

SCHEDULE 20

ROYAL MAIL MAILMARK®

Where this Schedule forms part of your Contract with us (the "Contract"), the following terms and conditions shall apply in addition to and (unless expressly stated otherwise) without prejudice to the terms set out in the General Access Terms and Conditions (and the rest of the Contract):

1 Background

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

2 Definitions and interpretation

2.1 Schedule 1 to the Contract explains the meaning of some words and phrases used in the Contract, including this Schedule, and sets out some rules of interpretation which also apply to this Schedule.

2.2 In addition, some words and phrases used specifically in this Schedule are defined below:

Batch	a selection of Mailmark barcode 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;
Batch ID	the unique identifier that is assigned to a Batch once it has been submitted to the eManifest;
Bill Payer	the Participant in the Supply Chain that is responsible for paying Royal Mail for the Mailmark Mailings;
Carrier	the Participant in a Supply Chain responsible for carrying the Mailmark Mailings;
eManifest	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;
eManifest Handling System (eMHS)	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);
eManifest User Guide	the Mailmark eMHS implementation guidelines;
eManifest ID	the unique identifier that is assigned to an eManifest once that eManifest has been created;
Mailmark barcode	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;
Mailmark IP	intellectual property rights in the Reports (and the information in them) and the brands Royal Mail

Mailmark® and Mailmark™;

Mailmark Mailing(s)	a Batch or multiple Batches of Mailmark barcode Mailing Items declared on the eManifest;
Mailmark option	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;
Mailmark Surcharge	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;
Mail Originator	the Participant in the Supply Chain on whose behalf the Mailmark barcode Mailing Items are being produced and delivered;
Mail Producer	the Participant in the Supply Chain that is responsible for producing (including printing and enclosing) the Mailmark barcode Mailing Items;
Overlay Report	an electronic file uploaded by a Participant that links the details of one or more Mailmark Mailings with a relevant UCID Posting declared on the Posting Docket. The layout and format of this file is specified by us and we may change this during the life of this schedule;
Participant	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;
Reports	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;
Supply Chain	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; and
Supply Chain ID (SCID)	the unique identifier assigned to each Supply Chain.

3 Commencement and duration

- 3.1 The terms of this Schedule shall take effect from the *[insert date]*
- 3.2 The terms of this Schedule shall continue to have effect until the earlier of:
 - 3.2.1 the date the Contract is terminated in line with its terms; or
 - 3.2.2 the date this Schedule is terminated under paragraph 10 or paragraph 9.5.2 of this Schedule.

4 The Mailmark option

- 4.1 The Mailmark option is available for use with Access 70 sortation.

5 Specifications for the Mailmark option

- 5.1 The specifications and requirements set out in this Schedule are in addition to the specifications and requirements contained elsewhere in the Contract, including the User Guide. You must comply with those specifications and requirements in addition to those set out in this Schedule.
- 5.2 To qualify your Mailmark Items or Mailmark Mailings (as the case may be) for the Mailmark option you shall ensure that:
- 5.2.1 each Mailing Item:
- (a) has a Mailmark barcode printed on it in addition to any other marks that are required for the Access 70 Mailing Item in question;
 - (b) has a Mailmark barcode printed on it in a manner and location and in accordance with the specifications, as set out in the User Guide; and
 - (c) meets either the Letter or Large Letter format, as set out in the User Guide;
- 5.2.2 for each Mailmark Mailing:
- (a) a Batch or multiple Batches are submitted to an eManifest via the eManifest Handling System in accordance with the Mailmark Appendix of the User Guide and the eManifest User Guide referenced within it and accessed via our Website;
 - (b) Mailmark barcode Mailing Items are presented to us in accordance with the Presentational Specifications of the User Guide;
 - (c) Mailmark barcode Mailing Items are presented in Containers which all contain exclusively Mailmark Mailing Items. Other than for Advertising Mail and Responsible Mail Postings, you may mix Mailing Items with different mailing pack designs in a single Container as long as they all belong to the same service, format and UCID (but not necessarily Batch) and as long as they appear on the same eManifest;
 - (d) all Mailing Items within a Container must have the same SCID with the exception of consolidated Mailmark Mailings made up of Mailing Items originally from different Supply Chains, which may have different SCIDs if an Overlay Report is provided. A Participant must provide an Overlay Report if Mailmark barcoded Mailing Items are not posted as originally expected and are instead put through a consolidation machine to make up a new Mailmark Mailing;
 - (e) Advertising Mail or Responsible Mail Mailmark barcode Mailing Items submitted as a Batch on the eManifest must only contain Mailing Items of the same pack design. For clarity, you may submit multiple Batches, provided that each Batch contains Mailing Items of the same pack design; and
 - (f) you must use the correct SCID relevant to a Supply Chain. If you use an incorrect SCID then Participants from other Supply Chains may have access to your Reports and/or the wrong Bill Payer may be invoiced and if, due to your incorrect usage of the SCID, we incur any costs, expenses, demands, claims or liabilities in connection with Participants from other Supply Chains accessing your Reports and/or the wrong Bill Payer being invoiced, you agree to indemnify us for those costs, expenses, demands, claims and liabilities;
- 5.2.3 only one eManifest is uploaded per SCID, per Working Day, to the eManifest Handling System. For clarity, a single eManifest may declare a Mailmark Mailing made up of a single Batch or multiple Batches, or if the same Supply Chain has more than one Mailmark Mailing to be posted on the same day, the eManifest may contain multiple Mailmark Mailings provided that each Mailmark Mailing relates to the same SCID;
- 5.2.4 each eManifest is created and confirmed in accordance with the Mailmark Appendix of the User Guide and the eMHS User Guide;
- 5.2.5 you upload all Mailmark Mailing Items on your Daily Posting Docket to DocketHub. For clarity the Docket declaration that you submit is separate and in addition to the

eManifest and you cannot use E*Pro (or any other method of providing a Docket to us other than DocketHub, unless we agree otherwise with you). You must submit the correct eManifest ID and the correct SCID against each bag, tray or other Container on the Daily Posting Docket using the fields provided for those purposes; and

- 5.2.6 you will not insert any words or terms into the free text fields in the eManifest which may appear in the resulting Reports which, in our opinion, damage or may damage our reputation or business or the reputations or businesses of any member of the Royal Mail Group or which may result in any costs, expenses, demands, claims or liability being asserted or assessed against any member of the Royal Mail Group and/or any of their respective directors, officers, employees, agents and/or representatives.
- 5.3 To qualify your Mailmark Items and Mailmark Mailings for the Mailmark option, you agree that, in addition to the matters listed in paragraph 5.2 and in respect of each of your Mailing Items and each of your Mailmark Postings, you accept the Mailmark Participant Terms and Conditions so that you are a Participant in a Supply Chain.

6 Reporting

- 6.1 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.
- 6.2 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.
- 6.3 There will always be a proportion of Mailing Items that are not read by our processing machines. Without limiting paragraph 6.4, no warranty is given or implied by law or otherwise that the information in the Reports will be 100% 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.
- 6.4 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.
- 6.5 We will not be required to discuss queries relating to the Reports, Mailmark Surcharges 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 two 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.
- 6.6 We will hold information relating to any Access Charges charged to you in line with paragraph 9 for a maximum of sixty (60) days, and if you wish to discuss these Access Charges with us after the sixty (60) days it is your responsibility to provide us with a complete and accurate copy of all relevant information relating to these Access Charges.
- 6.7 We will hold other detailed reporting information relating to your Mailmark Mailings, which may be destroyed by us after ninety (90) days.
- 6.8 In instances of non-compliant Royal Mail Advertising Mail[®] and Royal Mail Responsible Mail[®] Postings, we will use the information in the Reports to assist us to measure your compliance with paragraph 5.2.2 (e) of this Schedule 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.

7 Intellectual Property (IP) Rights

- 7.1 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.
- 7.2 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 7 as if such third party were you.
- 7.3 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 trademarks (including any goodwill arising from your use of the Mailmark IP trademarks) will belong to Royal Mail.
- 7.4 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.

8 Posting Performance

- 8.1 Failure to meet the required minimum level of address, Postcode and DPS accuracy as set out in the User Guide will result in us taking one or more of the actions set out in paragraph 9.2.
- 8.2 The performance of your Mailmark Mailing is optimised when:
 - 8.2.1 each Mailing Item is well designed in accordance with the Mailmark Appendix of the User Guide;
 - 8.2.2 the address and Postcode on the Mailing Item is consistent with the Postcode and DPS in the Mailmark barcode on each Mailing Item and in the eManifest;
 - 8.2.3 all address, Postcode and DPS elements match the correct record held in PAF[®]; and
 - 8.2.4 all Mailing Items have been correctly sorted and presented to the relevant Mail Centre in line with the Presentation Specifications of the User Guide.
- 8.3 If poor Mailing Item design means that Mailing Items require manual or other intervention or we find address, Postcode and/or DPS accuracy below the accepted tolerances that are specified in the Mailmark Appendix of the User Guide then a Mailmark Surcharge will be payable.
- 8.4 If Mailing Items have not been correctly sorted and presented to the relevant Mail Centre (Missorts), and these are identified by us during processing of the Mailing Items, we shall forward those Mailing Items to the correct Mail Centre. The Mailing Items affected will be charged the relevant Mailmark Surcharge as published on the Website.
- 8.5 Regardless of any other term of the Contract, if you incur Mailmark Surcharges relating to poorly designed or poorly addressed Mailing Items, or Missorts, we will correct your Docket and raise adjustment charges. Such Docket corrections and adjustments may appear on a later invoice than the invoice relating to the initial Docket of the affected Mailmark Mailings.

9 Failure to provide Mailmark Mailing Items that can be efficiently processed

- 9.1 The Mailmark option is designed for Mailing Items that can be processed through our automation machines. Our machines are designed to read them and create eManifest and Batch level reports.

- 9.2 The User Guide will assist you in designing your Mailing Items to meet our machine-readable requirements. If we establish to our reasonable satisfaction that you have not complied with one or more of your obligations in this Schedule and/or the User Guide, and/or the Mailing Items in your Mailmark Mailing require manual or other intervention, we will have the right, without prejudice to our rights set out in Schedule 2 of the Contract, to do one or more of the following:
- 9.2.1 hold the Mailing Items until you give us complete and accurate documentation;
 - 9.2.2 allow you to hand over the Mailmark Mailing Items but charge you the applicable Access Charges for the Access service specification that those Mailing Items actually meet;
 - 9.2.3 where possible, rectify the non-compliant Mailmark Mailing Items and accept those Mailing Items as rectified provided that you shall pay a Surcharge and/or Mailmark Surcharge on those Mailing Items relative to the non-compliance in line with the User Guide; or
 - 9.2.4 reject the Mailmark Mailing Items or;
 - 9.2.5 if the number of non-compliant Mailmark Mailing Items exceeds 25% of the total volume of a Mailmark Mailing in a day, request an improvement plan for the affected Supply Chain. If the improvement plan fails to achieve 75% compliance within the agreed time, we will suspend the Supply Chain until such time it achieves 75% compliance.
- 9.3 For Mailing Items posted under this Schedule we will continue with the manual Revenue Protection that we apply currently on Mailing Items at handover and we will continue to apply Docket adjustments and/or Surcharges for any non-compliance in the same manner as we do today, except where, at handover, we identify non-compliance related to the machinability of your Mailing Items. In these incidences of non-compliance we will only apply an adjustment and/or a Surcharge, by making a retrospective adjustment to the relevant Docket, where our in-process Revenue Protection supports that adjustment. If we identify non-compliance related to the machinability of your Mailing Items and our in-process Revenue Protection does not support that adjustment we would not apply any Surcharges.
- 9.4 Regardless of any other term of the Contract, you agree to become subject to Mailmark Surcharges in line with paragraph 9.2.3 from the date specified in paragraph 3.1.
- 9.5 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 paragraph 9.2:
- 9.5.1 cease to provide the Mailmark option to you; and/or
 - 9.5.2 terminate this Schedule immediately.
- 9.6 We will notify you by email if we take any of the actions set out in paragraphs 9.2 and 9.5.
- 9.7 Notification of actions taken under paragraph 9.2 will be made as soon as reasonably practicable but this may be several days after the day of posting and will certainly be after agreement of the Client Report. You agree that for a Mailmark Mailing we may take any of the actions permitted by this paragraph 9 even if the Client Report for that Mailmark Mailing has already been agreed.
- 9.8 Surcharges and Mailmark Surcharges will appear on an invoice raised after we have notified you of them.

10 Changes and termination

- 10.1 Regardless of any other term of the Contract, except clause 13.2.3, we may change the terms of this Schedule by giving you at least seventy (70) days' written notice (or sooner if you and we agree in writing).
- 10.2 Regardless of any other term of the Contract, either of us may terminate the terms of this Schedule on written notice with immediate effect if the other Party commits any material or persistent breach of the terms of this Schedule as long as, where the breach can be remedied,

it has not been remedied within thirty (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.

- 10.3 Regardless of any other term of the Contract, you may terminate the terms of this Schedule by giving us at least thirty (30) days' notice in which event this Schedule will terminate at the expiry of such notice period.
- 10.4 Regardless of any other term of the Contract, we may terminate the terms of this Schedule by giving you at least one hundred and twenty (120) days' notice in which event this Schedule will terminate at the expiry of such notice period.
- 10.5 Termination of this Schedule by either of us (for any reason) shall not affect any rights which either of us may already have under this Schedule before the date of termination, whether or not any obligations under the Schedule which were intended either to come into or remain in force after termination do so.

11 Pricing

- 11.1 Only Mailing Items eligible for posting using the Mailmark option that you hand over to us and we accept will qualify for the Mailmark option prices.
- 11.2 The Mailmark option prices are published on the Website.