with Option C. You may not select both Options A and B and you may not combine Option D with any of Options A, B or C.]

Defined terms in this Schedule 3 have the meaning given to them in Schedule 1 (Definitions and Interpretation).

### OPTION A

#### National Price Plan One (SSCs)

#### 1 Introduction

- 1.1 You acknowledge that the Access Charges for National Price Plan One (SSCs) are offered on the premise that your Daily Postings under this Price Plan will reflect a typical Royal Mail national geographic mix of Mailing Items.

#### 2 Eligibility to opt for a National Price Plan

You may only opt for National Price Plan One (SSCs) if you are able to prove to our reasonable satisfaction that you have a reasonable likelihood of meeting the National Spread Benchmark and the Urban Density Benchmark.

#### 3 Your Profile Commitment under National Price Plan One (SSCs)

- 3.1 The geographic spread and urban density of your Daily Postings under this Price Plan will be measured against the National Spread Benchmark and the Urban Density Benchmark during each Financial Year. You agree to meet the National Spread Benchmark and the Urban Density Benchmark.
- 3.2 A failure by you to meet the National Spread Benchmark and/or the Urban Density Benchmark shall not constitute a material breach for the purposes of clause 7.2 of the General Access Terms and Conditions, but shall entitle us to levy a National Spread Adjustment and/or Urban Density Adjustment (both of which are Profile Adjustments) in accordance with paragraphs 5 and 7 of this Price Plan; provided, however, that we will not apply any Profile Adjustments for failure to meet your Profile Commitment in a Financial Year if you prove, to our reasonable satisfaction, that such failure results directly from:
- (a) a major corporate transaction that involves you, such as a material change in your ownership or structure as a result of a merger, acquisition, restructuring or other major corporate transaction; or
  - (b) unplanned changes in volumes, origination and/or types of Mailing Items as a result of events or circumstances beyond your reasonable control which were not reasonably foreseeable.

For the avoidance of doubt, you may not claim relief from Profile Adjustments under this clause 3.2 for the same set of circumstances any more than once.

#### **4 The National Spread Benchmark**

- 4.1 To assess whether you have met the National Spread Benchmark, we shall calculate what percentage of your total volume of Mailing Items in a Financial Year was delivered to each SSC to arrive at your Actual SSC Percentage for each SSC. We shall then compare your Actual SSC Percentage with the National Spread Benchmark for every SSC and express this as a ratio (SSC Ratio) for every SSC. For example, if your Actual SSC Percentage for a particular SSC is 3 per cent, and the National Spread Benchmark for that SSC is 4 per cent, the SSC Ratio for that SSC is 0.75.
- 4.2 We shall apply a Ratio Threshold for each SSC. If your SSC Ratio in any SSC is lower than the Ratio Threshold, that is a Failed SSC. You have met the National Spread Benchmark in a Financial Year if in both National Profile Areas the number of your Failed SSCs is no greater than the SSC Permitted Variance Number for each National Profile Area.
- 4.3 If you do not meet the National Spread Benchmark and you are in breach of paragraph 3.1 above we may levy National Spread Adjustments calculated in accordance with paragraph 5.

#### **5 National Spread Adjustment**

- 5.1 Subject to paragraph 5.2, the National Spread Adjustment is calculated by working out the number of additional Mailing Items which you would need to have declared under this Price Plan in each Failed SSC to meet the Ratio Threshold for each SSC (**Attributable Volume**). The National Spread Adjustment will be the National Spread Adjustment Rate per Mailing Item applied to your Attributable Volume.
- 5.2 In carrying out the calculation in paragraph 5.1, we shall in each National Profile Area first calculate the Attributable Volume for each Failed SSC. We then rank in highest Attributable Volume order the Failed SSCs for each National Profile Area. The highest ranking Failed SSCs for each National Profile Area will be the SSCs included within the SSC Permitted Variance Number. Only the Attributable Volume of the remaining Failed SSCs will be used to calculate Adjustments for the purpose of paragraph 5.1.

#### **6 The Urban Density Benchmark**

- 6.1 To assess whether you have met the Urban Density Benchmark, we shall measure your Urban SSC Percentage for each SSC and compare it to the Urban Density Benchmark for that SSC. We shall calculate whether your Urban SSC Percentage is greater than or less than the Urban Density Benchmark for each SSC by more than the Urban Permitted Variance.
- 6.2 If none of your Urban SSC Percentages are greater than or less than the Urban Density Benchmark by more than the Urban Permitted Variance, you have met the Urban Density Benchmark.
- 6.3 If any of your Urban SSC Percentages is greater than or less than the Urban Density Benchmark by more than the Urban Permitted Variance, you have not met the Urban

Density Benchmark and if you are in breach of paragraph 3.1 we may levy an Adjustment as set out in paragraph 7.

## **7 The Urban Density Adjustment**

For any SSC for which your Urban SSC Percentage is greater or less than the Urban Density Benchmark by more than the Urban Permitted Variance, we shall multiply the percentage by which you fall short of or exceed the Urban Permitted Variance for that SSC by your total volume for that SSC for that Financial Year to arrive at a number of Mailing Items for that SSC which represents that percentage shortfall or excess. If the sum of all the excess volumes exceeds the sum of all the shortfalls, we shall take no action. If the sum of all the shortfalls exceeds the sum of all the excesses so that there is an overall shortfall, we will levy the Urban Density Adjustment Rate per Mailing Item for the whole of that shortfall.

## **8 Reviews**

8.1 Where we accept your uploaded data pursuant to paragraph 8A.3 or we use the actual volume of Mailing Items you have uploaded to our DocketHub system and data derived from our processing machines pursuant to paragraph 8A.4 as representative of your Actual SSC Percentage and Urban SSC Percentage, we will measure your actual Daily Postings' performance against the Dynamic National Spread Benchmark and Dynamic Urban Density Benchmark in each calendar month.

8.2 Where we undertake statistical sampling pursuant to paragraph 8A.5, we will measure your actual Daily Postings' performance against:

- (a) the Dynamic National Spread Benchmark in each calendar month; and
- (b) the Dynamic Urban Density Benchmark in each Quarter.

8.3 We will provide you with details of your Actual Posting Profile on a monthly basis within a reasonable time after the end of the month to which the report applies. In the written report after the end of each Quarter, we will also:

- (a) provide details of your performance against the Dynamic National Spread Benchmark and/or Dynamic Urban Density Benchmark; and
- (b) indicate whether according to the national spread and urban density of your Daily Postings to that point you are likely to be required to pay any Profile Adjustments for that Financial Year.

### **8.4 8A Measuring your volume of Mailing Items for the purpose of deriving your Actual SSC Percentage and Urban SSC Percentage**

8A.1 If you have not chosen the Mailmark option pursuant to paragraph 8A.4, you may opt to declare your actual volume of Mailing Items by zone for the purpose of calculating your Actual SSC Percentage and Urban SSC Percentage. To do this, you must provide us with the information on your Actual Posting Profile with each Daily Posting. You can do this by uploading to our DocketHub system (or any successor electronic billing system), on the day of handover, a Manifest for each Inward Mail Centre that details the number of Mailing Items by weight and by Zone for each Container (in line with the illustration of the Manifest set out in Appendix 2 to this Schedule 3 and the User Guide). Mailing Items for destination to the London Zone must be declared on

your Manifest as Zone D. It is your responsibility to upload the Manifest in line with this paragraph 8A.1 and the User Guide.

8A.2 Where the address data on a Mailing Item does not have the Postcode selection in sufficient detail to identify a Zone, you must declare such Mailing Item as Zone Z.

8A.3 Provided that:

- (a) you have provided a correct Actual Posting Profile in accordance with the requirements of paragraph 8A.1 and the User Guide for at least 85 per cent of your total volume of Mailing Items in a Financial Year; and
- (b) the number of Zone Z declared Mailing Items does not exceed 10 per cent of your total number of Mailing Items in a Financial Year,

then we shall accept your uploaded data as representative of your Actual SSC Percentage and Urban SSC Percentage.

8A.4 You may opt to use the Mailmark option for the purpose of calculating your Actual SSC Percentage and Urban SSC Percentage if at least 85% of your total volume of Mailing Items in a Financial Year comply with the specification for the Mailmark option set out in the User Guide. If you choose the Mailmark option and at least 85% of your total volume of Mailing Items in a Financial Year comply with the specification for the Mailmark option set out in the User Guide, then we will use the actual volume of Mailing Items you have uploaded to our Dockethub system (in relation to the National Spread Benchmark) and data we derive from our processing machines (in relation to the Urban Density Benchmark) to determine your actual volume of Mailing Items by Zone for the purpose of calculating your Actual SSC Percentage and Urban SSC Percentage.

8A.5 If you:

- (a) choose not to provide an Actual Posting Profile pursuant to paragraph 8A.1 or do not meet the requirements in paragraph 8A.3; or
- (b) do not use the Mailmark option or you have not posted at least 85% of your Daily Postings in a Financial Year using the Mailmark option,

then we will undertake statistical sampling of your Mailing Items under this Price Plan and from the results of that sampling we will derive a figure representing your Actual SSC Percentage and Urban SSC Percentage during the Financial Year. You agree to accept the results of that sampling activity.

## **9 Payment of Profile Adjustments**

We will invoice you for any Profile Adjustments within 30 days of notifying you of your end of Financial Year performance. Payment of the Profile Adjustments invoiced shall be made in accordance with clause 11 of the General Access Terms and Conditions.

## **10 Payment of Profile Adjustments on Termination of this Contract or Change of Price Plan**

If this Contract terminates or you change or terminate this Price Plan during a Financial Year, we may levy Profile Adjustments in respect of the period from the start of the Financial Year to the date of change or termination of this Price Plan or termination of the Contract (which we refer to in this paragraph as an Abbreviated

Financial Year). We will calculate your Profile Adjustments for the Abbreviated Financial Year in line with paragraphs 5 and 7 above as if the Abbreviated Financial Year was a Financial Year, and we will invoice you for those Profile Adjustments within 30 days of notifying you of your end of Abbreviated Financial Year performance.

#### **11 Transferring to the Zonal Price Plan**

If the number of items incurring Profile Adjustments exceeds 15 per cent of your annual volume as invoiced by us under this Price Plan in any Financial Year, we shall terminate your right to post under this National Price Plan (SSCs) on not less than 30 days' notice and you shall be required from the expiry of that 30 day period to post all Mailing Items under the Zonal Price Plan.

#### **12 Changes to our Pricing Structure**

The terms of this National Price Plan One (SSCs) are part of our Pricing Structure, and may be varied from time to time in accordance with the provisions of clause 13.2(a) of the General Access Terms and Conditions.

## OPTION B

### Averaged Price Plan Two (Zones)

#### 1 Introduction

You acknowledge that the Access Charges for Averaged Price Plan Two (Zones) are offered on the premise that your Daily Postings under this Price Plan will reflect a typical Royal Mail national geographic mix of Mailing Items.

#### 2 Eligibility to opt for an Averaged Price Plan Two (Zones)

You may only opt for Averaged Price Plan Two (Zones) if you are able to prove to our reasonable satisfaction that it is reasonably likely that the geographic spread of your Daily Postings in any Financial Year will conform to the Royal Mail Zonal Posting Profile.

#### 3 Your Profile Commitment under Averaged Price Plan Two (Zones)

3.1 The geographic spread of your Daily Postings under this Price Plan in each Financial Year will be measured against the Royal Mail Zonal Posting Profile in each Zone. You agree to conform to the Royal Mail Zonal Posting Profile.

3.2 Breach of paragraph 3.1 of this Price Plan shall not constitute a material breach for the purposes of clause 7.2 of the General Access Terms and Conditions but shall entitle us to levy an Adjustment calculated in accordance with Appendix 1 of this Price Plan.

#### 4 Measuring your Actual Posting Profile

4.1 If you have not chosen the Mailmark option pursuant to paragraph 4.4, you may opt to declare your actual volume of Mailing Items by zone for the purpose of calculating your Actual Posting Profile. To do this, you must provide us with the information on your Actual Posting Profile with each Daily Posting. You can do this by uploading to our DocketHub system (or any successor electronic billing system), on the day of handover, a Manifest for each Inward Mail Centre that details the number of Mailing Items by weight and by Zone for each Container (in line with the illustration of the Manifest set out in Appendix 2 to this Schedule 3 and the User Guide). Mailing Items for destination to the London Zone must be declared on your Manifest as Zone D. It is your responsibility to upload the Manifest in line with this paragraph and the User Guide.

4.2 Where the address data on a Mailing Item does not have the Postcode selection in sufficient detail to identify a Zone, you must declare such Mailing Item as Zone Z.

4.3 Provided that:

- (a) you have provided a correct Actual Posting Profile in accordance with the requirements of paragraph 4.1 and the User Guide for at least 85 per cent of your total volume of Mailing Items in a Financial Year; and
- (b) the number of Zone Z declared Mailing Items does not exceed 10 per cent of your total number of Mailing Items in a Financial Year,

then we shall accept your uploaded data as representative of your Actual Posting Profile.

4.4 You may opt to use the Mailmark option for the purpose of calculating your Actual Profile Percentage if at least 85% of your total volume of Mailing Items in a Financial Year comply with the specification for the Mailmark option set out in the User Guide. If you choose the Mailmark option and at least 85% of your total volume of Mailing Items in a Financial Year comply with the specification for the Mailmark option set out in the User Guide, we will use the data we derive from our processing machines to determine your actual volume of Mailing Items by Zone for the purpose of calculating your Actual Profile Percentage.

4.5 If you:

- (a) choose not to provide an Actual Posting Profile pursuant to paragraph 4.1 or do not meet the requirements in paragraph 4.3; or
- (b) do not use the Mailmark option or you have not posted at least 85% of your Daily Postings in a Financial Year using the Mailmark option,

then we will undertake statistical sampling of your Mailing Items under this Price Plan and from the results of that sampling we will derive a figure representing the percentage of the total volume of your Daily Postings you have posted in each Zone during the Financial Year to give us your Actual Profile Percentage for each Zone. You agree to accept the results of that sampling activity.

4.6 We will compare your Actual Profile Percentage with the Royal Mail Zonal Posting Profile Adjusted for Permitted Variance as more fully described in Appendix 1 of this Price Plan.

4.7 If your Actual Profile Percentage is no greater than the Royal Mail Zonal Posting Profile Adjusted for Permitted Variance, you have conformed to the Royal Mail Posting Profile.

4.8 If your Actual Profile Percentage is greater than the Royal Mail Zonal Posting Profile Adjusted for Permitted Variance, you have failed to conform to the Royal Mail Zonal Posting Profile and we may levy Profile Adjustments calculated in accordance with Appendix 1 of this Price Plan.

## **5 Reviews**

5.1 Where we accept your uploaded data pursuant to paragraph 4.3 or we use the data derived from our processing machines pursuant to paragraph 4.4, we will provide details of your Actual Posting Profile on a monthly basis in a written report within a reasonable time after the end of the month to which the report applies. In the written report provided after the end of each Quarter, we will also:

- (a) provide details of your performance against the Dynamic Royal Mail Zonal Posting Profile; and
- (b) indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay any Profile Adjustments for that Financial Year.



- 5.2 Where we undertake statistical sampling pursuant to paragraph 4.5, we will share your performance against the Dynamic Royal Mail Zonal Posting Profile in a written report within a reasonable time after the end of the Quarter to which the report applies. This report will also indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay any Profile Adjustments for that Financial Year.
- 5.3 If the date on which we begin assessment is part way through a Financial Year, we will increase our sampling during the remainder of that Financial Year to ensure we achieve statistically valid sampling results for that Financial Year.

## **6 Payment of Profile Adjustments**

We will invoice you for any Profile Adjustments within 30 days of notifying you of your end of Financial Year performance. Payment of the Profile Adjustments invoiced shall be made in accordance with clause 11 of the General Access Terms and Conditions.

## **7 Payment of Profile Adjustments on Termination of this Contract or Change of Price Plan**

If this Contract terminates or you change or terminate this Price Plan during a Financial Year, we may levy Profile Adjustments in respect of the period from the start of the Financial Year to the date of the change or termination of Price Plan or termination of this Contract (which we refer to in this paragraph as an Abbreviated Financial Year). Subject to statistically sufficient sampling data having in our reasonable opinion been collected by us during the Abbreviated Financial Year, we will calculate your Profile Adjustments for the Abbreviated Financial Year in line with paragraph 4 and Appendix 1 of this Price Plan as if the Abbreviated Financial Year was a Financial Year, and we will invoice you for those Profile Adjustments within 30 days of notifying you of your end of Abbreviated Financial Year performance.

## **8 Transferring to the Zonal Price Plan**

If the total number of your Mailing Items exceeding the permissible amount in each Zone which has a positive Weighted Average Price Variance Percentage exceeds 15 per cent of your annual volume of Mailing Items (as invoiced by us under the Averaged Price Plan Two (Zones) in any Contract Year) we may terminate your right to post under the Averaged Price Plan Two (Zones) on not less than 30 days' written notice and you shall be required from the expiry of that 30 day period to post all Mailing Items under the Zonal Price Plan.

## **9 Changes to our Pricing Structure**

The terms of this Averaged Price Plan Two (Zones) are part of our Pricing Structure, and may be varied from time to time in accordance with the provisions of clause 13.2(a) of the General Access Terms and Conditions.

## Appendix 1

### Calculation of Profile Adjustments

The principle of this Averaged Price Plan Two (Zones) is that you will meet the Royal Mail Zonal Posting Profile. If you fail to meet this profile, we will levy an Adjustment if your Implied Customer Invoiced Amount is greater than your Allowed Customer Invoiced Amount. Using the Zonal Calculator published on our Website, as updated from time to time, the following steps explain how we calculate such Adjustments:

- 1 Using the Royal Mail Zonal Profile, we apply a Permitted Variance (see the Zonal Calculator on our Website) to the Zones where the Weighted Average Price Variance Percentage is a positive (i.e. those Zones where prices are more expensive on average than the national price) and we adjust the Zone(s) where the Weighted Average Price Variance Percentage is negative so that when summed the zonal values equal 100 per cent. The result of applying this Permitted Variance is reflected in the Royal Mail Zonal Posting Profile Adjusted for Permitted Variance. We provide a reference table of these with the Zonal Calculator, available on the Website, and updated at each tariff change in accordance with this Contract.
- 2 Next, we measure the amount you would have paid if your total annual volume reflected the Royal Mail Zonal Posting Profile Adjusted for Permitted Variance. We call this the 'Allowed Customer Invoiced Amount'. We calculate this amount by applying the Implied Zonal Average Unit Price for each Zone to your annual volume for each Zone as re-profiled to reflect the Royal Mail Zonal Posting Profile Adjusted for Permitted Variance.
- 3 The Allowed Customer Invoiced Amount is compared to the amount that you would have paid on an equivalent Zonal Price Plan using your Actual Posting Profile. Again we use the Implied Zonal Average Unit Prices for each Zone multiplied by the volume of your Actual Posting Profile. We call this your Implied Customer Invoiced Amount.
- 4 Where the amount calculated for your Implied Customer Invoiced Amount exceeds the amount calculated for your Allowed Customer Invoice Amount, an Adjustment will be applied equivalent to the difference between the two.

## OPTION C

### Zonal Price Plan

#### **1 Zonal Access Charges**

- 1.1 Under the Zonal Price Plan you will be charged differing prices for the Mailing Items you hand over to us according to the Zones within which those Mailing Items are to be delivered.

#### **2 Changes to this Price Plan**

The terms of this Zonal Price Plan, including the number of Zones which forms part of our Pricing Structure and the designation of Postcode Sectors to each Zone may be varied from time to time in accordance with the provisions of clause 13 of the General Access Terms and Conditions.

#### **3 Additional requirements for Zonal Mailing Items**

Mailing Items which you hand over to us under this Zonal Price Plan must meet the specifications set out in the User Guide. We may reject Mailing Items which do not fully comply with the User Guide or process them in line with Section 10 of the User Guide.

## OPTION D

### Regional Price Plan (Zones)

#### 1 Introduction

- 1.1 You may choose to operate in one or more of the following regions of the UK: England and Wales; Scotland; and Northern Ireland. You must nominate your chosen Region(s) prior to the Access Start Date.
- 1.2 You acknowledge that the Access Charges for the Regional Price Plan (Zones) are weighted averages reflective of the typical Royal Mail geographic mix of Mailing Items for each specific Region. They are offered on the premise that your Actual Posting Profile under this Price Plan will reflect a typical Royal Mail geographic mix of Mailing Items for your chosen Region(s) as measured to the urban, suburban and rural Zones.
- 1.3 The England & Wales Region excludes the London Zone for the purposes of measuring whether you have conformed to the relevant Royal Mail Zonal Posting Profile. Any Mailing Items that are for delivery in the London Zone will be charged the London Zone's Zonal Charges.
- 1.4 We provide a reference table of each Region's Royal Mail Zonal Posting Profile within the Regional Zonal Calculator available on the Website which we will update from time to time following the end of each applicable Financial Year.

#### 2 Eligibility to opt for the Regional Price Plan (Zones)

You may only opt for the Regional Price Plan (Zones) if you are able to prove to our reasonable satisfaction that it is reasonably likely that the geographic spread of your Daily Postings in any Financial Year in each chosen Region will conform to the Royal Mail Zonal Posting Profile specific to that Region.

#### 3 Measuring your Actual Posting Profile

- 3.1 The zonal geographic spread of your Daily Postings under this Price Plan in each Financial Year for each chosen Region will be measured against the Royal Mail Zonal Posting Profile specific to that Region.
- 3.2 You shall provide us the information on your Actual Posting Profile with each Daily Posting. You can do this by uploading to our DocketHub system (or any successor electronic billing system), on the day of handover, a Manifest for each Inward Mail Centre that details the number of Mailing Items by weight and by Zone for each Container (in line with the illustration of the Manifest set out in Annex B to this Price Plan and the User Guide). Mailing Items for destination to the London Zone must be declared on your Manifest as Zone D. It is your responsibility to upload the Mailing Items to the correct Zone. Subject to your correct and accurate completion of the Manifest in line with this paragraph and the User Guide, we shall accept your uploaded data as representative of your Actual Profile Percentage for each Zone.
- 3.3 Where the address data on a Mailing Item does not have the Postcode selection in sufficient detail to identify a Zone, you must declare such Mailing Items as Zone Z. The number of Zone Z Mailing Items must not exceed 10 per cent of your total number of Mailing Items in a Financial Year. We may charge you for the number of

Zone Z Mailing Items that exceed this 10 per cent level at the Zone Z Adjustment Rate.

- 3.4 At the end of each Financial Year, if your Actual Posting Profile for each chosen Region does not match the applicable Royal Mail Zonal Posting Profile for that Region we will charge you Profile Adjustments calculated in respect of that Financial Year in accordance with Appendix 1 of this Price Plan.

#### **4 Reviews**

We will review your Actual Posting Profile for each chosen Region and we will provide you with details of your Actual Posting Profile on a monthly basis in a written report within a reasonable time after the end of the calendar month to which the report applies. In the written report after the end of each Quarter, we will also:

- (a) provide details of your performance against the Dynamic Royal Mail Zonal Posting Profile; and
- (b) indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay any Profile Adjustments for that Financial Year.

#### **5 Profile Adjustments**

We will invoice you for any Profile Adjustments within 30 days of notifying you of your end of Financial Year performance. Payment of the Profile Adjustments invoiced shall be made in accordance with clause 11 of the General Access Terms and Conditions.

#### **6 Payment of Profile Adjustments on Termination of this Contract or Change of Price Plan**

If this Contract terminates or you change this Price Plan during a Financial Year, we may levy Profile Adjustments in respect of the period from the start of the Financial Year to the date of the change of this Price Plan or termination of the Contract (which we refer to in this paragraph as an Abbreviated Financial Year). We will calculate your Profile Adjustments for the Abbreviated Financial Year in line with paragraph 3 and Appendix 1 of this Price Plan as if the Abbreviated Financial Year was a Financial Year, and we will invoice you for those Profile Adjustments within 30 days of notifying you of your end of Abbreviated Financial Year performance.

#### **7 Transferring to the Zonal Price Plan**

If the total number of your Mailing Items exceeding the permissible amount in each Zone exceeds 15 per cent of your annual volume of Mailing Items (as invoiced by us under this Price Plan in any Financial Year) we may terminate your right to post under this Regional Price Plan (Zones) on not less than 30 days' written notice and you shall be required from the expiry of that 30 day period to post all Mailing Items under the Zonal Price Plan.

#### **8 Changes to our Pricing Structure**

The configuration of the Zones of this Regional Price Plan (Zones) are part of our Pricing Structure, and may be varied from time to time in accordance with the provisions of clause 13.2(a) of the General Access Terms and Conditions.



## Appendix 1

### Calculation of Profile Adjustments

The principle of this Regional Price Plan (Zones) is that you will meet the Royal Mail Zonal Posting Profile of each discrete Region that is relevant to your Contract. If you fail to meet this profile, we will levy an Adjustment if you exceed the Royal Mail Zonal Posting Profile in the Zones where the Weighted Average Price Variance Percentage exceeds 0. Using the Regional Zonal Calculator published on our Website, as updated from time to time, the following steps explain how we calculate such Adjustments for each chosen Region:

- 1 We select the relevant Royal Mail Zonal Profile as the benchmark measure. We provide a reference table of these within the Regional Zonal Calculator, available on the Website.
- 2 Next, we input your annual mailing volumes and postage spend to determine your average item price.
- 3 We then input your Actual Profile Percentages to compare them against the relevant Royal Mail Zonal Profile to determine any variances. The calculator expresses the variances as a number of Mailing Items for each Zone.
- 4 Profile Adjustments will occur if, in the Zones where the Weighted Average Price Variance Percentage exceeds 0 after aggregating the positive and minus variances of Mailing Items calculated in accordance with paragraph 1, above, for such Zones, you have an overall excess number of Mailing Items. We calculate the total Profile Adjustments by taking the variance in the number of Mailing Items by Zone multiplied by your average item price and that sum is then multiplied by the relevant Zone's Weighted Average Price Variance Percentage.
- 5 If your Actual Posting Profile in the Zones where the Weighted Average Price Variance Percentage exceeds 0 after aggregating the positive and minus variances of Mailing Items calculated in accordance with paragraph 1 above, for such Zones, you have an overall minus variance in number of Mailing Items, then no rebate will be paid in respect of such minus variance.

## Appendix 2

### The Manifest

- 1 On the Manifest, you must declare Mailing Items for each Container by Service, average item weight, and number of Mailing Items for each Zone. Where the address data on a Mailing Item does not have the Postcode selection in sufficient detail to identify a Zone, you must declare such Mailing Items as Zone Z. It is your responsibility to upload the Mailing Items to the correct Zone. An example of the correct completion of the Manifest is shown in Figure 1 of this Appendix.
- 6 You may choose to apply to each of your Mailing Items a Zonal Indicator relevant to the Postcode Sector of the corresponding address. If you do so, you must position the Zonal Indicator on a Mailing Item in accordance with the User Guide.

**Figure 1: The Manifest**

Access Point: Inward Mail Centre Date of Handover to Royal Mail: dd/mm/yy

Access Site: Mail Centre Account Number: \_\_\_\_\_

IMC Address: Any Road Posting Docket No: \_\_\_\_\_

Posttown AA1 1AA Licence No: \_\_\_\_\_

Job Reference: \_\_\_\_\_ Sheet \_\_\_\_\_ of \_\_\_\_\_

**Individual Bag Identification**

Container ID No.	Originating Customer No.	SSC	Postcode Area	No. Items					No. Items					No. Items					Ave Weight WB2 (g)	Ave Weight WB3 (kg)	Actual Total Weight (kg)	Average Weight of Mail Items (g)	Total Items (units)	Format	Mech/Man/OCR	Sort level
				WB1					WB2					WB3												
				Nat	A	B	C	Z	Nat	A	B	C	D	Z	Nat	A	B	C								
12345678	ABCDEFG	123	DE		2	5	1				2	1	6					150		2.15	126	17	Large Letter	Manual	70	
12345679	ABCDEFH	123	DE								5	9	3		1			220		3.96	189	18	Large Letter	Manual	70	
12345670	ABCDEFI	12345	DE1		55	35	53			7									9.0	60	150	Letter	Mech	70		
	Total no. of Containers	Totals																							Totals	

<p><b>Delivery Note -</b></p> <p>This delivery note does not constitute acceptance that the above details are correct, as these details will be subject to Royal Mail revenue protection and mail verification checks. For the avoidance of doubt, this document only acknowledges the handover of Mailing Items on a time and date specified.</p> <p>Royal Mail – Please print name: Royal Mail – Signature:</p>	<p><b>For Royal Mail Use Only</b></p> <p>Date of Handover to Royal Mail</p> <p>Arrival Time at Royal Mail</p>
<p><b>For Customer Use only</b></p> <p style="text-align: center;">Customer Defined Information field</p>	



## **Schedule 4**

### **Standard Services**

#### **General Section**

You may opt to use certain of our Services in line with the Contract and the following Parts of this Schedule 4:

- Part 1 - Royal Mail Advertising Mail® and Royal Mail Partially Addressed Mail®;
- Part 2 - Royal Mail Business Mail Large Letter™;
- Part 3 - Royal Mail Magazine Subscription Mail™; and / or
- Part 4 - Trunking Services.

This Schedule 4 sets out the terms and conditions which apply to the use of these Services. Defined terms in this Schedule 4 have the meaning given to them in Schedule 1 (Definitions and Interpretation).

## **Part 1 – Royal Mail Advertising Mail® and Royal Mail Partially Addressed Mail®**

### **1 Background**

- 1.1 This Part 1 sets out the terms on which you and we agree that you may post Advertising Mail and / or Partially Addressed Mail. References to a 'Posting' in this Part 1 shall be to an Advertising Mail Posting or Partially Addressed Mail Posting, as applicable.

### **2 Advertising Mail and Partially Addressed Mail Specifications**

- 2.1 Mailing Items in a Posting must meet the Access Service Specification relevant for the Posting and you must comply with all of your obligations under this Part 1 and the User Guide.

### **3 Seed Mailing Items**

- 3.1 For each Posting, you must provide us with a sample of each mailing pack design to verify conformance to the content requirement of the relevant Access Service Specification. This can be provided as a sample pack prior to posting or by including us as a seed to the Posting. We will retain each of the items received and use them for:
- (a) reference during the audit process as set out in paragraph 6; and
  - (b) unless the Data Opt Out has been exercised, the purpose envisaged in paragraph 5.1.
- 3.2 You are required to provide Samples/Seeds that are exact reproductions of the Mailing Items posted in terms of both envelopes used and contents enclosed for each Posting. The Samples/Seeds must:
- (a) be addressed to our nominated address as detailed in the User Guide, or such other location as may be notified from time to time;
  - (b) include the information set out in the User Guide; and
  - (c) be handed over to us on the same date as the Posting is posted.

### **4 Collection of the ASBOF Levy and JICMAIL Levy**

- 4.1 Unless we notify you that we are no longer appointed to collect the ASBOF Levy and / or JICMAIL Levy in accordance with paragraph 4.6 below, you agree that we may collect the:
- (a) ASBOF Levy on behalf of ASBOF; and
  - (b) the JICMAIL Levy on behalf of JICMAIL,

on all direct mail Mailing Items presented as Advertising Mail and / or Partially Addressed Mail under the terms of the Contract. We shall pass the entire value of the JICMAIL Levy to JICMAIL and the ASBOF Levy to ASBOF at the end of each quarter of the financial year.

- 4.2 The value of the ASBOF Levy shall be as stated on the pricing page of the Website, as changed from time to time.
- 4.3 The value of the JICMAIL Levy shall be as stated on the pricing page of the Website, as changed from time to time, and shall be subject to the JICMAIL Levy Cap per each Originating Customer and Customer Entity. Any amounts paid by you in excess of the JICMAIL Levy Cap will be refundable by JICMAIL and we will not be liable to you in respect of any amounts paid by you in excess of the JICMAIL Levy Cap.
- 4.4 We agree that when you present Mailing Items as Partially Addressed Mail with Advertising Mail, the ASBOF Levy and the JICMAIL Levy will both be applied only once and not across all Access Services.
- 4.5 You acknowledge that we are only providing a collection service for the ASBOF Levy and the JICMAIL Levy. The ASBOF Levy and the JICMAIL Levy are both voluntary. If you want a refund of the:
- (a) ASBOF Levy that you have paid, you must submit a written retrospective claim to ASBOF, on a quarterly or annual basis, to be sent to The Treasurer, ASBOF, The Broadcast Advertising Standards Board of Finance, 12 Henrietta Street, London, WC2E 8LH; and / or
  - (b) JICMAIL Levy that you have paid, you must submit a written retrospective claim to JICMAIL, on a quarterly or annual basis, to be sent to The Treasurer, JICMAIL Limited, DMA House, 70 Margaret Street, London W1W 8SS,
- (or such other address as may be advised from time to time), giving the following information:
- (i) evidence confirming that you have paid the ASBOF Levy or JICMAIL Levy (as applicable), and confirmation of the amount paid; and
  - (ii) an explanation (in reasonable detail from a board member) setting out the reason for your request for a refund.
- 4.6 We will notify you if we are no longer appointed to collect the ASBOF Levy and / or JICMAIL Levy.
- 4.7 Notwithstanding any other provisions in the Contract, we may amend or withdraw the requirements of this paragraph 4:
- (a) in respect to the ASBOF Levy, on 3 months' notice; and
  - (b) in respect to the JICMAIL Levy, on 70 days' notice.

## **5 Ad Mail Information**

- 5.1 We wish to use Ad Mail Information for the purpose of assessing the circulation of Advertising Mail and Partially Addressed Mail and to create an advertising mail currency that enables advertisers to benchmark their investments in Advertising Mail and Partially Addressed Mail against other media. To do this, we wish to share the Industry Input Data with JICMAIL and permit JICMAIL to share the Industry Input Data with the Independent Marketing Specialists for the purpose of creating reports for the industry.

- 5.2 You agree to inform each Originating Customer and Customer Entity:
- (a) of our wish to use their Ad Mail Information and share their Industry Input Data for the purposes set out in paragraph 5.1;
  - (b) that they have the right to opt out of us using their Ad Mail Information and sharing their Industry Input Data (the **Data Opt Out**) by completing and instructing you to notify us via the opt out form published on our Website, as updated from time to time, such notice to be sent to the email address specified in the opt out form with the subject heading 'JIC Opt Out' (**Data Opt Out Notification**);
  - (c) that the Data Opt Out shall be valid for a period of 12 months from the date of receipt of the Data Opt Out Notification (**Opt Out Period**), following which the Originating Customer or Customer Entity will need to instruct you to send a further Data Opt Out Notification in accordance with paragraph 5.2(b) above should it wish to exercise the Data Opt Out for a further Opt Out Period; and
  - (d) that:
    - (i) if they wish to exercise the Data Opt Out, then it is their responsibility to ensure they instruct you to send a Data Opt Out Notification in accordance with paragraphs 5.2(b) and 5.2(c) above (as applicable); and
    - (ii) if we have not received a Data Opt Out notification, or if the Data Opt Out has expired and we have not received a subsequent Data Opt Out Notification, then we shall be entitled to treat that as their consent for us to use their Ad Mail Information and share their Industry Input Data for the purpose set out in paragraph 5.1 and we shall have no liability to them in respect of such use even if they had instructed you otherwise.
- 5.3 We will use reasonable efforts to notify you in advance of expiry of the relevant Opt Out Period.
- 5.4 You will ensure that if the Data Opt Out has not been exercised pursuant to paragraph 5.2(b) or 5.2(c) (as applicable), then:
- (a) you must ensure or procure that the posting Customer Entity or Originating Customer ensures that each Posting is assigned the correct Mail Reference and such Mail Reference is declared on the Posting Docket or eManifest (as applicable) and the associated Sample/Seed item; and
  - (b) where an individual Posting is being posted across a number of different days, then the same Mail Reference is to be used for each day of that Posting.
- 5.5 Paragraphs 5.1 to 5.4 shall apply equally if you are the posting customer of Advertising Mail and / or Partially Addressed Mail, in which case:
- (a) you may exercise the Data Opt Out by sending us a Data Opt Out Notification in accordance with paragraph 5.2(b);
  - (b) however, if we have not received a Data Opt Out Notification, or if the Data Opt Out has expired and we have not received a subsequent Data Opt Out

Notification in accordance with paragraph 5.2(c), then we will be entitled to treat that as your consent for us to use the Ad Mail Information and share the Industry Input Data for the purpose set out in paragraph 5.1.

- 5.6 We each agree that, for the purpose of clause 9 of the General Access Terms and Conditions, the Ad Mail Information shall not be Confidential Information and we shall be entitled to use it for the purposes set out in paragraph 5.1 for those who have not exercised the Data Opt Out.

## **6 Audit and Non-Compliance**

- 6.1 We must be reasonably satisfied at all times that you can comply, and are complying, with the terms of the Contract in relation to Advertising Mail and Partially Addressed Mail, including the terms of this Part 1. Without prejudice to your obligation to ensure all Mailing Items handed over to us as Advertising Mail and / or Partially Addressed Mail meet the requirements of this Part 1 and to satisfy us of your ability to comply and your continued compliance with those terms, you agree, among other things, to:

- (a) allow us to carry out a compliance audit in line with paragraphs 6.2 and 6.3 below;
- (b) provide us with Samples/Seeds; and
- (c) prior to each Posting, notify us of the identity of your Originating Customers or Customer Entities submitting Samples/Seeds as Advertising Mail and / or Partially Addressed Mail, provided that we may use this information for the sole and exclusive purpose of auditing the relevant Mailing Items for compliance with this Part 1.

- 6.2 Before or after you hand over a Posting to us, or at any time while this Part 1 forms part of your Contract, and if requested by us on not less than 5 Working Days' notice, you agree to allow us to carry out a compliance audit of your supply chain and mailing processes and the supply chain and mailing processes of your Originating Customers, Customer Entities and / or Posting Entities for whom you are handing over Advertising Mail and / or Partially Addressed Mail. You shall provide all reasonable assistance that we reasonably require with any such audit, including but not limited to promptly giving us access to your premises, staff, records and processes and to procuring us access to the premises, staff, records and processes of your Originating Customers, Customer Entities and / or Posting Entities where such access is reasonably required by us for the purpose of our audit.

- 6.3 If we wish to carry out an audit without visiting your premises, you shall co-operate with us by responding fully and promptly to any reasonable requests that we make for information or documentation. This may include, but is not limited to, requiring you to tell us the identity of your Originating Customers or Customer Entities that are submitting seeds in their Posting. We undertake to keep confidential the identity of those Originating Customers or Customer Entities and to use that information for the sole and exclusive purpose of auditing your compliance with the terms of this Part 1.

- 6.4 For the avoidance of doubt, nothing in this paragraph 6 will restrict us from using the identity of the Originating Customer or Customer Entity for the purpose of paragraph 5.1 where the Data Opt Out has not been exercised by them.

- 6.5 If we (acting reasonably) consider that you have not complied and/or cannot comply fully with the terms of the Contract in relation to Advertising Mail and / or Partially Addressed Mail including the terms of this Part 1, we may:
- (a) (regardless of any other term of this Contract) suspend your rights under this Part 1 until we are satisfied of your compliance and your ability to comply;
  - (b) (regardless of any other term of this Contract) terminate your rights under this Part 1 if we reasonably consider it appropriate; and
  - (c) where we can demonstrate that you have not fully complied with the terms of this Part 1 in respect of specific Advertising Mail and / or Partially Addressed Mail and where you have benefited from the charges available for Advertising Mail and / or Partially Addressed Mail (as applicable), we may require you to pay us:
    - (i) a sum equal to the difference between the aggregate Advertising Mail and / or Partially Addressed Mail charges paid as part of such Posting(s) and the appropriate Access Service charges that would have been payable by you for such Posting(s) under the Contract for Mailing Items that do not qualify as Advertising Mail and / or Partially Addressed Mail; and
    - (ii) our reasonable costs and expenses incurred in carrying out the audit and calculating the amount due from you under paragraph 6.5(c)(i) above.

## **7 Discount**

- 7.1 Only Mailing Items eligible for Advertising Mail and / or Partially Addressed Mail that you hand over to us and we accept will qualify for the Discount. For the avoidance of doubt, the relevant Discount will nonetheless apply provided such Mailing Items comply with paragraph 2 even if the Data Opt Out has been exercised in accordance with paragraph 5.2(b) or 5.2(c) (as applicable). All Discounts shall be credited to you on the occasion of each Daily Posting in line with the payment terms set out in clause 11 of the General Access Terms and Conditions.

## **8 Withdrawal**

- 8.1 Regardless of any other term of this Contract, we may withdraw the Advertising Mail and / or Partially Addressed Mail service on 4 months' written notice in which event this Part 1 will terminate at the expiry of that notice period.

## **Part 2 – Royal Mail Business Mail Large Letter™**

### **1 Background**

- 1.1 This Part 2 sets out the terms on which you and we agree that you may post Business Mail Large Letters. References to a 'Posting' in this Part 2 shall be to a Business Mail Large Letters Posting.

### **2 Business Mail Large Letter Specification**

- 2.1 Mailing Items in a Posting must meet the Access Service Specification relevant for the Posting and you must comply with all of your obligations under this Part 2 and the User Guide.

### **3 Audit and non-compliance**

- 3.1 We must be reasonably satisfied at all times that you can comply, and are complying, with the terms of the Contract in relation to Business Mail Large Letter including the terms of this Part 2. Without prejudice to your obligation to ensure all Mailing Items handed over to us as Business Mail Large Letters meet the requirements of this Part 2 and to satisfy us of your ability to comply and your continued compliance with these terms, you agree, among other things, to:

- (a) allow us to carry out a compliance audit in line with paragraphs 3.2 and 3.3; and
- (b) provide us with the identity of your Originating Customers, Customer Entities and/or Posting Entities on request, provided that we may use this information for the sole and exclusive purpose of auditing the relevant Mailing Items for compliance with this Part 2.

- 3.2 Before or after you hand over to us a Posting, or at any time while this Part 2 forms part of your Contract, and if requested by us on not less than 5 Working Days' notice, you agree to allow us to carry out a compliance audit of your supply chain and mailing processes and the supply chain and mailing processes of your Originating Customers, Customer Entities and/or Posting Entities for whom you are handing over Business Mail Large Letters. You shall provide all reasonable assistance that we reasonably require with any such audit, including but not limited to promptly giving us access to your premises, staff, records and processes and to procuring us access to the premises, staff, records and processes of your Originating Customers, Customer Entities and/or Posting Entities where such access is reasonably required by us for the purpose of our audit.

- 3.3 If we wish to carry out an audit without visiting your premises, you shall co-operate with us by responding fully and promptly to any reasonable requests that we make for information or documentation.

- 3.4 If we (acting reasonably) consider that you have not complied and/ or cannot comply fully with the terms of the Contract in relation to Business Mail Large Letters including the terms of this Part 2, we may:

- (a) where we can demonstrate that you have not fully complied with the terms of this Part 2 and where you have benefitted from the charges available for Business Mail Large Letters, we may require you to pay us:

- (i) a sum equal to the difference between the aggregate Access Charges you paid and the appropriate Access Charges that would have been payable by you for such Mailing Items under the Contract for Mailing Items that do not qualify as Business Mail Large Letters; and
  - (ii) our reasonable costs and expenses incurred in carrying out the audit and calculating the amount due from you under paragraph 3.4(a)(i) above; and/or
- (b) (regardless of any other term of this Contract) suspend your rights under this Part 2 until we are satisfied of your compliance and your ability to comply; and
  - (c) (regardless of any other term of this Contract) terminate your rights under this Part 2 if we reasonably consider it appropriate.

#### **4 Withdrawal**

- 4.1 Regardless of any other term of this Contract, we may withdraw this Service on at least 70 days' written notice in which event this Part 2 will terminate at the expiry of that notice period.



## **Part 3 – Royal Mail Magazine Subscription Mail™**

### **1 Background**

- 1.1 This Part 3 sets out the terms on which you and we agree that you may post Magazine Subscription Mail. References to a 'Posting' in this Part 3 shall be to Magazine Subscription Mail Posting.

### **2 Requirements for Magazine Subscription Mail**

- 2.1 Mailing Items in a Posting must meet the Access Service Specification relevant for the Posting and you must comply with all of your obligations under this Part 3 and the User Guide.
- 2.2 In addition to the other specifications and requirements for Magazine Subscription Mail set out in the User Guide, you must also ensure that:
- (a) each Title is posted at least two times per year; and
  - (b) each Magazine Subscription Mail Posting contains a minimum of 1,000 Mailing Items.

## Part 4 - Trunking Services

### 1 Background

- 1.1 From time to time we may offer one or more services where you and we agree that you may hand over Mailing Items for specified Postcode Areas at an alternative Inward Mail Centre to the one required by paragraph 1.1 of Schedule 2 (Service Standard and General Service Obligations) and we will transport such Mailing Items to the destination Inward Mail centre on your behalf. This Part 4 sets out the terms on which you and we agree that such a service shall be operated.
- 1.2 The Trunking Services between a specified Handover Inward Mail Centre and a specified Destination Inward Mail Centre shall each operate as a separate Trunking Scheme for a fixed period. You may apply to participate in one or more Trunking Schemes in any given year by following the application process specified in paragraph 3.
- 1.3 The availability of Trunking Services shall be at our sole discretion. We shall publish potential and live Trunking Schemes on our Website.

### 2 Trunking Schemes

- 2.1 Subject to you complying with the terms of this Part 4, during the term of this Part 4 and for each Trunking Scheme that you participate in we shall transport (in accordance with the Trunking Scheme Particulars for that Trunking Scheme) to the Destination Inward Mail Centre, Mailing Items for the Destination Postcode Areas, which have been handed over by you to us at the Handover Inward Mail Centre in accordance with the Trunking Specification (set out in the User Guide) and, up to and including Your York Allocation for that Trunking Scheme.
- 2.2 For the avoidance of doubt, each Trunking Scheme shall terminate upon the end of the relevant Trunking Scheme Period and shall not automatically continue or renew unless mutually agreed between the parties (in writing). If there is more than one Trunking Scheme operating at any time, it is agreed that each Trunking Scheme may cease to operate and be capable of being terminated without that resulting in any other concurrent Trunking Scheme ceasing to operate or being terminated as a necessary consequence.

### 3 Application to participate in Trunking Schemes

- 3.1 In order for a Trunking Scheme to be viable, a single or multiple Carrier(s) committing to a minimum volume of Mailing Items must enter into each Trunking Scheme. The minimum viable volume of Mailing Items for each potential Trunking Scheme shall be determined by us at our sole discretion.
- 3.2 Each Trunking Scheme shall operate for a fixed term specified in the Trunking Scheme Particulars, starting on the Trunking Scheme Start Date (the **Trunking Scheme Period**). The application process for each Trunking Scheme shall be conducted as follows:
- (a) we shall publish details of each potential Trunking Scheme no later than 60 days prior to the relevant Trunking Scheme Start Date on our Website and shall concurrently notify you by email on each occasion such details are published;

- (b) you may express your interest in participating in a Trunking Scheme during the Application Period by submitting a copy of the Trunking Scheme application form located on our Website;
- (c) after the end of the Application Period, we shall assess the carrier applications for that Trunking Scheme to determine if it is operationally viable. If, at our sole discretion, we determine that the potential Trunking Scheme is operationally viable, we shall notify you of Your York Allocation, Royal Mail's Transportation Cost and the corresponding Trunking Fee;
- (d) you shall tell us in writing within 7 days of receipt of the notice described in paragraph 3.2(c) if you no longer wish to participate in the relevant Trunking Scheme on that basis. If you do not respond in that period, that will be deemed to be acceptance of Your York Allocation and the corresponding Trunking Fee, and acceptance of your participation in the relevant Trunking Scheme generally;
- (e) we will review the carrier responses and/or the deemed acceptances for each potential Trunking Scheme and notify you if the Trunking Scheme is viable to proceed; and
- (f) each Trunking Scheme shall commence from the relevant Trunking Scheme Start Date and (subject to paragraph 7) continue for the relevant Trunking Scheme Period.

#### **4 The Trunking Specification**

- 4.1 You must adhere to the Trunking Specification when participating in Trunking Schemes.
- 4.2 Provided that you have complied with the Trunking Specification, we will use reasonable endeavours to:
  - (a) receive the Yorks that you have unloaded from your vehicle and load them onto our vehicle for transportation to the Destination Inward Mail Centre;
  - (b) transport the relevant Mailing Items to the Destination Inward Mail Centre on the same Working Day; and
  - (c) unload Yorks at the Destination Inward Mail Centre.
- 4.3 On arrival at the Destination Inward Mail Centre, we shall process the relevant Mailing Items in accordance with the Contract, and such Mailing Items will for the purposes of paragraph 2.2 of Schedule 2 (Service Standard and General Service Obligations) be deemed to have been presented at the Destination Inward Mail Centre on the same Working Day on which it was presented at the Handover Inward Mail Centre.

#### **5 York Allocation**

Our agreement to transport Mailing Items on your behalf under each Trunking Scheme is fixed at a maximum number of Yorks per Posting as notified to you in accordance with paragraph 3.2(c) above. If you deliver Yorks in excess of Your York Allocation to the Handover Inward Mail Centre as part of a Posting then we may, at our sole discretion, choose to reject some or all of these excess Yorks. We shall owe

you no liability for any losses that you suffer as a result of our rejection of such excess Yorks.

## 6 Trunking Fee

6.1 In consideration for us providing the Trunking Services, you agree to pay the Trunking Fee in accordance with this paragraph 6.

6.2 The Trunking Fee is a single fee for the fixed Trunking Scheme Period and will be calculated by apportioning Royal Mail's Transportation Cost between all carriers that have agreed to participate in a Trunking Scheme ("**Carriers**") using the following two-stepped formula:

STEP 1:  $\frac{\text{Your York Allocation}}{\text{Carrier Combined York Allocation}} \times 100 = \text{per cent of Royal Mail's Transportation Cost to be paid by you ("**Your Percentage**")}$

STEP 2: Multiply Royal Mail's Transportation Cost by Your Percentage

For the avoidance of doubt, if you are the sole Carrier participating in any Trunking Scheme (and we have deemed that Trunking Scheme to be viable notwithstanding that you are the only Carrier participating), you shall pay 100 per cent of Royal Mail's Transportation Cost.

6.3 The Trunking Fee for each Trunking Scheme is payable in full in advance of the Trunking Scheme Start Date.

## 7 Termination and Suspension

7.1 We reserve the right to unilaterally suspend any Trunking Scheme at any time if the Trunking Services are affected by a Disruptive Event.

7.2 Regardless of any other term of this Contract, either of us may terminate any Trunking Scheme(s) or this Part 4 by giving the other Party not less than 30 days' written notice.

7.3 If a change in law, change in regulation or decision by any regulatory body results in the Trunking Services becoming economically unviable, we may either:

(a) notify you of our intention to charge an uplift to the Trunking Fees (**Fees Uplift**) (**Uplift Notice**); or

(b) terminate the Trunking Scheme(s) which has become economically unviable on 30 days' notice.

7.4 Where we notify you of the charges uplift in accordance with paragraph 7.3(a), you must notify us within 10 days of the receipt of the Uplift Notice whether you would be prepared to accept the Fees Uplift and the parties shall meet to discuss and agree in good faith any Fees Uplift.

7.5 Once the parties have agreed any Fees Uplift in accordance with paragraph 7.4, the Fees Uplift shall be payable by you in accordance with the payment terms agreed between us in the General Access Terms and Conditions.

- 7.6 If you do not respond to the Uplift Notice within the time period stated in paragraph 7.4 or you notify us that you do not wish to accept any Fees Uplift, we will have the right to terminate the Trunking Scheme(s) to which the Uplift Notice relates in accordance with paragraph 7.3(b).

## **8 Consequences of Suspension or Termination**

- 8.1 You acknowledge that we have incurred costs in relation to the delivery of the Trunking Services and accordingly you agree that you shall not be entitled to a refund of any Trunking Fees in the event of:

- (a) termination by you for convenience pursuant to paragraph 7.2, if you are not the sole Carrier participating in that Trunking Scheme;
- (b) termination by us for your breach of contract or Insolvency Event pursuant to clause 7.2 of the General Access Terms and Conditions; or
- (c) (subject to paragraph 8.2) termination for any other reason.

- 8.2 You shall be entitled to a refund of the portion of the Trunking Fees that have been paid in advance in respect of Trunking Services not provided by us subsequent to termination only if any of the following occurs:

- (a) termination by us for convenience pursuant to paragraph 7.2;
- (b) termination by you for convenience pursuant to paragraph 7.2 if you are the sole Carrier participating in that Trunking Scheme;
- (c) termination by us arising as a consequence of a change in law, change in regulation or decision by any regulatory body pursuant to paragraph 7.3(b); or
- (d) termination by you for our breach of contract or Insolvency Event pursuant to clause 7.2 of the General Access Terms and Conditions,

in which case your refund will be calculated by reference to the proportion of the Trunking Scheme Period that has not elapsed as at the effective date of termination, less any costs that we have incurred in anticipation of providing the affected Trunking Scheme that we are unable to recover following termination or other costs that we reasonably incur as a consequence of such termination.

- 8.3 For the avoidance of doubt the termination or expiry of this Part 4, or for the duration of any period of suspension, shall not affect your Contract and the terms of your Contract will continue to apply in their entirety (including, for the avoidance of doubt, terms of your Contract that require you to hand over Mailing Items to an Inward Mail Centre that bear Postcodes served by that particular Inward Mail Centre).

## Schedule 5

### Operational Presentation Facilities

#### General Section

You may opt to use certain of our Operational Presentation Facilities services, in line with the Contract and the following Parts of this Schedule 5:

- Part 1 – Mixed Weight;
- Part 2 – Tray Decanting;
- Part 3 – Acceptance by Vehicle;
- Part 4 – Mixing Supply Chain IDs;
- Part 5 – Digital Stamps; and
- Part 6 – 48-Way Sort Mech Letter Option.

This Schedule 5 sets out the terms and conditions which apply to the use of those Operational Presentation Facilities. Defined terms in this Schedule 5 will have the meaning given to them in Schedule 1 (Definitions and Interpretation).

## **Part 1 – Mixed Weight**

### **1 Background**

- 1.1 This Part 1 sets out the terms on which we both agree that you may designate certain Containers of Mailing Items as 'Mixed Weight'.

### **2 Mixed Weight Specification**

- 2.1 You must comply with all of your obligations under this Part 1 and the User Guide when presenting Mailing Items as Mixed Weight.

### **3 Audit and non-compliance**

- 3.1 Before you post Mixed Weight Mailing Items under this Contract, we must be reasonably satisfied that you can comply with the terms of this Part 1. Among other things, we may require you to allow us to carry out a compliance audit of your supply chain and mailing processes.
- 3.2 Before or after you post Mixed Weight Mailing Items, and at any time while the Contract is in force, we may audit your ability to comply, and audit your actual compliance, with the terms of this Part 1. However, regardless of any such audit, it is your responsibility to ensure that you comply with the terms of this Part 1.
- 3.3 We shall give you reasonable notice (being not less than 5 Working Days) of any audit that we intend to carry out under paragraph 3.2. You shall provide all reasonable assistance that we reasonably require with any such audit, including but not limited to promptly giving us access to your premises, staff, records and processes. If we wish to carry out an audit without visiting your premises, you shall co-operate with us by responding fully and promptly to any reasonable requests that we make for information or documentation.
- 3.4 If we (acting reasonably) consider that you have not complied and/or cannot comply fully with this Part 1, we may (regardless of any other term of this Contract):
- (a) suspend your rights under this Part 1 until we are satisfied of your compliance and ability to comply; or
  - (b) terminate your rights under this Part 1 if we reasonably consider it appropriate.

### **4 Change and withdrawal**

- 4.1 Regardless of any other term of this Contract, we may change or withdraw this Service on 70 days' written notice. If withdrawn, this Part 1 will terminate at the expiry of that notice period.

## **Part 2 – Tray Decanting**

### **1 Background**

- 1.1 This Part 2 sets out the terms on which we agree to process Mailing Items for Guernsey where those Mailing Items are presented to an Inward Mail Centre in Trays.

### **2 Tray Decanting Specification**

- 2.1 If you comply with your obligations under this Contract including the User Guide and this Part 2, and you pay us for the Tray Decanting service, we will process the Mailing Items that you present in line with paragraph 2.3.
- 2.2 We agree that the terms of the User Guide, stating that Mailing Items destined for Guernsey must not be presented in Trays, shall not apply to the extent that those terms conflict with the terms of this Part 2.
- 2.3 Subject to paragraph 2.1, you may present your Mailing Items that are destined for Guernsey in Trays and we will decant the Mailing Items from Trays into bags at the designated Inward Mail Centre in respect of Mailing Items destined for Guernsey.

### **3 Change and Termination**

- 3.1 Regardless of any other term of this Contract, either of us may terminate the terms of this Part 2 by giving the other Party not less than 30 days' written notice.



## **Part 3 – Acceptance by Vehicle**

### **1 Background**

- 1.1 This Part 3 sets out the terms on which we agree to process Mailing Items:
- (a) that have been presented at an Inward Mail Centre in line with the terms of the Contract and where you have used Segregation by Format;
  - (b) which are presented in Yorks (and, for clarity, this does not include Mailing Items which are loose loaded upon arrival at an Inward Mailing Centre and which are then transferred into Yorks); and
  - (c) the details of which have been reported to us by the vehicle on which they arrived, in line with the terms of this Part 3.

For clarity, the terms of your Contract and the User Guide will continue to apply to Mailing Items that you hand over at an Inward Mail Centre which you do not present for processing under the provisions of this Part 3.

- 1.2 This Part 3 shall only apply where you are deemed a Carrier.

### **2 Your Contract and Acceptance by Vehicle**

- 2.1 The Contract sets out your obligations on how to present Mailing Items to us, procedures for processing your Mailing Items and procedures for handling your Mailing Items that do not comply with the terms of the Contract. Subject to paragraph 2.2, these obligations and procedures shall continue to apply to the extent they are not changed under this Part 3.
- 2.2 For clarity, we both agree that the terms of Sections 6.5(a) and 6.5(c) of the User Guide shall not apply between you and us to the extent that those terms directly conflict with the terms of this Part 3.
- 2.3 We both agree to comply with the relevant terms of the User Guide and the terms of this Part 3.

### **3 Tri-Slot Mail Centres**

- 3.1 You must submit a request to us using the form published on our Website, as updated from time to time in order to:
- (a) designate an Inward Mail Centre as a Tri-Slot Mail Centre; and/or
  - (b) book Tri-Access Slots at a Tri-Slot Mail Centre.
- 3.2 We may accept or deny any request submitted pursuant to paragraph 3.1 at our absolute discretion, taking into account the operational resources available at the relevant Inward Mail Centre at the time of the request.
- 3.3 If, at any time, we reasonably decide that due to operational reasons:
- (a) we will not be able to keep an Inward Mail Centre designated as a Tri-Slot Mail Centre; and/or

- (b) we will no longer be able to fulfil a request for Tri-Access Slots at any Inward Mail Centre designated as a Tri-Slot Mail Centre,

we may immediately, by giving you notice, withdraw your right to book Tri-Access Slots at the relevant Tri-Slot Mail Centre and the relevant Inward Mail Centre shall revert to the type of mail centre that it was designated as immediately prior to it being designated as a Tri-Slot Mail Centre.

#### **4 Termination**

4.1 Regardless of any other term of this Contract, either of us may terminate the terms of this Part 3:

- (a) by giving the other not less than 7 days' written notice if the other Party commits any material or persistent breach of the terms of this Part 3 and, where the breach can be remedied, it has not been remedied within 7 days of the Party in breach having been notified of the breach by the other and asked to take steps to remedy the breach; and

- (b) by giving the other Party not less than 6 months' written notice.

#### **5 Development of Acceptance by Vehicle**

5.1 We both recognise that the Acceptance by Vehicle process is pioneering in nature. Either you or we may therefore consider, once this Part 3 has taken effect, that Part 3 does not address matters which should be addressed or that the operational elements do not function in a desirable way. If so, we both agree to work together in good faith to try and resolve any such issues. If we both fail to agree on how to resolve such issues, the terms of this Part 3 may be terminated in line with paragraph 4.1(b).

5.2 We both agree that the Acceptance by Vehicle process will be introduced in phases to be agreed between you and us acting reasonably and in line with the activities of the ABV Implementation Timeline.

5.3 We both recognise that once you are accessing all Inward Mail Centres under the Acceptance by Vehicle process, you will be providing us with Vehicle Manifests for all Mailing Items you handover to us each Handover Day. As part of the Acceptance by Vehicle process, you and we agree to consider whether the provision of the Vehicle Manifest might operate as a suitable alternative to the Exceptions Process.

## **Part 4 – Mixing Supply Chain IDs**

### **1 Background**

- 1.1 This Part 4 sets out the terms on which we agree for you to mix Mailmark Mailing Items belonging to different SCIDs into Containers (**Mixing SCIDs**) and applies to Mailing Items that are presented at an Inward Mail Centre in accordance with the terms of your Contract and this Part 4.
- 1.2 Before you can hand over Mixed SCID Containers to us you must, at your own cost, undertake all systems and procedural changes required to enable you to meet the Mixing SCIDs Specification and notify us in writing once you have done this.
- 1.3 Once we have confirmed that you have made all such changes referred to in paragraph 1.2 we will notify you of the Mixing SCIDs Start Date.

### **2 Mixing Supply Chain IDs Specification**

- 2.1 Your Contract sets out your obligations about how to present Mailing Items to us and the procedures for handling your Mailing Items that do not comply with the terms of your Contract. Subject to paragraph 2.2, you must continue to comply with these obligations and these procedures will continue to apply to the extent they are not dis-applied or changed under this Part 4.
- 2.2 For clarity, we both agree that the terms of Paragraph 2.1(b)(ii) of Appendix G, Paragraph 2.1(b)(ii) of Appendix I, Paragraph 4.1(a) of Appendix G, Paragraph 6.1(a) of Appendix I and Paragraph 9.1(b) of Appendix M of the User Guide shall not apply between you and us to the extent that those terms directly conflict with the terms of this Part 5 (including the Mixing SCIDs Specification).

### **3 Termination**

Regardless of any other term of your Contract:

- (a) either of us may terminate this Part 4:
- (i) by giving the other not less than 30 days' written notice if the other Party commits any material or persistent breach of the terms of this Part 4;
  - (ii) on written notice to the other with immediate effect if Part 1 of Schedule 8 (Mailmark® Options) is terminated for whatever reason;
- (b) we may terminate this Part 4 by giving you no less than 6 months' written notice.

### **4 Development of Mixing SCIDs**

- 4.1 We both recognise that Mixing SCIDs is pioneering in nature. Either you or we may consider, once this Part 4 has taken effect, that this Part 4 (including the Mixing SCIDs Specification) does not address matters which should be addressed, or that the technical and operational elements of Mixing SCIDs do not function in a desirable way. If so, we both agree to work together in good faith to try and resolve any such issues and, if we decide it is necessary, we will make changes and update the terms

of this Part 4 and/or the Mixing SCIDs Specification in accordance with the terms of your Contract.

- 4.2 Without prejudice to paragraph 4.1, we may change the terms of this Part 4 (including the Mixing SCIDs Specification) at any time in accordance with clause 13.2(a)(i) of the General Access Terms and Conditions.

## Part 5 – Digital Stamps

### 1 Background

- 1.1 This Part 5 sets out the terms on which we both agree that you may use digital reproductions of Royal Mail standard stamp designs, cancellation marks and the Royal Mail Cruciform on Mailing Items as illustrated in the User Guide (the "**Digital Stamp Indicator**"). The protections afforded to a Royal Mail Access Indicator under the Contract will also apply to each Digital Stamp Indicator (including but not limited to clauses 15 and 16 of the General Access Terms and Conditions).
- 1.2 We both agree that the terms of the User Guide shall not apply between you and us to the extent that those terms directly conflict with the terms of this Part 5.

### 2 Digital Stamps Specification

- 2.1 If you comply with your obligations under the Contract, including the User Guide and this Part 5, we will permit you to use Digital Stamp Indicators on Mailing Items posted under Royal Mail Mailmark.
- 2.2 In respect of each Mailing Item that uses a Digital Stamp Indicator, you shall ensure that the design, print and production of the Digital Stamp Indicator used complies with the requirements of the Digital Stamp Design Specification set out in the User Guide.
- 2.3 If you do not comply with the terms of this Part in your use of Digital Stamp Indicators on Mailing Items and, as a consequence, your Mailing Items are not machine-readable and require manual or other intervention, we may apply an Adjustment in line with the User Guide.
- 2.4 You agree to cooperate with us and satisfy our reasonable requests for information and samples for the purposes of us maintaining quality control. You agree to provide to us the dates of each of your mailings that use Digital Stamp Indicators and the Inward Mail Centres used for such mailings.

### 3 Changes and Termination

- 3.1 We reserve the right to withdraw any of the Digital Stamp Indicators on not less than 7 days' prior written notice and we shall process Mailing Items using the withdrawn Digital Stamp Indicator for up to 60 days following the date of the withdrawal notice.
- 3.2 Regardless of any other term of the Contract, we may change the terms of this Part 6 by giving you at least 70 days' prior written notice (or sooner if we both agree in writing).
- 3.3 Regardless of any other term of the Contract, either of us may terminate the terms of this Part 6 by giving the other Party not less than 30 days' prior written notice.

## Part 6 – 48-Way Sort Mech Letter Option

### 1 Background

1.1 This Part 6 and the User Guide:

- (a) set out the terms on which we agree to permit you to present certain machinable letters to a lower sortation level, which will reduce the minimum number of SSCs from 86 SSCs to 48 SSCs for those letters (the **48-Way Sort Mech Letter Option**); and
- (b) specifies the specific amendments to your Contract that will apply if this Part 6 forms part of your Contract.

### 2 48-Way Sort Mech Letter Option Specification

2.1 Subject to you complying with the terms of this Part 6, you may present the Royal Mail Mailmark Letters at our Inward Mail Centres to those 48 SSCs that are set out in our 48-way sort look-up table (the **48 SSCs**). The 48-way sort look-up table is attached to the file that contains the Access Selection Files on our Website.

2.2 You agree that you will continue to present all other Mailing Items to 86 or 1529 SSCs, using the correct Access Selection Files (as appropriate).

2.3 Before you can present any Royal Mail Mailmark Letters to 48 SSCs, you must make the necessary changes to your sortation software to enable this. You agree to make such changes (or to instruct your software supplier to do so) before presenting to us any Royal Mail Mailmark Letters at 48 SSCs.

2.4 If you present to us:

- (a) any Royal Mail Mailmark Letters that you wish to sort to 48 SSCs before changing your sortation software in accordance with paragraph 2.3; or
- (b) any Mailing Items, other than the Royal Mail Mailmark Letters, to 48 SSCs (an **Incorrect Sort**) then:

we may reject the relevant Posting (or segment of a Posting) pursuant to the terms of your Contract and our rights and remedies applicable to incorrect mail presentations (including Section 10 of the User Guide) shall apply.

2.5 Without prejudice to paragraph 2.4, if you present more than two Incorrect Sorts on different days to us then we may also suspend your right to use the 48-Way Sort Mech Letter Option on notice to you until such time as you can demonstrate that the cause of your Incorrect Sorts has been remedied to our reasonable satisfaction.

### 3 Withdrawal

3.1 We may withdraw this Part 7 on giving you at least 190 days' written notice. If we do this, the terms in this Part 7 shall cease to have effect on the expiry of our written notice.



## Schedule 6

### Container Options

#### General Section

You may opt to use certain of our Container options, in line with the Contract and the following Parts of this Schedule 6:

- Part 1 – Tray Loan;
- Part 2 – ALPS & York Exchange;
- Part 3 – York Hire; and
- Part 4 – ALPS & York Leasing.

This Schedule 6 sets out the terms and conditions which apply to the use of those Container options. Defined terms in this Schedule 6 will have the meaning given to them in Schedule 1 (Definitions and Interpretation).

#### 1 Ownership

1.1 The Royal Mail Containers shall remain our property at all times.

#### 2 Your Obligations

2.1 The obligations set out in this paragraph 2 shall apply in addition to the obligations applicable to the Container option selected, set out in the relevant Part of this Schedule 6 and elsewhere in this Contract.

2.2 You:

- (a) shall use the Royal Mail Containers to transport the relevant permitted Mailing Items for each Royal Mail Container as set out in the User Guide (or empty mail bags or trays, if applicable) between:
  - (i) your or your Associates' premises and your customers' premises or those of their agents or sub-contractors; and
  - (ii) between any premises referred to in paragraph 2.2(a)(i) and our Inward Mail Centres; and
- (b) may move empty Royal Mail Containers between your premises and those referred to in paragraph 2.2(a)(i) to meet your reasonable operational requirements,

to fulfil your obligations under the Contract. You shall ensure that Royal Mail Containers are not used to transport Mailing Items between any other premises or for any other purpose (including in respect of our other postal services).

2.3 You shall not:

- (a) create or allow the creation of any lien or charge over the Royal Mail Containers; or



- (b) sell, hire, lend, charge or otherwise dispose of or allow any third party to use or take possession of the Royal Mail Containers without our prior written consent.
- 2.4 Subject to paragraph 2.2, you shall not allow any Royal Mail Containers to be used for mail that is to be collected, conveyed or delivered by any third party.
- 2.5 We may recover any Royal Mail Containers that are in a third party's possession in breach of this Contract or the relevant Part of this Schedule 6.
- 2.6 You shall keep the Royal Mail Containers in good condition (fair wear and tear excepted). You shall immediately report any damage to the Containers to us.
- 2.7 Without prejudice to paragraph 3 below, you shall keep the Royal Mail Containers in a secure place at all times when they are not being used for the purposes set out in paragraph 2.2.
- 2.8 You shall ensure that the Royal Mail Containers are not misused. You shall ensure that you do not in any way damage our reputation in using the Royal Mail Containers.
- 2.9 You shall collect and return the Royal Mail Containers at your own expense.

### **3 Loss and Damage**

- 3.1 We may recover our reasonable costs incurred in relation to all Royal Mail Containers that are lost, stolen, damaged or destroyed while in your custody, control or possession or that of your Associates, customers or sub-contractors of your customers, howsoever such loss, damage or destruction was caused. However, this shall not apply where that loss, damage or destruction was caused by our negligence or wilful act or that of our servants or agents. Your total liability under this paragraph 3.1 in relation to Trays only shall not exceed £50,000 in each Contract Year.
- 3.2 If in our reasonable opinion you may be in breach of your obligations set out in this Contract in relation to Trays, we shall notify you.
- 3.3 You shall maintain insurance for your potential liability under this Schedule 6 in an appropriate amount with a reputable insurer at your own expense. You shall give us evidence of this insurance on our request.

### **4 Records**

- 4.1 Each time you collect Royal Mail Containers, you shall sign our waybill to acknowledge that you have received the number of Royal Mail Containers stated in the Manifest. We will give you a copy of the waybill. You shall tell us at the time if there is any error on the waybill and subject to our agreement we shall correct the error at the time of collection. You shall be deemed to have received the quantity of Royal Mail Containers stated on the waybill or, if a correction has been agreed by us, the corrected waybill.
- 4.2 If in our reasonable opinion we determine that you have Excess Containers in your possession or control at any given time, we may require you to return the Excess Containers within 2 Working Days.
- 4.3 Regardless of paragraph 4.1, you shall notify us if the number of Trays you receive is different from the number of Trays stated on the waybill or as agreed in line with

paragraph 4.1. This notice shall be given within 12 hours of you signing the relevant waybill. If you do not give us notice under this paragraph 4.3, you shall be deemed to have received the quantity of Trays stated on the waybill or as otherwise agreed in line with paragraph 4.1. Except where there is a genuine dispute, we shall change our record of the number of Trays that you have, to take into account your notice under this paragraph 4.3.

- 4.4 Regardless of paragraph 4.1, you shall notify us if there are any defects in any Royal Mail Containers which you have not caused. In relation to:
- (a) Trays, this notice shall be given within 24 hours of you signing the relevant waybill; and
  - (b) all other Royal Mail Containers, this notice shall be given within 12 hours of signing the waybill.
- 4.5 If you have notified us that there are defects in any Royal Mail Containers in line with paragraph 4.4, you shall return these Royal Mail Containers to the Inward Mail Centres that you collected them from when you next hand over mail under the Contract. We shall then change our record of the number of Royal Mail Containers that you have unless we dispute in good faith that those Royal Mail Containers are defective.
- 4.6 If you do not give a notice under paragraph 4.4, any defects in the Royal Mail Containers shall be deemed to have occurred after you received them.
- 4.7 You shall let us, and any person we authorise, have access to your premises and relevant records and to the premises of any of your Associates at any time during normal working hours to check, amongst other things, the amount and condition of the Royal Mail Containers. If you cannot produce or account for the Royal Mail Containers in the correct amounts on that inspection, they shall be considered to have been lost while in your possession (unless our records indicate otherwise).
- 4.8 Within 7 days of our request, you shall at your own expense give us an audit of all Royal Mail Containers.
- 4.9 Without prejudice to any other rights we may have under the Contract, if you fail to permit inspections or fail to produce all Royal Mail Containers supplied to you under this Contract for inspection in line with paragraph 4.7 or fail to produce an audit in line with paragraph 4.8 we may require the return of all Excess Containers within 2 Working Days.
- 4.10 If we require you to return the Excess Containers under this Schedule 6, you shall return the Excess Containers to our site that we specify. If you do not, we may terminate the terms of the relevant Part(s) of this Schedule 6 under clause 7.2(a) of the General Access Terms and Conditions.
- 4.11 If we want to change our tracking systems across our business for Royal Mail Containers, you shall:
- (a) comply with those changes; and

- (b) install or obtain the necessary systems and equipment and make any necessary adjustments to your premises at your own expense within our reasonable notice period.

## **5 Indemnity**

- 5.1 Subject to paragraph 5.3, you shall indemnify us against any liabilities, costs, proceedings or expenses (including reasonable legal expenses) suffered or reasonably incurred by us (or our employees, agents and contractors) arising from your custody, use or management of the Royal Mail Containers (except where this arises due to our negligent act or omission).
- 5.2 The indemnity at paragraph 5.1 shall include but is not limited to any liabilities, costs, proceedings or expenses (including reasonable legal expenses) suffered or reasonably incurred by us (or our employees, agents and contractors) arising from any negligent or wrongful act or omission or any breach of statutory duty by you, your Associates, customers or agents, or sub-contractors of your customers, in the custody, use or management of the Royal Mail Containers or any breach by you of your obligations under each part of this Schedule 6 or this Contract.
- 5.3 Except for your liability for death or personal injury or breach of clause 15 of the General Access Terms and Conditions (in which case your liability shall be unlimited), your total liability under this indemnity in relation to all Trays under Part 1 of this Schedule 6 shall not exceed £50,000 in each Contract Year.

## **6 No Implied Warranties**

- 6.1 All terms, conditions and warranties implied by statute or at law with regard to the Royal Mail Containers are hereby excluded.

## **7 Termination and Consequences of Termination**

- 7.1 Regardless of any other term of this Contract, either of us may terminate the terms of:
  - (a) Part 1 of this Schedule 6 by giving the other Party not less than 90 days' written notice;
  - (b) Part 2 and/or Part 4 of this Schedule 6 by giving the other Party not less than 30 days' written notice; and
  - (c) Part 3 of this Schedule 6 by giving the other Party not less than 10 days' written notice.
- 7.2 On termination of the terms of the Contract or any Part of this Schedule 6 and without prejudice to any other rights we may have, you shall:
  - (a) immediately return all relevant Royal Mail Containers then in your custody, control or possession (or that of your Associates, customers or agents, or sub-contractors of your customers) to our sites that we specify; or
  - (b) (at our request) make the relevant Royal Mail Containers available for our collection on a date and at a time convenient to us. You shall allow us access to your premises for that purpose.

- 7.3 Notwithstanding any other provision of this Contract, the terms of:

- (a) paragraph 3 above shall continue to apply despite termination of the terms of any / all Parts of this Schedule 6 in relation to any loss, damage or destruction which is not discovered until after termination; and
  - (b) paragraph 5 shall continue to apply despite termination of any / all Parts of this Schedule 6.
- 7.4 If you do not return the relevant Royal Mail Containers or make the relevant Royal Mail Containers available for collection in line with paragraph 7.2 for any reason, we may recover our reasonable costs incurred.
- 7.5 Without affecting your other obligations under the Contract or any Part of this Schedule 6, if a receiver, manager, liquidator, administrator or administrative receiver is appointed for you, you shall immediately tell them that the Royal Mail Containers then in your custody, control or possession (or that of your Associates, customers or agents, or sub-contractors of your customers) are our property and are not part of your assets or undertaking.

## Part 1 – Tray Loan

### 1 Background

- 1.1 You may use trays to hand over Mailing Items to our Inward Mail Centres. The General Section of this Schedule 6 and this Part 1 sets out the terms on which you and we agree that we shall lend you those Trays.

### 2 Your obligations

- 2.1 If you comply with your obligations under this Contract, we will supply you with Trays from time to time by way of loan.
- 2.2 You have borrowed **[insert number]** Trays from us to hand over Mailing Items in line with the Contract.

## Part 2 – ALPS & York Exchange

### 1 Background

- 1.1 For the purposes of this Part 2, **Wheeled Containers** shall mean the Customer ALPS and / or Customer Yorks.
- 1.2 You own the Wheeled Containers and use the Wheeled Containers to hand over Mailing Items to us under this Contract. To facilitate operational procedures, you have asked us to provide Royal Mail ALPS and Royal Mail Yorks to you on the basis of a one-for-one swap for your Wheeled Containers and we have agreed to lend you Royal Mail ALPS and Royal Mail Yorks for that purpose on the terms of the General Section of this Schedule 6 and this Part 2.
- 1.3 You may use Yorks to hand over Mailing Items in bags or trays to our Inward Mail Centres. You have asked us to lend you Royal Mail Yorks for this purpose.
- 1.4 We will only lend you Royal Mail ALPS if you have been supplied with Royal Mail Yorks under this Part 2 and you only fit the Royal Mail ALPS into those Royal Mail Yorks.

### 2 Your obligations

- 2.1 If you comply with your obligations under this Contract, we will supply you with Royal Mail ALPS and Royal Mail Yorks from time to time by way of loan.
- 2.2 You have purchased [**insert number**] York containers directly through our preferred supplier (currently Hartwells) (**Customer Yorks**). You may purchase additional Customer Yorks in the same way.
- 2.3 You have purchased [**insert number**] ALPS containers directly through our preferred supplier (currently Jacon Limited) (**Customer ALPS**). You may purchase additional ALPS in the same way.
- 2.4 You shall replace your Customer Yorks by purchasing new Yorks from a supplier approved by us within ten years of the date on which you purchased those Customer Yorks.
- 2.5 You shall replace your Customer ALPS by purchasing new ALPS from a supplier approved by us within four years of the date on which you purchased those Customer ALPS.
- 2.6 You shall notify us in writing of the total number of Customer Yorks that you have from time to time and in any event within 7 Working Days of you:
- (a) purchasing any additional Customer Yorks which results in you having more Customer Yorks than you have told us about under paragraph 2.2; or
  - (b) replacing any of your Customer Yorks under paragraph 2.4.
- 2.7 You shall notify us in writing of the total number of Customer ALPS that you have from time to time and in any event within 2 months of you:
- (a) purchasing any additional Customer ALPS which results in you having more Customer ALPS than you have told us about under paragraph 2.3; or

(b) replacing any of your Customer ALPS under paragraph 2.5.

### **3 Maintenance**

3.1 We will maintain your Wheeled Containers at a charge to you per ALPS and York container during each Contract Year. These charges are displayed on the Website, as amended from time to time in line with clause 13 of the General Access Terms and Conditions.

3.2 We will invoice you on each anniversary of your Container Start Date in respect of the maintenance charges calculated in line with paragraph 3.1 and you shall pay those maintenance charges within 30 days of the date of the invoice.

3.3 If we purchase your Wheeled Containers part way through a Contract Year in line with paragraph 4, we will invoice you for the maintenance of the Wheeled Containers on a pro rata basis.

3.4 In the absence of any increase in the maintenance charge in line with paragraph 3.5, we will review maintenance charges annually and any increase in the maintenance charge (**Maintenance Charge Review**) shall take effect on the anniversary of your Container Start Date immediately following the previous Maintenance Charge Review. The charges for maintaining Wheeled Containers, as determined during the Maintenance Charge Review will increase by the change in percentage points between the average levels of the Retail Price Index published or determined with respect to each of the 6 months up to and including September in the appropriate year preceding that anniversary and the average of those levels with respect to each of the 6 months up to and including September in the preceding year.

3.5 If the costs (including any third party costs) in maintaining your Wheeled Containers have increased materially during the term of the Contract, we may increase the charges for maintenance on giving you at least 90 days' written notice of a change to the maintenance charges. The notice will include reasonable evidence of such material increase in costs. The change to charges will take effect on the next anniversary of the Container Start Date.

3.6 Without prejudice to any other right or remedy available, if you fail to pay the maintenance charges in line with paragraph 3.2, we shall be entitled to:

- (a) serve 7 days' notice on you to suspend immediately the performance or further performance of our obligations under this Part 2 without liability to you once the notice has expired; and
- (b) charge daily interest on all amounts not paid until payment is received in full at an annual rate equal to 8 per cent above the Bank of England base rate as current from time to time.

### **4 Option to Purchase**

4.1 If you are considering:

- (a) reducing the number of Wheeled Containers required for your operations; or
- (b) ceasing posting under the Contract,

you will first notify us of your desire to sell the Wheeled Containers.

- 4.2 We shall notify you in writing within 30 days of the notice received in line with paragraph 4.1 whether we wish to purchase the Wheeled Containers.
- 4.3 If we decide to purchase the Wheeled Containers we will pay you the then current book value of the Wheeled Containers. This will represent the initial purchase price depreciated by:
- (a) 12.5 per cent on each anniversary of the date on which the Customer Yorks were purchased; and
  - (b) 25 per cent on each anniversary of the date on which the Customer ALPS were purchased.

If we purchase the Wheeled Containers part way through the year the depreciation will be worked out on a pro rata basis.

- 4.4 If we decline in writing to purchase the Wheeled Containers, you may deal with the Wheeled Containers in your absolute discretion.



## Part 3 – York Hire

### 1 Background

- 1.1 You may use Yorks to hand over Mailing Items to our Inward Mail Centres. You have asked to hire Royal Mail Yorks from us for this purpose. The General Section of this Schedule 6 and this Part 3, sets out the terms on which you and we agree that you may hire those Royal Mail Yorks from us.

### 2 Application process

- 2.1 If you comply with your obligations under this Contract, we will hire Royal Mail Yorks to you from time to time.
- 2.2 To hire Royal Mail Yorks from us you must complete the Royal Mail Yorks Application Form available on the Website (**York Hire Application Form**) on each occasion that you wish to hire Royal Mail Yorks.
- 2.3 Subject to paragraph 2.4 below, we will use reasonable efforts to:
- (a) respond to your application within 2 Working Days (excluding Saturdays) starting from the first Working Day after the day on which we receive your completed York Hire Application Form; and
  - (b) make Royal Mail Yorks available for collection for you from one or more of our sites (as designated by us and not necessarily being our Inward Mail Centres) within 7 Working Days (excluding Saturdays) starting on the first Working Day after the day on which we receive your completed York Hire Application Form.
- 2.4 We may decline your application to hire Royal Mail Yorks if:
- (a) we do not have Royal Mail Yorks available to meet your requirements as set out in your completed York Hire Application Form;
  - (b) you have been in breach of any of your obligations under this Contract; or
  - (c) you do not comply with paragraph 4 of the General Section of this Schedule 6.

### 3 Payment terms

- 3.1 Notwithstanding any other provision of this Contract, on a monthly basis we shall make available to you the invoice showing the total charges due from you in respect of this Part 3 during the previous month.

## Part 4 – ALPS and Yorks Leasing

### 1 Background

- 1.1 You have asked to lease Royal Mail ALPS and Royal Mail Yorks from us for the purpose of handing over Mailing Items to us at our Inward Mail Centres. The General Section of this Schedule 6 and this Part 4 sets out the terms on which you and we agree that you may lease those Royal Mail ALPS and Royal Mail Yorks from us.

### 2 Transition process

- 2.1 Where you are a Transitional Customer and you comply with your obligations under this Contract, we shall lease to you a number of Royal Mail ALPS and Royal Mail Yorks on the terms of this Part 4 equal to the number of those Sold ALPS and Sold Yorks purchased by us from time to time under the terms of your Transitional Arrangement.

### 3 Application process

- 3.1 If you comply with your obligations under this Contract, we will lease Royal Mail ALPS and Royal Mail Yorks to you from time to time.
- 3.2 The York Lease Application Form and the ALPS Lease Application Form (both available on the Website) (each an **Application Form**) sets out the number of Royal Mail Yorks and Royal Mail ALPS you wish to lease from us for the remainder of the first calendar year from the Container Start Date. To request us to lease those Royal Mail Yorks or Royal Mail ALPS to you, you must complete the relevant Application Form prior to the Container Start Date. The relevant Application Form must also be completed for each subsequent request to lease after the Container Start Date.
- 3.3 Subject to paragraph 3.4 below, we will use reasonable efforts to:
- (a) respond to your application within 2 Working Days (excluding Saturdays) starting from the first Working Day after the day on which we receive your completed Application Form; and
  - (b) make Royal Mail ALPS and / or Royal Mail Yorks available for collection for you from one or more of our sites (as designated by us and not necessarily being our Inward Mail Centres) within 7 Working Days (excluding Saturdays) starting on the first Working Day after the Container Start Date.
- 3.4 We may decline your application to lease Royal Mail ALPS and / or Royal Mail Yorks if:
- (a) we do not have Royal Mail ALPS and / or Royal Mail Yorks available to meet your requirements as set out in each completed Application Form;
  - (b) you have been in breach of any of your obligations under this Contract.
- 3.5 We shall have no obligation to lease to you Royal Mail ALPS and / or Royal Mail Yorks under this Part 4 in excess of:
- (a) for the first calendar year, the number of Royal Mail ALPS and / or Royal Mail Yorks requested by you, and accepted by us, in each Application Form; and

- (b) for each subsequent calendar year, the number of Royal Mail ALPS and / or Royal Mail Yorks that you and we each agree will comprise your Agreed Lease Pool for that calendar year pursuant to paragraph 5 and therefore you acknowledge and agree that it is your responsibility to ensure that the number of Royal Mail ALPS and / or Royal Mail Yorks you request to lease from us in each Application Form and at each Annual Review Meeting (as applicable) is sufficient to meet your needs for that relevant calendar year.
- 3.6 If, notwithstanding the above, you need to use more Royal Mail Yorks than agreed in your Application Form or your Agreed Lease Pool (as applicable) for the then current calendar year, you will need to request to hire them on a short-term basis pursuant to, and in accordance with the terms of Part 3 of this Schedule 6.
- 3.7 In relation to Royal Mail ALPS, you acknowledge and agree that the following provisions shall apply to protect us against you exchanging more Royal Mail ALPS than you have leased:
- (a) For the purpose of this paragraph 3.7, **Excess Trigger Event** means:
- (i) you exchanging 10 or more Royal Mail ALPS in excess of your Agreed Lease Pool on 12 days or more in any rolling period of 14 days (a **Consistent Excess Event**); or
- (ii) you exchanging 100 or more Royal Mail ALPS in excess of your Agreed Lease Pool on any single day (a **Chronic Excess Event**).
- (b) We will monitor your daily exchange of Royal Mail ALPS in accordance with the process set out in the User Guide. If as part of our daily monitoring, we become aware that an Excess Trigger Event has occurred, then we will notify you of the same and we will be entitled to charge you an additional Lease Charge as calculated in accordance with paragraph 3.8 below (in each case **Excess Lease Charge**).
- 3.8 If the Excess Trigger Event is:
- (a) a Consistent Excess Event, we will be entitled to charge you an Excess Lease Charge equal to:  $A \times (B/365) \times C$
- (b) a Chronic Excess Event, we will be entitled to charge you an Excess Lease Charge equal to:  $D \times (B/365) \times C$

where:

- (i) **A** = the average number of Royal Mail ALPS that you have exchanged in excess of your Agreed Lease Pool during the period giving rise to the Consistent Excess Event;
- (ii) **B** = the Annual Total Per ALP Fee;
- (iii) **C** = the number of days remaining in the relevant calendar year, starting from either (i) the first day on which the Consistent Excess Event occurred; or (ii) the day on which the Chronic Excess Event occurred (as applicable);

- (iv) **D** = the actual number of Royal Mail ALPS in excess of your Agreed Lease Pool on the day on which the Chronic Excess Event occurred.

3.9 We will invoice you for the applicable Excess Lease Charge promptly after notifying you of the Excess Trigger Event pursuant to paragraph 3.7(b). You agree to pay such invoice in accordance with clause 11 of the General Access Terms and Conditions. On and from the date on which you pay the Excess Lease Charge, the number of Royal Mail ALPS in your Agreed Lease Pool will be deemed to be increased by a number equal to A or D (as defined in paragraph 3.8 above) for the remainder of the calendar year.

#### **4 Payment terms**

4.1 Leased ALPS and Leased Yorks are interchangeable and, provided you have paid the Annual Lease Charges, you may collect and use up to the total number of Royal Mail ALPS and Royal Mail Yorks in your Agreed Lease Pool.

4.2 On or around:

- (a) the date on which you enter into this Part 4, we will send an invoice for the Annual Lease Charge due from you in respect of the remainder of the calendar year; and
- (b) the beginning of each following calendar year during the term of this Part 4, we will send you an invoice for the Annual Lease Charge due from you in respect of that calendar year.

4.3 If you are a Transitional Customer for Royal Mail Yorks, before invoicing you under this paragraph 4.2 we will deduct from the Annual Lease Charge the applicable Price (if any) agreed with you for that calendar year. If you are a Transitional Customer for Royal Mail ALPS your invoice in para 4.2 shall be calculated on the basis of the number of In-Scope ALPS identified in your Transitional Arrangement.

4.4 For Royal Mail Yorks and Royal Mail ALPS, the Annual Lease Charge shall be calculated by multiplying the Annual Total Per York Fee or Annual Total Per ALP Fee by the total number of Leased Yorks or Leased ALPS (as appropriate) in your Agreed Lease Pool for the relevant calendar year, provided that the Annual Lease Charge for the remainder of the first calendar year in which you enter this Part 4 shall be reduced on a pro-rated basis to reflect the number of months (full or part) remaining in that calendar year (so if, for example, you entered this Part 4 on 3 September 2017 then your Annual Lease Charge for the remainder of 2017 would be calculated by dividing your full Annual Lease Charge by 12 and multiplying the product by 4).

#### **5 End of year review**

5.1 No later than 3 months before the end of each calendar year during the term of this Part 4, you and we shall meet (**Annual Review Meeting**) to review your use of the Leased ALPS and Leased Yorks during the then current calendar year based on the ALPS and York Usage Data for that year.

5.2 We shall each provide the other with copies of our respective ALPS and York Usage Data for the relevant calendar year at least 14 days prior to the Annual Review Meeting.

- 5.3 At each Annual Review Meeting, you and we shall (acting reasonably) seek to agree whether to adjust the Agreed Lease Pool for the following calendar year taking into account:
- (a) the ALPS and York Usage Data for the then current calendar year;
  - (b) your forecast volumes for Mailing Items under the Contract for the following calendar year;
  - (c) the number (if any) of Excess Leased ALPS and Excess Leased Yorks found in your possession in the then current calendar year; and
  - (d) where you are a Transitional Customer, the number of Transitional Yorks that will become Leased Yorks in the next calendar year pursuant to your Transitional Arrangement.
- 5.4 If at any Annual Review Meeting you and we are unable to agree whether to adjust the Agreed Lease Pool, and one of us considers the other to be acting unreasonably, such disagreement may be referred for resolution pursuant to clause 12 of the General Access Terms and Conditions. For the avoidance of doubt, the Agreed Lease Pool shall not be adjusted pursuant to paragraph 5.3 unless and until you and we agree in writing to adjust it (either at the Annual Review Meeting or via the escalation process pursuant to clause 12 of the General Access Terms and Conditions).
- 5.5 If at any Annual Review Meeting (or following any escalation pursuant to paragraph 5.4) you and we agree to adjust the Agreed Lease Pool for the following calendar year, we will promptly issue a written confirmation to you of the adjusted Agreed Lease Pool which is to apply from the beginning of the next calendar year.

## Schedule 7

### Agency Terms

#### 1 Background

This Schedule 7 sets out the terms on which you and we agree that you may post mail on behalf of other parties, acting as their agent and such terms shall apply to your Contract with us in addition to the General Access Terms and Conditions (and the rest of this Contract). Defined terms in this Schedule 7 will have the meaning given to them in Schedule 1 (Definitions and Interpretation).

#### 2 Compliance with Agency Terms

- 2.1 Before giving any proposed Agency Customer an Agency Customer Contract to sign, you shall give them a copy of this Contract (including the User Guide). You shall update them on any changes, and give them copies of such changes, to this Contract within 7 days of any change coming into effect.
- 2.2 You agree to use reasonable efforts to ensure that your Agency Customers carry out their obligations set out in, and comply with, the terms of this Contract and their Agency Customer Contract.

#### 3 Eligibility criteria for Agency Customers: exempt or partially exempt from VAT

- 3.1 We may refuse any application by you to act as an agent for a posting customer who is not exempt, or partially exempt from VAT in line with UK legislation at our discretion. If any Agency Customer ceases to be exempt or partially exempt from VAT you must notify us as soon as practicable. We may terminate the Agency Customer Contract of that Agency Customer on 30 days' notice to them at any time after they cease to be exempt or partially exempt from VAT.

#### 4 Agency Customer minimum spend

- 4.1 If the aggregate amount invoiced by us to any of your Agency Customers in any Agency Customer Contract Year does not exceed £5,500 (or, in any Agency Customer's first Agency Customer Contract Year, a sum pro-rated to reflect the number of days remaining in such year), then we may terminate that Agency Customer's Credit Account and/or we may terminate that Agency Customer's Contract on giving the Agency Customer not less than 30 days' notice in line with the terms of their Agency Customer Contract.

#### 5 Execution of the Agency Customer Contract

- 5.1 For each Agency Customer to whom you have given a copy of this Contract (including the User Guide) pursuant to paragraph 2.1 and for whom you have authority to act as their agent for the purpose of their Agency Customer Contract:
- (a) you must complete those sections of the Agency Customer Application Form which the form indicates are to be completed by you and submit to us such completed application form via the link on our Website;
  - (b) as soon as practicable after we receive the completed Agency Customer Application Form from you, we shall carry out our standard customer credit

checks in line with our published credit policy. If the proposed Agency Customer satisfies these standard checks we will send:

- (i) the Agency Customer the Agency Customer Application Form (which may include an amended credit limit section of the form) for them to review and accept. The Agency Customer must accept the details in the Agency Customer Application Form and the Agency Terms as soon as practicable and in any event within 28 days of receiving the Agency Customer Application Form from us; and
- (ii) a notice to you informing you that we have sent the Agency Customer Application Form to the Agency Customer;
- (c) once we have confirmed our acceptance, you may hand over Agency Postings from the Agency Customer Access Start Date (as defined in the Agency Customer Contract) stated in it.

## **6 Liability**

- 6.1 Subject to paragraph 4.4 of Schedule 2 (Service Standard and General Service Obligations) and paragraph 5.4 of Part 2 of Schedule 8 (Mailmark® Options), the provisions of clause 5 of the General Access Terms and Conditions shall apply mutatis mutandis to our and your liability under this Schedule 7, including any liability that we may have to your Agency Customers or any liability that your Agency Customers may have towards us.

## **7 Disruptive Events**

- 7.1 If we cannot carry out any obligation under this Contract or any Agency Customer Contract because of a Disruptive Event, we will tell you about the Disruptive Event as soon as we reasonably can (and in any event no later than the end of the Financial Quarter Period which immediately follows the Financial Quarter Period during which we are first unable to perform any of our obligations as a result of the Disruptive Event) and let you know what it is we are unable to do as a result of it.
- 7.2 Our obligations under this Contract and any Agency Customer Contract will be suspended:
- (a) to the extent that it is affected by the Disruptive Event; and
  - (b) while the Disruptive Event continues,
- provided that (except in the case of industrial dispute) we promptly take reasonable steps to resume performance as soon as reasonably possible).
- 7.3 If we cannot carry out any obligation under this Contract or any Agency Customer Contract because of a Disruptive Event we will:
- (a) not be in breach of this Contract or any Agency Customer Contract; and
  - (b) not be liable for any delay on our part or any inability to carry out any obligation under this Contract or any Agency Customer Contract.

## **8 Terminating this Schedule or Agency Customer Contract**

- 8.1 Regardless of any other term of this Contract, we may terminate the terms of this Schedule 7 by giving you not less than 12 month's written notice.
- 8.2 We may terminate an Agency Customer Contract with any of your Agency Customers in line with the terms of this Contract or their Agency Customer Contract. We will use our reasonable efforts to give you advance notice of our intention to terminate that Agency Customer Contract.

## **9 Confidentiality**

- 9.1 You and we and your Agency Customers must treat the terms and conditions of the Contract or the Agency Customer Contract and any Confidential Information as confidential and must not disclose the details of the Contract or the Agency Customer Contract or any Confidential Information to any third party without the other Party's written consent, except as permitted by paragraph 9.2. However this does not apply where:
- (a) the disclosed information was known to the receiving Party before the information was disclosed to it by the disclosing Party;
  - (b) the information has become available to the public (except where the information became available through a breach of confidentiality); or
  - (c) you and we agree in writing that the information is not confidential or may be disclosed.
- 9.2 Each of us may (in good faith) disclose the terms and conditions of the Contract or the Agency Customer Contract or any Confidential Information without the approval of the other:
- (a) to our respective Affiliate(s), professional advisers, auditors, bankers, contractors (including franchisees and owner-drivers) and independent companies responsible for measuring our performance against the Service Standard, in each case who need to know such information for the purposes of exercising the Party's rights or carrying out its obligations under or in connection with the Contract or the Agency Customer Contract, provided that the disclosing Party requires them to maintain the confidentiality of the information.
  - (b) to the extent required by any securities exchange, regulatory or governmental body relevant to either of us, any written request of any taxation authority or as required by any undertaking given to the Regulator;
  - (c) to the extent required by the Act, any regulation or any other applicable law; and
  - (d) to the extent necessary for the proper conduct of any judicial proceedings or for any process under paragraph 12.
- 9.3 In the case of paragraphs 9.2(b), 9.2(c) and 9.2(d) the disclosing Party must first notify the other Party of an intention to disclose information, unless the law prohibits this.



9.4 Each of us may use the other's Confidential Information to exercise our respective rights and perform our respective obligations under the Contract or the Agency Customer Contract without the other Party's consent.

9.5 The terms of this paragraph 9 shall continue to apply after the Contract or the Agency Customer Contract is terminated or ends.

## **10 Obligation to notify us of your Agency Postings**

10.1 As soon as practicable following agreement of the Client Report, and in any event by 6pm on that Working Day, you shall tell us the number of Mailing Items for each Agency Customer by format, and weight for each service within that Daily Posting. Detailed reporting procedures are set out in the User Guide and you must comply with these. The information you give should include any information about any Agency Posting, including Agency Postings that are subject to an Adjustment, so that we can invoice your Agency Customers in line with this Contract, the User Guide and their Agency Customer Contracts.

10.2 If you provide us with the information under paragraph 10.1, we shall invoice the Agency Customers using this information. These Agency Customers shall be responsible for payment of these invoices. If the information provided is incorrect, we shall (at your request and cost) issue amended invoices and/or credit notes to your Agency Customers.

10.3 If:

(a) you do not provide us with the information under paragraph 10.1, we shall invoice you for that Daily Posting based on the Client Report for that Daily Posting. You shall be responsible for payment of these invoices in line with clause 11 of your General Access Terms and Conditions, and the terms of the General Access Terms and Conditions relating to invoices, payment and non-payment shall apply; and

(b) the Client Report provided for that Daily Posting referred to in paragraph 10.3(a) is incorrect, we shall (at your request and cost) issue amended invoices and/or credit notes to you.

10.4 You acknowledge that where you do not provide us with required information under either paragraph 10.1 or 10.3, we will be unable to calculate the Standard Performance Rebate Amount and / or Mailmark Economy Performance Rebate Amount to which any of your Agency Customers may be entitled pursuant to Schedule 2 (Service Standard and General Service Obligations) and / or Part 2 of Schedule 8 (Mailmark® Options) to this Contract and (in such circumstances), it will be your responsibility to notify us of all relevant information required to calculate such amounts.

10.5 You shall indemnify us in respect of any dispute raised and / or any claim made by any of your Agency Customers that relates to any missing or incorrect information provided to us under this paragraph 10, including any dispute raised and / or any claim made by any of your Agency Customers in respect of any Standard Performance Rebate Amount and / or Mailmark Economy Performance Rebate Amount which may be due to them, where we are unable to calculate their Standard Performance Rebate Amount and / or Mailmark Economy Performance Rebate Amount as a result of your failure to comply with this paragraph 10.

## **11 Payment Terms**

- 11.1 Payment for the Services used by Agency Customers should be made in line with the terms set out in this Contract, (including clause 11 of the General Access Terms and Conditions, Schedule 3 (Price Plans), this Schedule 7 - in particular, the terms of paragraphs 10 and 11 of this Schedule 7 - and the User Guide) and the Agency Customer Contract.
- 11.2 We will give you an account number for each Agency Customers' credit account as soon as reasonably practicable but in any event before the Agency Customer Access Start Date. You must ensure Mailing Items handed over to us on behalf of each Agency Customer are assigned correctly to each Agency Customers' credit account.
- 11.3 You may not post on behalf of any Agency Customer until you have received the account number for their credit account and we have activated it.
- 11.4 You shall ensure that your Agency Customers comply with any credit limit placed on their credit account and all other conditions relating to their credit account.
- 11.5 If any of your Agency Customers are no longer eligible for a credit account, you may not post on their behalf until their credit account has been reinstated. You acknowledge that additional terms and conditions may be applied to their credit account before it is reinstated.
- 11.6 If your Agency Customers are responsible for payment of invoices under paragraph 10, you shall use reasonable efforts to ensure that each of your Agency Customers pays these in line with this Contract and its Agency Customer Contract. If you have done so and any of your Agency Customers still do not pay any of their invoices in line with this Contract and their Agency Customer Contract, their failure to pay is not classed as a breach by you of your Contract. However you shall provide us with any information and assistance we may reasonably ask for in order to recover all amounts due from those Agency Customers under the terms of this Contract and their Agency Customer Contracts.

## **12 Disputes**

- 12.1 If there is a dispute about or under or in connection with this Contract or any Agency Customer Contract in relation to any of your Agency Customers, your Agency Customer should notify you and that dispute should be resolved by you and us in line with clause 12 of the General Access Terms and Conditions. We do not deal directly with Agency Customers' disputes.

## **13 Changes**

- 13.1 You may ask for a change to an Agency Customer Contract by following the procedure set out in the Statement of Process which you will find on the Website. Your Agency Customers cannot directly request a change to their Agency Customer Contract; that request must be made by you.
- 13.2 We shall not require your Agency Customers' consent to make changes to the Contract or any part of the Contract in line with the terms of the Contract. Clause 13 and 17.9 of the General Access Terms and Conditions apply to the whole of your Contract including but not limited to this Schedule 7 or any changes to Access Charges or any other charges which may affect Agency Customers. You shall inform

your Agency Customers of any changes that are made to the Contract in line with the terms of the Contract, including changes to Access Charges or any other charges.

- 13.3 We may change any Agency Customer Contract without your consent or that of any of your Agency Customers in the circumstances set out in clause 13 and 17.9 of the General Access Terms and Conditions and this paragraph 13.
- 13.4 If the Regulator indicates that it wants to change or consult on a change to the Regulatory Conditions which would impact on any of the Services, you and we will discuss any impact of the change on this Contract or the Agency Customer Contracts at the review meetings mentioned in clause 17.2 of the General Access Terms and Conditions. If the Regulator decides to change the Regulatory Conditions, we shall give you at least 90 days' written notice of any change to this Contract or the Agency Customer Contracts (or, if shorter, such period as it is reasonably possible to give in order to meet the requirements of the Regulator as to the time within which such change must be made) that is needed to reflect the obligations placed on us under the revised Regulatory Conditions. This change to the Contract and the Agency Customer Contracts shall take effect on the date the change is made to the Regulatory Conditions. You shall inform your Agency Customers of any such changes under this paragraph 13.4.

#### **14 Intellectual Property Rights**

- 14.1 All Intellectual Property Rights in the Customer Access Indicator belong to you, even if it is used on your Agency Customers' Mailing Items. All Intellectual Property Rights in the Royal Mail Access Indicator belong to us, even if it is used on your Agency Customers' Mailing Items. The terms of clause 15 of the General Access Terms and Conditions shall apply to any other Intellectual Property Rights arising under this Contract or any Agency Customer Contract.

#### **15 Indicium and Royal Mail Access Indicator**

- 15.1 On expiry or termination of this Contract, this Schedule 7 or the Agency Customer Contract for any reason and subject to any express terms set out elsewhere in this Contract or the Agency Customer Contract you shall ensure that your Agency Customers will comply with the requirements set out in clause 8 of the General Access Terms and Conditions.

#### **16 Agency Customers and National Price Plans**

- 16.1 Mailing Items that you hand over to us on behalf of your Agency Customers and amounts that we invoice to your Agency Customers under the terms of this Contract and the Agency Customer Contracts will be classed by us for the purpose of your National Price Plan (if you have selected a National Price Plan in this Contract) as if those Mailing Items were handed over to us on your behalf and as if those amounts invoiced had been invoiced to you.
- 16.2 Under the terms of your National Price Plan (if you have selected a National Price Plan in this Contract) we may levy Profile Adjustments if your Mailing Items do not meet the required posting profile. For the avoidance of doubt, all Profile Adjustments are payable by you and not by your Agency Customers.

## 17 General

17.1 *Opening Mailing Items:* We may open Mailing Items to check that they comply with this Contract and any Agency Customer Contract if we reasonably believe that we need to open and check Mailing Items to see if your Agency Customers are complying with this Contract and any Agency Customer Contract.

17.2 *Sanctions:*

- (a) You must ensure that the Mailing Items handed over to us under an Agency Customer Contract are not prohibited under applicable Sanctions Laws. Information about sanctions can be found on our website at [www.royalmail.com/international-sanctions](http://www.royalmail.com/international-sanctions) (the information listed here does not constitute legal advice and we accept no liability in relation to this information). If your Mailing Items need a licence under applicable Sanctions Laws, it is your responsibility to obtain it and (if we ask for it) you must provide us with acceptable evidence that you have it.
- (b) If we have reasonable suspicion that a Mailing Item does not comply with Sanctions Laws we may:
  - (i) open that Mailing Item or delay processing and delivery; and/or,
  - (ii) deal with such Mailing Item in our absolute discretion (without incurring any liability whatsoever to you or the intended recipient) including destroying or otherwise disposing of such Mailing Item in whole or in part, or returning the relevant Mailing Item to you.

If we take one or all of the actions described in this clause, we are entitled to charge you the cost of disposal and/or destruction, the standard Postage price and all other costs reasonably incurred by us.

17.3 *Waiver:* Any failure by either Party or an Agency Customer to enforce or to exercise (at any time or for any period) any term of or right under this Contract or any Agency Customer Contract shall not:

- (a) constitute a waiver of that term or right; or
- (b) affect that Party's or Agency Customer's right to enforce or exercise that term or right later.

17.4 *Rights of third parties:* Regardless of the terms of clause 17.7 of the General Access Terms and Conditions, nothing in this Contract or any Agency Customer Contract is intended to confer any benefit or any right on any person to enforce any term of it which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999, save that we and your Agency Customers may enforce our respective rights against each other where indicated in this Contract and the Agency Customer Contracts.

17.5 *Invalidity:* If any authority or court finds that any clause or part of a clause of the Contract or of any Agency Customer Contract is invalid, illegal or unenforceable, then that invalidity, illegality or unenforceability shall not affect the other clauses or parts of those clauses of this Contract or such Agency Customer Contract.

17.6 *Compliance with law or regulatory requirement:* Regardless of any other term of the Contract, if this Contract or any part of it or if any Agency Customer Contract or any part of it puts or would put either of us in breach of any law or regulatory requirement, then both of us shall use our reasonable efforts to change the relevant terms of this Contract and the Agency Customer Contracts so that they do comply with that law or regulatory requirement.

## Schedule 8

### Mailmark® Options

#### General Section

You may opt to use the Mailmark Options, in line with the Contract and the following Parts of this Schedule 8:

- Part 1 – Royal Mail Mailmark®;
- Part 2 – Royal Mail Mailmark® Economy;
- Part 3 – Royal Mail Manual Mailmark™; and
- Part 4 – eManifest Billing.

This Schedule 8 sets out the terms and conditions which apply to the use of those services. Defined terms in this Schedule 8 will have the meaning given to them in Schedule 1 (Definitions and Interpretation).

## Part 1 – Royal Mail Mailmark®

### 1 Background

- 1.1 This Part 1 sets out the terms on which you and we agree that you may post Mailing Items using our Mailmark option.

### 2 Specifications for Royal Mail Mailmark

- 2.1 You must comply with the specifications and requirements set out in the Contract, including the User Guide.

### 3 Reporting

- 3.1 We will provide you with web-based access to the Reports. It is your responsibility to ensure that you do not share your log-on credentials (username and password) with any other person and, once a web-based session is initiated, to ensure that you do not allow any other person access to that session. If, as a result of you sharing your log-on credentials and/or allowing another person access to a web-based session, we incur any costs, expenses, demands, claims or liability, you agree to indemnify us for those costs, expenses, demands, claims and liabilities.
- 3.2 The information in the Reports is an indication of the performance of a Batch. The Mailing Item level information cannot be used or relied on for refund applications or other quality of service or loss, damage or delay compensation purposes.
- 3.3 There will always be a proportion of Mailing Items that are not read by our processing machines. Without limiting paragraph 3.4, no warranty is given or implied by law or otherwise that the information in the Reports will be 100 per cent accurate, complete or fit for purpose. By using the Mailmark option, you accept that we will not be able to report on every Mailing Item and you agree not to seek refunds or make other claims for Mailing Items that have not been read and/or reported on.
- 3.4 Our reporting system has undergone rigorous testing to ensure that the Reports we provide you with are accurate. However, as there will always be circumstances beyond our control and other occurrences and events which may affect the Reports and/or the information in them, we give no warranties in relation to the Reports and/or the information in them and any warranties in relation to them or their information which may be implied by law or otherwise, are excluded to the extent permitted by law.
- 3.5 We will not be required to discuss queries relating to the Reports, Mailmark Adjustments and related invoice queries with any Participant within the Supply Chain other than the Bill Payer unless the Bill Payer nominates, on not less than 2 Working Days' written notice, another Participant within the Supply Chain in which case we will discuss these Access Charges with that other nominated Participant only.
- 3.6 We will hold information relating to any Access Charges charged to you in line with the User Guide for a maximum of 60 days, and if you wish to discuss these Access Charges with us after the 60 days it is your responsibility to provide us with a complete and accurate copy of all relevant information relating to these Access Charges.

- 3.7 We will hold other detailed reporting information relating to your Mailmark Mailings, which may be destroyed by us after 90 days.
- 3.8 In instances of non-compliant Advertising Mail Postings, we will use the information in the Reports to assist us to measure your compliance with the User Guide and with the Contract, to the extent that the Reports inform us of the posted volume, item weight and Access Service of each Batch. The Reports, if needed, will be used to determine the extent of any non-compliance to a UCID Posting.

#### **4 Intellectual Property (IP) Rights**

- 4.1 You acknowledge that Royal Mail is the owner of the Mailmark IP and you do not acquire and are not granted any rights to use the Mailmark IP other than as expressly set out in the Contract.
- 4.2 You may only use the Reports in accordance with the terms of the Contract and you may only share the Reports with third parties for use solely in connection with the posting of Mailing Items under the terms of the Contract and not for any other purpose. You will ensure that any third party with whom you share the Reports (or extracts) is made aware of and agree to comply with the obligations in this paragraph 4 as if such third party were you.
- 4.3 You may only use the Mailmark IP trademarks in connection with the Mailmark option and in the form stipulated by us and you will observe any directions given by us as to colours and size or representations of such trademarks. All rights in and to the Mailmark IP trade marks (including any goodwill arising from your use of the Mailmark IP trade marks) will belong to Royal Mail.
- 4.4 You may not remove or obscure any Mailmark IP or Intellectual Property Rights notices relating to the Mailmark IP included by us in any Report and you must acknowledge Royal Mail's ownership of the Intellectual Property Rights in the Mailmark IP in the form and manner reasonably required by Royal Mail from time to time.

#### **5 Additional Non-Compliance Actions**

- 5.1 If you repeatedly hand over Mailmark Mailing Items that cannot be machine-processed and so require manual or other intervention, we may in addition to the actions set out in clause 3 of the General Access Terms and Conditions:
- (a) cease to provide the Mailmark option to you; and/or
  - (b) terminate this Part 1 immediately.

#### **6 Termination**

- 6.1 Regardless of any other term of the Contract, you may terminate the terms of this Part 1 by giving us at least 30 days' notice in which event this Part 1 will terminate at the expiry of such notice period.
- 6.2 Regardless of any other term of the Contract, we may terminate the terms of this Part 1 by giving you at least 120 days' notice in which event this Part 1 will terminate at the expiry of such notice period.



## Part 2 – Royal Mail Mailmark® Economy

### 1 Background

- 1.1 This Part 2 sets out the terms on which you and we agree that you may post Mailmark Economy Mail Postings.

### 2 Specifications for Mailmark Economy Mail

- 2.1 You must comply with the specifications and requirements set out in the Contract, including the User Guide.
- 2.2 You shall comply with the Intellectual Property Rights requirements set out in Part 1 of this Schedule 8 in respect of Mailmark IP you use when posting Mailmark Economy Mailing Items.

### 3 The Mailmark Economy Mail Service Standard

- 3.1 We aim to deliver or attempt to deliver your Mailmark Economy Mailing Items within 4 ~~Working Days~~Weekdays after handover to and acceptance by us.
- 3.2 The Service Standard set out in paragraph 2.2 of Schedule 2 (Service Standard and General Service Obligations) shall not apply to Mailmark Economy Mailing Items. As an alternative service standard, the following shall apply in respect of Mailmark Economy Mailing Items (the **Mailmark Economy Service Standard**):
- (a) subject to you complying with the terms of this Contract, the Mailmark Economy Service Standard is that we shall deliver or attempt to deliver 97.5 per cent of the aggregate number of Mailmark Economy Mailing Items handed over to us by all Access Customers with a correct Delivery Address in the United Kingdom to the relevant address on a day that is no later than the fourth ~~Working Day~~Weekday after the day on which such handover occurred or is deemed to have occurred in accordance with the terms of each Access Contract provided that:
- (i) our performance against the Mailmark Economy Service Standard shall be calculated by reference to our aggregate average performance over the Service Standard Period;
  - (ii) any Mailing Items that form part of the Aggregate Base Volume shall not count towards the calculation of the Mailmark Economy Service Standard; and
  - (iii) we shall be entitled to deduct from the calculation of our performance against the Mailmark Economy Service Standard the following types of Mailmark Economy Mailing Items:
    - (A) Mailmark Economy Mailing Items handed over to us by an Access Customer that are not accepted by us in line with the terms of their respective Access Contract;
    - (B) Mailmark Economy Mailing Items the delivery of which is affected by a Disruptive Event during the relevant Service Standard Period;

- (C) Mailmark Economy Mailing Items that have been lost (including Mailmark Economy Mailing Items which have not been delivered within 15 ~~Working Days~~Weekdays of the date on which we accepted them from an Access Customer in line with the terms of their respective Access Contract); and/or
- (D) Mailmark Economy Mailing Items with a delivery address outside the United Kingdom.

### Calculating our performance against the Mailmark Economy Service Standard

- 3.3 For each Service Standard Period we (or an independent company) will measure how we have performed against the Mailmark Economy Service Standard. As the holder of an Access Contract you agree to participate in the process of measuring the Mailmark Economy Service Standard if you are asked to do so by us or the independent company responsible for that process.
- 3.4 In each Service Standard Period, in order to calculate our performance against the Mailmark Economy Service Standard we will:
- (a) measure the aggregate volume of Mailmark Economy Mailing Items handed over to us by all Access Customers during the relevant Service Standard Period, including all relevant Agency Postings (**Mailmark Economy Aggregate Base Volume**);
  - (b) determine the aggregate volume of Mailmark Economy Mailing Items that are excluded from the calculation of our performance against the Mailmark Economy Service Standard in line with the provisions of paragraph 3.2(a)(iii) above (**Mailmark Economy Aggregate Excluded Mailing Items**);
  - (c) deduct from the Mailmark Economy Aggregate Base Volume the Mailmark Economy Aggregate Excluded Mailing Items to determine the aggregate volume of Mailmark Economy Mailing Items that will be taken into account for the purpose of determining our performance against the Mailmark Economy Service Standard (**Mailmark Economy Aggregate Eligible Mailing Items**);
  - (d) measure the percentage of the Mailmark Economy Aggregate Eligible Mailing Items which we delivered or attempted to deliver ~~to the relevant address no later than the fourth Working Day following the date on which handover occurred or is deemed to have occurred~~ in accordance with ~~the terms of each Access Contract~~paragraph 3.2 above, to determine our our anticipated performance against the Mailmark Economy Service Standard (**Mailmark Economy Estimate Performance**);
  - (e) adjust the Mailmark Economy Estimate Performance by adding to the Mailmark Economy Estimate Performance a positive confidence limit of no more than 1 per cent, to determine our performance against the Mailmark Economy Service Standard (**Mailmark Economy Actual Performance**).

A worked example of how the mechanism in paragraph 3.4 above will apply is included below. The worked example is provided for illustration purposes only and shall not be binding on us.

#### *Worked Example*

Where:

- (a) the Mailmark Economy Aggregate Base Volume is 1,000,000 Mailmark Economy Mailing Items; and
- (b) the Mailmark Economy Aggregate Excluded Mailing Items is 100,000 Mailmark Economy Mailing Items,

we will deduct the Mailmark Economy Aggregate Excluded Mailing Items from the Mailmark Economy Aggregate Base Volume to derive a figure of 900,000 Mailmark Economy Aggregate Eligible Mailing Items. Where we delivered or attempted to deliver 819,000 of the 900,000 Mailmark Economy Aggregate Eligible Mailing Items ~~on the fourth Working Day following the date on which handover of those Mailmark Economy Mailing Items occurred or is deemed to have occurred~~ in accordance with paragraph 3.2 above, the Mailmark Economy Estimate Performance shall be 91 per cent.

Where:

- a) the Mailmark Economy Estimate Performance achieved by us is 91.0 per cent; and
- b) the upper accuracy / confidence limit is 0.6 per cent for that Service Standard Period,

our Mailmark Economy Actual Performance against the Mailmark Economy Service Standard for the relevant Service Standard Period will be 91.6 percent.

- 3.5 We will publish on our Website our Mailmark Economy Actual Performance against the Mailmark Economy Service Standard for each Service Standard Period within 60 Working Days of the end of that Service Standard Period: or such period as is required by the Regulator.

### **Adjustments to our published performance against the Mailmark Economy Service Standard**

- 3.6 Subject to paragraph 3.7 below, we shall be entitled to adjust the Mailmark Economy Actual Performance to account for any Mailmark Economy Mailing Items affected by a Disruptive Event that took place during the relevant Service Standard Period that have not been included in the calculation of the Mailmark Economy Aggregate Excluded Mailing Items (**Mailmark Economy Adjusted Performance**).
- 3.7 We must publish our Mailmark Economy Adjusted Performance within 14 days of the end of the Service Standard Period during which the Mailmark Economy Actual Performance was published. The Mailmark Economy Adjusted Performance shall take precedence over the Mailmark Economy Actual Performance for that Service Standard Period.

### **Calculating the Mailmark Economy Performance Rebate Amount**

- 3.8 Subject to paragraph 3.10 below, we must pay a performance rebate amount in respect of a Service Standard Period if (but only if) our Mailmark Economy Service Standard Performance is less than the applicable Compensation Target for Mailmark Economy (**Mailmark Economy Performance Rebate Amount**) for that Service Standard Period (and in all other circumstances we shall not be obliged to pay any

amount in respect of our failure to meet the Mailmark Economy Service Standard for that Service Standard Period).

- 3.9 Subject to paragraph 3.10 below, any Mailmark Economy Performance Rebate Amount that may be due in accordance with paragraph 3.8 will be calculated by us in accordance with the process set out in Appendix 1 (Mailmark Economy Performance Rebate Amount) to this Schedule 8.
- 3.10 Where we have failed to meet the Compensation Target for Mailmark Economy in any given Service Standard Period pursuant to paragraph 3.8:
- (a) we shall deduct the Agency Postings of each of your Relevant Principals from your Mailmark Economy Individual Base Volume and we will calculate (pursuant to paragraph 3.9) any Mailmark Economy Performance Rebate Amount that may be due to you in accordance with paragraph 3.8 on the basis of the remainder of your Mailmark Economy Individual Base Volume;
  - (b) we shall separately calculate (pursuant to paragraph 3.9) any Mailmark Economy Performance Rebate Amount that is due to your Relevant Principals in respect of their relevant Agency Postings in accordance with paragraph 3.8;
  - (c) we shall pay any Mailmark Economy Performance Rebate Amount due to you and/or your Relevant Principals in accordance with the provisions of paragraph 5.2 below.
- 3.11 We will periodically review the Compensation Target for Mailmark Economy to take into account the performance of similar ~~four Working Day~~ Royal Mail delivery services for letters. Any changes made following such a review will be implemented in accordance with clause 13 of the General Access Terms and Conditions.

#### **4 Our maximum liability in respect of the Aggregate Performance Rebate Amount**

- 4.1 The provisions of paragraph 3 of Schedule 2 shall apply to limit our liability to you, all other Access Customers and all Agency Customers (including your Relevant Principals) in respect of our failure to meet the Compensation Target for Mailmark Economy.

#### **5 Our liability for the Mailmark Economy Performance Rebate Amount**

- 5.1 Where the Aggregate Performance Rebate Amount calculated for a Service Standard Period exceeds the relevant Quarterly Cap for that Service Standard Period, we will calculate the percentage of such excess. We will then reduce the relevant Mailmark Economy Performance Rebate Amount to which you, all other Access Customers and all Agency Customers (including your Relevant Principals) are entitled under this Part 2 of Schedule 8 (as applicable) on a pro-rata basis by reference to that percentage. For the avoidance of doubt, we will adjust any Mailmark Economy Performance Rebate Amount due to you and to your Relevant Principals (whether paid directly or c/o you) pursuant to paragraph 5.2 in accordance with the mechanism set out in this paragraph 5.1.
- 5.2 Payment of the Mailmark Economy Performance Rebate Amount (as adjusted in accordance with paragraph 5.1 where applicable) shall be made by way of a credit note against future Postage in accordance with the following provisions:

- (a) we shall pay any Mailmark Economy Performance Rebate Amount owed to you, directly to you;
- (b) where we invoice your Relevant Principals directly, we shall pay the Mailmark Economy Performance Rebate Amount owed to any such Relevant Principals directly to those Relevant Principals (as applicable); and
- (c) where we invoice your Relevant Principals c/o you, we shall pay the Mailmark Economy Performance Rebate Amount owed to your Relevant Principals to you, by way of (in the case of each such Relevant Principal) a credit note addressed to the relevant Relevant Principal and (in each such case) you shall provide the applicable credit note to the relevant Relevant Principal promptly following receipt of the same from us;

or

- (a) if you have terminated your Contract within a Service Standard Period in respect of which a Mailmark Economy Performance Rebate Amount is awarded in accordance with paragraph 2.8, by cheque in accordance with the following provisions:
  - (i) we shall pay any Mailmark Economy Performance Rebate Amount owed to you, directly to you;
  - (ii) where we invoice your Relevant Principals directly, we shall pay any Mailmark Economy Performance Rebate Amount owed to any such Relevant Principals directly to those Relevant Principals (as applicable); and
  - (iii) where we invoice your Relevant Principals c/o you, we shall pay the Mailmark Economy Performance Rebate Amount owed to your Relevant Principals to you, by way of (in the case of each such Relevant Principal) a cheque addressed to the relevant Relevant Principal and (in each such case) you shall provide the applicable cheque to the relevant Relevant Principal promptly following receipt of the same from us.

5.3 Any Mailmark Economy Performance Rebate Amount payable to you and / or any of your Relevant Principals in respect of a Service Standard Period shall be paid to you and / or your Relevant Principals (as applicable) within 30 days of the end of the Service Standard Period in which we published our Mailmark Economy Actual Performance in accordance with paragraph 3.5. Where you are required to provide any credit note and / or cheque to a Relevant Principal pursuant to paragraph 5.2:

- (a) you confirm (in each case) that you have authority to receive payments on behalf of that Relevant Principal and you shall indemnify us for all liabilities, costs, proceedings or expenses (including reasonable legal expenses) suffered or reasonably incurred by us where you do not have requisite authority to receive such payments (including any claims brought against us by any Agency Customer in respect of the same); and
- (b) you shall indemnify us for all liabilities, costs, proceedings or expenses (including reasonable legal expenses) suffered or reasonably incurred by us arising from your failure to comply with your obligations under paragraph 5.2

(including any claims brought against us by any Agency Customer in respect of the same).

- 5.4 Notwithstanding any other provision of this Contract or any Agency Customer Contract, you agree on your own behalf and duly authorised for and on behalf of each Relevant Principal that our aggregate liability to you and all Relevant Principals together for our failure to meet the Compensation Target for Mailmark Economy (including but not limited to any accrued or future liability) shall not exceed the sum of the amounts due to you and/or to your Relevant Principals (where applicable) pursuant to paragraph 5.2. You agree and acknowledge both for yourself and duly authorised for and on behalf of each of your Relevant Principals that we shall have no additional liability, whether in contract, tort (including negligence) or otherwise to you or any Relevant Principal in respect of our failure to meet the Compensation Target for Mailmark Economy and that our payment of the Mailmark Economy Performance Rebate Amounts in aggregate to you and your Relevant Principals in accordance with the terms of this Part 2 of Schedule 8 is in full and final settlement of all liability which we may in aggregate have to you and all Relevant Principals under this Contract or any Agency Customer Contract in respect of our failure to meet the Compensation Target for Mailmark Economy, including any such liability as may relate to Mailmark Economy Mailing Items that form part of the Agency Postings handed over to us by you. The above shall apply notwithstanding the fact that payments of the Mailmark Economy Performance Rebate Amounts are being made to you or to the Relevant Principals.

## **Part 3 - Royal Mail Manual Mailmark™**

### **1 Background**

- 1.1 This Part 3 sets out the terms on which you and we agree that you may post Manual Mailmark Mail Postings.

### **2 Specifications for Manual Mailmark Mail**

- 2.1 You must comply with the specifications and requirements set out in the Contract, including the User Guide.
- 2.2 For the avoidance of doubt, Reports will not be available for Manual Mailmark Mail Postings.
- 2.3 You shall comply with the Intellectual Property Rights requirements set out in Part 1 of this Schedule 8 in respect of Mailmark IP you use when posting Manual Mailmark Mail.

### **3 Termination**

- 3.1 Regardless of any other term of the Contract, we may terminate the terms of this Part 3 by giving you at least 120 days' notice in which event this Part 3 will terminate at the expiry of such notice period.

## Part 4- eManifest Billing

### 1 Background

1.1 This Part 4 applies to Mailing Items:

- (a) that are presented at an Inward Mail Centre in accordance with the terms of your Contract and Part 1 of this Schedule 8; and
- (b) the details of which have been reported to us in accordance with the terms of this Part 4,

and sets out the terms on which we agree to make available to you our auto-billing process which uses eManifests instead of Posting Dockets to generate your billing information (**eManifest Billing**).

1.2 We agree to process your Mailing Items and to make eManifest Billing available to you, and you agree to present your Mailing Items, in accordance with the terms of this Part 4 (including the eManifest Billing Specification) and to comply with all of the terms of this Part 4.

1.3 For the avoidance of doubt, the other terms of your Contract will continue to apply to all Mailing Items that you hand over at an Inward Mail Centre which are not eligible for eManifest Billing or which you do not present for eManifest Billing in accordance with the terms of this Part 4.

### 2 Eligibility for eManifest Billing

2.1 You must meet all of the following criteria to be eligible for this Part 4 to form part of your Contract and to use eManifest Billing under the terms of this Part 4:

- (a) we have agreed that Part 1 of this Schedule 8 forms part of your Contract and you post all of your Mailing Items with us pursuant to the terms of that Part;
- (b) all of the Mailing Items you post with us are Letters only;
- (c) you submit your own eManifests pursuant to the terms of Part 1 of this Schedule 8 and the User Guide;
- (d) you handover all of your Mailing Items to one Inward Mail Centre only; and
- (e) you do not hand over Mailing Items on behalf of any other person.

2.2 Before you can use eManifest Billing you must, at your own cost, undertake all systems and procedural changes required to enable you to meet the eManifest Billing Specification and notify us in writing once you have done this.

2.3 Once we have confirmed that you:

- (a) have made all such changes referred to in paragraph 2.2; and
- (b) that you meet all of the Qualifying Criteria,

we will notify you of the eManifest Billing Start Date.



### **3 Your Contract**

- 3.1 Your Contract (including its Schedules and the User Guide) sets out your obligations about how to present Mailing Items to us and the procedures for handling your Mailing Items that do not comply with the terms of your Contract. Subject to paragraph 3.2 below, you must continue to comply with these obligations and these procedures will continue to apply to the extent they are not dis-applied or changed under this Part 4.
- 3.2 For clarity, you and we agree that the terms of sections 6.1, 6.2, 6.4, 8.4(a), 10.3.1(a), 10.3.1(b) and 10.3.1(e) of the User Guide shall not apply between you and us to the extent that those terms directly conflict with the terms of this Part 4 (including the eManifest Billing Specification).

### **4 Termination**

- 4.1 Regardless of any other term of your Contract:
- (a) either of us may terminate this Part 4 on written notice to the other with immediate effect if Part 1 of this Schedule 8 is terminated for whatever reason;
  - (b) we may terminate this Part 4:
    - (i) by giving you no less than 6 months' written notice; and
    - (ii) immediately on written notice to you if at any time you no longer meet the Qualifying Criteria.

### **5 Development of eManifest Billing**

- 5.1 You and we recognise that eManifest Billing is pioneering in nature. Either you or we may consider, once this Part 4 has taken effect, that this Part 4 (including the eManifest Billing Specification) does not address matters which should be addressed, or that the technical and operational elements of eManifest Billing do not function in a desirable way. If so, you and we agree to work together in good faith to try and resolve any such issues and, if we decide it is necessary, we will make changes and update the terms of this Part 4 and/or the eManifest Billing Specification in accordance with the terms of your Contract.
- 5.2 Without prejudice to paragraph 5.1, we may change the terms of this Part 4 (including the eManifest Billing Specification) at any time in accordance with clause 13.2(a)(i) of your Contract.

## Appendix 1

### Mailmark Economy Performance Rebate Amount

#### 1 General

1.1 For each Service Standard Period, we will determine:

- (a) our Mailmark Economy Actual Performance, our Mailmark Economy Adjusted Performance (if relevant) and the Mailmark Economy Service Standard Performance;
- (b) your Mailmark Economy Individual Base Volume, your Mailmark Economy Access Customer Base Volume and any relevant Mailmark Economy Agency Base Volume;
- (c) your Mailmark Economy Adjusted Mailing Volume and the Mailmark Economy Agency Adjusted Mailing Volume (where applicable); and
- (d) the Mailmark Economy Performance Rebate Amount to which you and your Relevant Principals are each entitled. .

1.2 In respect of each Service Standard Period, to the extent our Mailmark Economy Service Standard Performance:

- (a) is equal to or greater than the applicable Compensation Target for Mailmark Economy, no Mailmark Economy Performance Rebate Amount will be due to you in respect of the relevant Service Standard Period;
- (b) is less than the applicable Compensation Target for Mailmark Economy, but equal to or more than the Band 1 Compensation Threshold for Mailmark Economy, the Mailmark Economy Performance Rebate Amount which is due to you shall be calculated in accordance with paragraph 3 of this Appendix 1; and
- (c) is less than the Band 1 Compensation Threshold for Mailmark Economy, the Mailmark Economy Performance Rebate Amount which is due to you shall be calculated in accordance with paragraph 4 of this Appendix 1.

#### 2 Mailmark Economy Adjusted Mailing Volume and Mailmark Economy Agency Adjusted Mailing Volume

2.1 We shall first determine your Mailmark Economy Individual Base Volume for the relevant Service Standard Period.

2.2 Subject to paragraph 2.3 below, in respect of any Agency Postings handed over by you to us:

- (a) we will calculate the Mailmark Economy Agency Base Volume. The Mailmark Economy Agency Base Volume will be calculated on the basis of the information you give us pursuant to this Contract and we will not be responsible for the accuracy of such data and/or of the resulting Mailmark Economy Agency Base Volume; and

- (b) we will deduct each Mailmark Economy Agency Base Volume from your Mailmark Economy Individual Base Volume to determine the aggregate volume of Mailing Items in respect of which we may be liable to pay any Mailmark Economy Performance Rebate Amount directly to you.

2.3 Where you have not provided to us with the required information in respect of the volume of Agency Postings handed over by you to us on behalf of any particular Relevant Principal:

- (a) we will not be able to calculate their Mailmark Economy Agency Base Volume and/or any Mailmark Economy Performance Rebate Amount;
- (b) the volume of such Agency Postings will remain part of your Mailmark Economy Access Customer Base Volume; and
- (c) you will be responsible for paying to the Relevant Principal the proportion of the Mailmark Economy Performance Rebate Amount that we pay to you that is attributable to that Relevant Principal's Agency Postings.

2.4 We shall be entitled (in our sole discretion) to deduct from the Mailmark Economy Access Customer Base Volume (which may include (if applicable) any Agency Postings pursuant to paragraph 2.3 above) an aggregate volume of the following types of Mailmark Economy Mailing Items to determine the relevant volume of Mailmark Economy Mailing Items in respect of which we need to calculate the relevant Mailmark Economy Performance Rebate Amount that we will pay to you (**Mailmark Economy Adjusted Mailing Volume**):

- (a) any of your Mailmark Economy Mailing Items (including, if applicable, any of your Agency Postings pursuant to paragraph 2.3) that are part of the Mailmark Economy Aggregate Excluded Mailing Items;
- (b) any of your Mailmark Economy Mailing Items (including, if applicable, any of your Agency Postings pursuant to paragraph 2.3) that are affected by a Disruptive Event that took place during the relevant Service Standard Period that have not already been included in the calculation of the Mailmark Economy Aggregate Excluded Mailing Items;
- (c) any Missorted Mailmark Economy Mailing Items and any Mailmark Economy Mailing Items in Misrouted Mailmark Economy Containers, that are handed over by you and which we accept;
- (d) the Mailmark Economy Mailing Items which we accept but which exceed the Tolerance set out in section 10.4.2(b) of the User Guide. For the avoidance of doubt, such exclusion shall apply only in relation to the volume of Mailmark Economy Mailing Items that have been "under forecasted" as further detailed in section 10.4.2(b); and / or
- (e) any Mailmark Economy Mailing Items which are handed over by you outside of the Access Window and / or outside of your booked Access Slot (as applicable) and which we accept.

2.5 We shall be entitled (in our sole discretion) to deduct from the Mailmark Economy Agency Base Volume an aggregate volume of the following types of Mailmark Economy Mailing Items to determine the relevant volume of Mailmark Economy

Mailing Items in respect of which we need to calculate the relevant Mailmark Economy Performance Rebate Amount that we will pay to each Relevant Principal (**Mailmark Economy Agency Adjusted Mailing Volume**):

- (a) any Mailmark Economy Mailing Items that form part of the Relevant Principals' Agency Postings and that are part of the Mailmark Economy Aggregate Excluded Mailing Items;
- (b) any Mailmark Economy Mailing Items that form part of the Relevant Principals' Agency Postings and that are affected by a Disruptive Event that took place during the relevant Service Standard Period that have not already been included in the calculation of the Mailmark Economy Aggregate Excluded Mailing Items;
- (c) any Missorted Mailmark Economy Mailing Items that form part of the Relevant Principals' Agency Postings.

### **3 Mailmark Economy Performance Rebate Amount at Band 1**

3.1 Where (in respect of any Service Standard Period), our Mailmark Economy Service Standard Performance is less than the applicable Compensation Target for Mailmark Economy, but equal to or greater than the Band 1 Compensation Threshold for Mailmark Economy, we shall calculate the relevant Mailmark Economy Performance Rebate Amount in accordance with the following mechanism:

- (a) we shall calculate the applicable compensation percentage by subtracting the Mailmark Economy Service Standard Performance from the Compensation Target for Mailmark Economy (**Mailmark Economy Compensation Percentage**);
- (b) we shall multiply the Mailmark Economy Compensation Percentage by your Mailmark Economy Adjusted Mailing Volume or the Mailmark Economy Agency Adjusted Mailing Volume (as applicable) to determine the volume(s) of Mailmark Economy Mailing Items that have been delivered by us between the Band 1 Compensation Threshold for Mailmark Economy and the Compensation Target for Mailmark Economy (**Mailmark Economy Applicable Volume(s)**); and
- (c) we shall multiply the Mailmark Economy Applicable Volume(s) by the Band 1 Compensation Rate for Mailmark Economy to calculate the relevant Mailmark Economy Performance Rebate Amount due to you and/or to your Relevant Principals (as applicable) under this paragraph 3.

### **4 Mailmark Economy Performance Rebate Amount at Band 2**

4.1 Where (in respect of any Service Standard Period), our Mailmark Economy Service Standard Performance is less than the Band 1 Compensation Threshold for Mailmark Economy, we shall calculate the relevant Mailmark Economy Performance Rebate Amount in accordance with the following mechanism:

- (a) we shall multiply your Mailmark Economy Adjusted Mailing Volume or the Mailmark Economy Agency Adjusted Mailing Volume (as applicable) by the difference between the Compensation Target for Mailmark Economy and the Band 1 Compensation Threshold for Mailmark Economy (expressed as a

percentage) to calculate the volume(s) of Mailmark Economy Mailing Items to which we apply the Band 1 Compensation Rate for Mailmark Economy (**Mailmark Economy Band 1 Applicable Volume(s)**); and

- (b) we shall multiply the Mailmark Economy Band 1 Applicable Volume(s) by the Band 1 Compensation Rate for Mailmark Economy to calculate the applicable Mailmark Economy Performance Rebate Amount(s) due at the Band 1 Compensation Rate for Mailmark Economy (**Mailmark Economy Band 1 Compensation(s)**);
- (c) we shall determine the applicable compensation percentage that is relevant to determining the level of compensation due to you and / or your Relevant Principals where our Mailmark Economy Service Standard Performance is less than the Band 1 Compensation Threshold for Mailmark Economy by subtracting the Mailmark Economy Service Standard Performance from the Band 1 Compensation Threshold for Mailmark Economy (**Mailmark Economy Band 2 Compensation Percentage**);
- (d) we shall multiply the Mailmark Economy Band 2 Compensation Percentage by the Mailmark Economy Adjusted Mailing Volume or the Mailmark Economy Agency Adjusted Mailing Volume (as applicable) to determine the volume(s) of Mailmark Economy Mailing Items that have been delivered by us between the Band 2 Compensation Threshold for Mailmark Economy and the Band 1 Compensation Threshold for Mailmark Economy (**Mailmark Economy Band 2 Applicable Volume(s)**);
- (e) we shall multiply the Mailmark Economy Band 2 Applicable Volume(s) by the Band 2 Compensation Rate for Mailmark Economy to determine the applicable Mailmark Economy Performance Rebate Amount(s) due at the Band 2 Compensation Rate for for Mailmark Economy (**Mailmark Economy Band 2 Compensation(s)**); and
- (f) we shall add the Mailmark Economy Band 1 Compensation and Mailmark Economy Band 2 Compensation to determine the total Mailmark Economy Performance Rebate Amount due to you and/or to your Relevant Principals (as applicable) under this paragraph 4.