

[Insert date here]

**ROYAL MAIL GROUP LIMITED**

**ACCESS LETTERS CONTRACT**

**WITH**

**[Customer]**

This Contract has [ ] parts. Please check that you have each part of the Contract before you sign it. The parts of your Contract are:

- this page
- your Contract Details, which contains some terms specific to your Contract with us
- our General Access Terms and Conditions, which are attached to your Contract Details
- [ ] schedules
- our User Guide.

Words given an initial capital letter have a particular meaning. You will find an explanation of these words and phrases set out in Schedule 1.

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## CONTRACT DETAILS

**DATED [                      ] 201[   ]**

### **BETWEEN**

**Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ (**us** or **we**); and

**[Customer's registered name]**, a company registered in [country of registration] (number [registered number]) with its registered address at [registered address] (**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.
- (C) We offer a choice of different price plans for access:
- National Price Plan One (SSCs);
  - Averaged Price Plan Two (Zones);
  - the Regional Price Plan (Zones); and
  - the Zonal Price Plan.

The availability of National Price Plan One (SSCs), Averaged Price Plan Two (Zones) and the Regional Price Plan (Zones) to you is subject to your meeting the applicable eligibility criteria.

- (D) [On [insert date] we entered into[a] Pre-existing Access Contract[s] with you granting you access to our Inward Mail Centres. You now wish to enter into this Contract in place of your Pre-existing Access Contract[s].]

## OPERATIVE TERMS

### 1 Definitions and interpretation

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

### 2 Your Access Start Date

- 2.1 Your Access Start Date will be [ ].
- 2.2 [On your Access Start Date your Pre-existing Access Contract[s] will terminate, but this will not affect any rights which may have already accrued to either of us under the Pre-existing Access Contract[s].]

OR

- 2.3 [On your Access Start Date the terms of your Pre-existing Access Contract[s] will be replaced by the terms of this Contract. This will not affect any rights which may have already accrued to either of us on the Access Start Date.]

### 3 Your Price Plan or Plans

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

You may not operate on both National Price Plan One (SSCs) and Averaged Price Plan Two (Zones). If you opt to operate on the Regional Price Plan (Zones), you may not operate on any other Price Plan. Whatever choice you make, you must operate under the specific terms of the chosen Price Plan or Price Plans. When you have made that choice, you will be given separate account numbers which you will need to use in order to identify the Price Plan 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 of your Contract 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

### 4 Contact Information

- 4.1 Your Operational Contact is:

Name:	Email address:
Title:	Postal Address:
Telephone number:	
Mobile number:	Fax 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. Your Commercial Contact is:

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

- 4.3 You may change your Operational Contact or your Commercial Contact by informing our Commercial Contact by telephone and then confirming the new contact details by email to our Commercial Contact.

- 4.4 Our Operational Contact is:

Name: Mick Chapman	Email address: <a href="mailto:mick.chapman@royalmail.com">mick.chapman@royalmail.com</a>
Title: DSA Central Control Manager	Postal Address: Royal Mail Wholesale, 4 <sup>th</sup> Floor, 185 Farringdon Rd, London EC1A 1AA
Telephone number:	
Mobile number: 07710 337862	Fax number: 020 7016 8585

- 4.5 Our Commercial Contact is:

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

- 4.6 We may change our Operational Contact or our Commercial Contact by informing your Commercial Contact by telephone and then confirming the new contact details by email to your Commercial Contact.

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

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

- 5.1.1 the Contract Details;
- 5.1.2 the General Access Terms and Conditions;
- 5.1.3 the Access Letters User Guide;
- 5.1.4 Schedule 1 – Definitions and Interpretation;

- 5.1.5 Schedule 2 –Services;
- 5.1.6 Schedule 3 – Price Plan;
- 5.1.7 Schedule 4 – Access Indicum;
- 5.1.8 Schedule 5 – UCIDs;

**[List further optional schedules selected from:-**

- 5.1.9 Schedule 6 – [Advertising Mail] or [Not selected];
- 5.1.10 Schedule 7 – [Responsible Mail] or [Not selected];
- 5.1.11 Schedule 8 - Mixed Weight or [Not selected];
- 5.1.12 Schedule 9 – Tray Decanting or [Not selected];
- 5.1.13 Schedule 10 - Tray Loan or [Not selected];
- 5.1.14 Schedule 11 – York Exchange or [Not selected];
- 5.1.15 Schedule 12 – Tray Dollys Exchange - Discontinued;
- 5.1.16 Schedule 13 - York Hire or [Not selected];
- 5.1.17 Schedule 14 – ALPS Exchange or [Not selected];
- 5.1.18 Schedule 15 – Early Release or [Not selected];
- 5.1.19 Schedule 16 – Segregation by Format or [Not selected];
- 5.1.20 Schedule 17 – Agency Terms or [Not selected] ;
- 5.1.21 Schedule 18 – Acceptance by Vehicle or [Not selected];
- 5.1.22 Schedule 19 – Business Mail Large Letters or [Not selected];
- 5.1.23 Schedule 20 – Royal Mail Mailmark® [Not selected].

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

- 5.2.1 the Contract Details together with Schedule 1 – Definitions and Interpretation;
- 5.2.2 the General Access Terms and Conditions;
- 5.2.3 the Schedules (except for Schedule 1); and
- 5.2.4 the Access Letters User Guide.

If the wording of any of the documents when read together is (or appears to be) ambiguous or conflicting, then we will review the wording and clarify the position to you.

The User Guide expands on the terms of the Contract Details, General Access Terms and Conditions and Schedules. This expansion shall not be treated as an inconsistency between the Contract Details, General Access Terms and Conditions, the Schedules and/or the User Guide.

**EXECUTED** by the Parties

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

# 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

- 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.

### 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:
  - 3.1.1 do not break the Advertising Codes;
  - 3.1.2 do not contain any Prohibited Items;
  - 3.1.3 do not contain any Restricted Items unless those Mailing Items meet our requirements for Restricted Items;
  - 3.1.4 do not contain any Valuables;
  - 3.1.5 comply with all relevant requirements of this Contract, including any relevant requirements in the User Guide; and
  - 3.1.6 comply with all relevant laws and regulations.
- 3.2 You should make reasonable efforts to check the addressee name and delivery address of a relevant Mailing Item against the latest version of the Mailing Preference Service's Suppression File before you hand over the Mailing Item to us. You can get the Mailing Preference Service's Suppression File from the Mailing Preference Service, DMA House, 70 Margaret Street, London W1W 8SS.

### 4 Calculation and checking of Postage

- 4.1 You must ensure that Postage for each Daily Posting is calculated and declared by you in line with the relevant Price Plan and with the requirements of the User Guide. Your Posting Docket must contain complete and accurate information about that calculation and the Daily Posting to which it relates. Details of how to provide us with a Posting Docket are set out in the User Guide, and you must comply fully with the requirements of the User Guide.



4.2 You agree:

4.2.1 (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 Daily Posting; and

4.2.2 to co-operate with our reasonable requests for information about each Daily Posting and the Postage payable for each Daily Posting.

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

## **5 Health and safety and indemnities**

5.1 You must ensure that you and your employees, agents and contractors comply with:

5.1.1 our health and safety requirements whilst on our premises, as set out in our health and safety policies; and

5.1.2 our reasonable requests relating to health and safety; and

5.1.3 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.

5.2 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 clause 5.1.

5.3 If we want to claim under the indemnity under clause 5.2, we will:

5.3.1 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;

5.3.2 consult with you about:

(a) losses connected with or arising from that claim;

(b) the circumstances giving rise to the claim; and

(c) how any loss or claim may be restricted or mitigated or any potential claim prevented or restricted.

5.3.3 take all reasonable steps to restrict or mitigate those circumstances or losses, or to prevent or restrict any potential claim;

5.3.4 not admit liability, or reach agreement or compromise with any person, body or authority about the potential claim unless we have:

(a) first consulted with you about an admission, agreement or compromise; and

(b) 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

5.3.5 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.

## **6 Liability**

6.1 For the purposes of this clause 6, a reference to a Party includes its officers, employees or agents.

- 6.2 Nothing in this Contract limits or excludes the liability of a Party for:
- 6.2.1 death or personal injury caused by its negligence;
  - 6.2.2 fraud or fraudulent misrepresentation; or
  - 6.2.3 any liability which cannot be limited or excluded by applicable law.
- 6.3 You and we each acknowledge and agree that we do not keep detailed records of any Mailing Items.
- 6.4 Subject to clause 6.2 and paragraph 2 of Part A of Schedule 2, we are not liable to you, whether in contract, tort (including negligence) or otherwise, arising under or in connection with this Contract for any loss, damage or delay:
- 6.4.1 to any Mailing Item under this Contract;
  - 6.4.2 to any Mailing Item given to a carrier to whom you have authorised us to give it under the Letter of Responsibilities;
  - 6.4.3 arising from any delay in delivering any Mailing Item under this Contract;
  - 6.4.4 to any Mailing Item which is already damaged before it is handed over by you, or by any third party for which you post, to any Inward Mail Centre;
  - 6.4.5 to any Mailing Item if you have, or the owner of the Mailing Item has, been fraudulent or dishonest in any way in respect of that item; or
  - 6.4.6 where any person misrepresents their authority to receive the item on the intended recipient's behalf or your behalf.
- 6.5 Subject to clause 6.2 and paragraph 2 of Part A of Schedule 2, we are not liable to you, whether in contract, tort (including negligence) or otherwise, arising under or in connection with this Contract for:
- 6.5.1 loss of profit;
  - 6.5.2 loss of revenue;
  - 6.5.3 loss of contracts;
  - 6.5.4 loss of business;
  - 6.5.5 loss of anticipated savings;
  - 6.5.6 loss of or damage to goodwill;
  - 6.5.7 loss of data;
  - 6.5.8 any indirect or consequential loss.
- 6.6 Subject to clause 6.2 and clause 11 (Payment Terms), you are not liable to us, whether in contract, tort (including negligence) or otherwise, arising under or in connection with this Contract for any:
- 6.6.1 loss of profit;
  - 6.6.2 loss of revenue;
  - 6.6.3 loss of contracts;
  - 6.6.4 loss of business;

- 6.6.5 loss of anticipated savings;
- 6.6.6 loss of or damage to goodwill;
- 6.6.7 loss of data;
- 6.6.8 any indirect or consequential loss.

## **7 Disruptive Events**

- 7.1 We will tell you about a Disruptive Event as soon as we reasonably can and let you know what it is we are unable to do as a result of it.
- 7.2 Our obligations under this Contract will be suspended;
  - 7.2.1 to the extent that it is affected by the Disruptive Event; and
  - 7.2.2 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 because of a Disruptive Event we will:
  - 7.3.1 not be in breach of this Contract; and
  - 7.3.2 not be liable for any delay on our part or any inability to carry out any obligation under this Contract.

## **8 Terminating this Contract**

- 8.1 You may terminate this Contract at any time by giving us 28 days' written notice.
- 8.2 Either of us may terminate this Contract by giving written notice to the other (and the termination shall be effective immediately) if:
  - 8.2.1 the other Party commits any material or persistent breach of the terms and conditions of this Contract and:
    - (a) the breach cannot be remedied; or
    - (b) 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
  - 8.2.2 an Insolvency Event occurs.
- 8.3 We may terminate this Contract by giving you written notice (and the termination shall be effective immediately) if:
  - 8.3.1 (except for payments by direct debit):
    - (a) you fail to pay any Postage, Surcharges, Profile Surcharges or other charges due under this Contract within 30 days of the date of our invoice; and
    - (b) 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;
  - 8.3.2 your direct debit payment is debited and/or transferred by your bank and you do not make payment within seven days of us notifying you that that is the case;
  - 8.3.3 you use the Services in a way which breaks any law that applies;

- 8.3.4 you use the Services fraudulently or in connection with any criminal offence; or
- 8.3.5 you 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.
- 8.4 In addition to our rights to terminate contained above, we may terminate this Contract at any time by giving you not less than:
  - 8.4.1 28 days' written notice if you do not hand over any Mailing Items to us for a period of 190 consecutive days; or
  - 8.4.2 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 million Mailing Items to us, or (ii) 1 million Mailing Items to us if delivering to fewer than 4 Inward Mail Centres;
  - 8.4.3 12 months' written notice subject to:
    - (a) that notice describing which terms of this Contract we propose to change in the new Access terms we will offer you, and the new terms which we will offer in place of those current terms; and
    - (b) the complete new Access Contract being 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).
- 8.5 We shall discuss the proposed termination with you before we terminate your Contract for any reason.
- 8.6 You may apply to the Regulator if you consider that we are not acting fairly and reasonably in terminating your Contract.
- 8.7 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 8.4 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.

- 8.8 Termination of this Contract by either of us (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.

## **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. However this does not apply where:
  - 9.1.1 the disclosed information was known to the Party receiving the information before the information was disclosed to it by the other Party; or
  - 9.1.2 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:
- 9.2.1 to your or our Affiliate(s);
  - 9.2.2 to the extent required by any securities exchange or regulatory or governmental body the requirements of which are relevant to either of us (wherever situated and including the London Stock Exchange Limited and The Panel on Takeovers and Mergers). It shall not matter whether or not the requirement for information has the force of law;
  - 9.2.3 to the extent required by the Act or any regulatory requirement or any other law that applies or any written request of any taxation authority or as required by any undertaking given to the Regulator;
  - 9.2.4 to the extent necessary for any judicial proceedings or for any adjudication, arbitration or mediation under clause 12;
  - 9.2.5 to its professional advisers, auditors and bankers as necessary, provided they are required to maintain the confidentiality of the information;
  - 9.2.6 to its contractors (including franchisees and owner-drivers) provided that:
    - (a) you only disclose to them the parts of this Contract or Confidential Information that they need to know to perform their services on your behalf under the terms of this Contract; and
    - (b) you require them to maintain the confidentiality of the information; and
  - 9.2.7 to the extent that the information has become available to the public (except where the information became available through a breach of confidentiality).

In the case of clauses 9.2.2, 9.2.3 and 9.2.4 the disclosing Party must first notify the other Party of an intention to disclose information, unless the law prohibits this.

- 9.3 If this Contract is terminated or ends, you and we shall:
- 9.3.1 return to each other all documents and materials (including copies) containing, reflecting, incorporating or based on the other's Confidential Information;
  - 9.3.2 erase all of the other's Confidential Information from our and your computer systems (to the extent reasonably possible); and
  - 9.3.3 notify each other in writing confirming that you and we have complied with this clause 9.3.

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 terms of this clause 9 shall continue to apply to that kept information.

- 9.4 Each of us shall only use the other's Confidential Information to perform obligations under this Contract.
- 9.5 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:
- 10.1.1 for all notices to be served on or given to either Party under clauses 8 and/or 13 (except clause 13.3), 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;

- 10.1.2 (subject to clause 10.1.1) only for matters to be notified under clause 13.3, Schedule 2 or the User Guide, given by telephone, email or fax to the Operational Contact; and
  - 10.1.3 (subject to clauses 10.1.1 and 10.1.2) for all other matters relating to this Contract, given in writing and sent by a form of delivery in which delivery must be signed for and recorded by the deliverer or by fax to the Commercial Contact.
- 10.2 A notice is classed as having been given:
- 10.2.1 if sent by recorded delivery, at the time of delivery;
  - 10.2.2 if sent by fax or 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 Notices sent by fax or email and for which the sender has received an automatic report or reply that the fax or email was not successful or was undeliverable are classed as not having been sent.

## **11 Payment Terms**

- 11.1 Payment for the Services should be made in line with the terms set out in this Contract (including this clause 11 and the User Guide).
- 11.2 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:
  - 11.2.1 we shall make any adjustment due immediately upon the dispute being resolved;
  - 11.2.2 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.
- 11.3 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.
- 11.4 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.
- 11.5 We will make available to you weekly invoices. The invoices will show the total charges you owe for the Services during the previous seven days. You shall pay all invoices in full within 30 days of the date of the invoice. An invoice is deemed to be received on the next Working Day after the day of posting.
- 11.6 All Postage, Surcharges, Profile Surcharges or other charges are expressed as exclusive of VAT. You shall pay any VAT payable on Postage, Surcharges and other charges due under this Contract.
- 11.7 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:

- 11.7.1 (provided we have given you seven 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;
- 11.7.2 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;
- 11.7.3 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

- 11.7.4 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 If there is a dispute about 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.
- 12.2 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 12.1 (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.
- 12.3 If:
- 12.3.1 neither the Operational Contacts nor the Commercial Contacts have reached agreement to resolve the dispute in accordance with clauses 12.1 and 12.2; and
  - 12.3.2 the dispute relates to charges which we have made or propose to make as a result of your failure to comply with the User Guide; and
  - 12.3.3 those charges are more than £20,000 but less than £125,000; and
  - 12.3.4 (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 (2002 edition) shall apply to the adjudication.
- 12.4 If the dispute is not resolved in accordance with one of the procedures previously referred to in this clause 12:
- 12.4.1 either of us may (but do not have to) refer the dispute to arbitration and the Chartered Institute of Arbitrators Arbitration Rules (2000 edition) will apply to that arbitration;
  - 12.4.2 provided we give our written consent, we and you may try to resolve the dispute by mediation and the CEDR Model Mediation Procedure (12th edition) shall apply to any mediation.
- 12.5 Nothing in this Contract (including the other terms of this clause 12) affects what is said in clause 18.5 (*Law and jurisdiction*), or shall stop 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:

13.2.1 on giving you at least 190 days' written notice:

- (a) *Any change*: to make any change to this Contract not otherwise provided for in this clause 13 but for the avoidance of doubt this clause 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 8.4.3;
- (b) *Pricing Structure Change*: to make any change to the Pricing Structure affecting any calculation or measurement of the Access Charges; or
- (c) *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
- (d) *Access Service*: to withdraw an Access Service.

13.2.2 *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;

13.2.3 *Access Charges and Permitted Variances*: on giving you at least 70 days' written notice, to increase any Access Charge or change any Permitted Variance provided that we may not make more than:

- (a) two increases to Postage for each Access Service;
- (b) two increases to any Profile Surcharge or Surcharge; and
- (c) two changes to Permitted Variances

in any Financial Year;

13.2.4 *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.

13.2.5 *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 13.2.3 and, accordingly, any such incentive products and promotions will not count towards the number of changes permitted under clause 13.2.3.

13.3 We may change the User Guide without your consent:

13.3.1 where a change which affects all Inward Mail Centres is needed because of:

- (a) 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
- (b) other structural changes that we will implement.



We will give you at least 190 days' written notice of the likely impact of the changes on the User Guide and at least 90 days' notice of the actual changes to the User Guide (consistent with our 190 days' notice).

After our 190 day notice, we shall:

- (a) discuss with you fully through the monthly review meetings mentioned in clause 13.7; and
- (b) keep you fully informed of the progress on the planned changes and the likely impact on the User Guide;

13.3.2 where the change is needed because of network changes (including local latest acceptance times and local routings) or other structural or procedural changes to be implemented by us affecting a particular Inward Mail Centre, in which case we shall give you at least 70 days' written notice of the change; and

13.3.3 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 Prior to serving notice in line with clause 13.2.1(a), we shall consult with you if we reasonably believe the proposed change may have a material impact on access customers. We will ensure that the consultation process provides for a period of at least 6 weeks between the publication of our proposals and the date on which the consultation closes and provides for a period of at least 6 weeks between the date on which the consultation closes and the date on which the notice is served.

13.5 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 13.2.2 in respect of changes directed or determined or otherwise required by the Regulator.

13.6 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, and we shall consult with you on any change to any part of this Contract, including the User Guide, 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 13.2.2, 13.2.3 or 13.2.4.

13.7 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.

13.8 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 Neither of us may assign the benefit of this Contract.

14.2 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:

14.2.1 you ensure that they comply with the terms of this Contract (in so far as it applies to them); and

14.2.2 you remain responsible for meeting your obligations under this Contract.

#### **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 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 subject to clause 15.2.

15.2 Subject to clause 16, we now grant you a royalty free non-exclusive, non-transferable licence of the Intellectual Property Rights that we own (solely or jointly with you), solely to the extent that you need it to be able to properly perform your obligations and exercise your rights under this Contract.

15.3 You now grant us a royalty free non-exclusive, non-transferable licence of the Intellectual Property Rights that you own (solely or jointly with us), solely to the extent we need it to be able to properly perform the Services 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 Indicum and Royal Mail Access Indicator Licence**

16.1 We are willing to grant you a non-exclusive licence to use the Royal Mail Access Indicator as set out in Schedule 4 of this Contract, as updated from time to time, until termination of the permission strictly in accordance with the terms of this Contract.

16.2 You may only use a Royal Mail Access Indicator if you:

16.2.1 reproduce the Royal Mail Access Indicator in the form as set out in the User Guide;

16.2.2 have first been assigned an Access Licence Number by us;

- 16.2.3 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;
- 16.2.4 ensure that any Royal Mail Access Indicator or Customer Access Indicator used does not contain any date reference;
- 16.2.5 have an active and fully paid up Credit Account operating under this Contract;
- 16.2.6 have approval to use our electronic docketing system to declare your Daily Postings; and
- 16.2.7 inform us immediately if your contact details change.
- 16.3 You shall only use the Royal Mail Access Indicator on Mailing Items to be delivered under the terms of this Contract.
- 16.4 A Royal Mail Access Indicator endorsed with your assigned Access Licence Number indicates that Postage is payable to us by you. Under no circumstances may you use a Royal Mail Access Indicator without submitting to us a correctly completed approved Posting Docket and paying the correct Postage to us.
- 16.5 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.
- 16.6 All Mailing Items must carry:
  - 16.6.1 the Royal Mail Access Indicator endorsed with your assigned Access Licence Number in the top right hand corner of any Mailing Item in line with the specifications in Schedule 4 and the User Guide; and
  - 16.6.2 an Approved Indicum comprising the Royal Mail Access Indicator and (if required) the Customer Access Indicator in line with the specifications in Schedule 4 and the User Guide.
- 16.7 If these terms are terminated in accordance with this Contract for any reason and subject to any express terms set out elsewhere in this Contract you will:
  - 16.7.1 immediately stop using the Royal Mail Access Indicator on your Letters and Large Letters;
  - 16.7.2 stop supplying, distributing and printing any stationery incorporating the Royal Mail Access Indicator for your Letters and Large Letters;
  - 16.7.3 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.
- 16.8 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.
- 16.9 The rights granted under these terms are personal to you and you may not assign or license any of the rights granted under these terms without our written consent. Without affecting the terms of clause 18.6 (*Rights of third parties*), nothing in this Contract confers on any third party any benefit nor the right to enforce any clause of these terms.
- 16.10 We shall indemnify you against any liabilities, costs, expense, 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 16.10 and clause 16.11 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 trade mark rights, copyright or other Intellectual Property Rights of any third party - provided that you:

- 16.10.1 give us prompt notice (including full details in writing) of any claim that you receive;
  - 16.10.2 give us control and conduct of all negotiations and litigation arising from the claim;
  - 16.10.3 make no admission and do not do anything to prejudice the defence of the claim; and
  - 16.10.4 give us any assistance (at our expense) as we reasonably need in defending the claim.
- 16.11 You shall indemnify us against any liabilities, costs, expense, 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 trade mark rights, copyright or other Intellectual Property Rights of any third party - provided that we:
- 16.11.1 give you prompt written notice of any claim that we receive;
  - 16.11.2 give you control and conduct of all negotiations and litigation arising from the claim;
  - 16.11.3 make no admission and do not do anything to prejudice the defence of the claim; and
  - 16.11.4 give you any assistance (at your expense) as we reasonably need in defending the claim.

## **17 Euro**

- 17.1 If Sterling is replaced by the Euro, then the Sterling amounts in this Contract shall be converted into Euro amounts. The exchange rate for conversion shall be the rate set by the regulation or directive that implements the currency change.

## **18 General**

- 18.1 *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.
- 18.2 *Scam Mail:*
- 18.2.1 You must not send items that contain scam mail or any other similar material, including but not limited to items or mail sent in furtherance of a fraudulent or criminal act, or which in our reasonable opinion is intended to deceive the recipient into parting with money or other assets. For the avoidance of doubt, failure to comply with this Clause 18.2.1 shall not constitute a breach resulting in termination of this agreement.
  - 18.2.2 For the avoidance of doubt and notwithstanding anything else herein, if we have a reasonable suspicion that an item contains material that we consider to be scam mail or any other similar material, we may open that item, delay processing, refuse delivery and/or return the items to you, at your expense.
  - 18.2.3 In addition to our rights set out in paragraph 18.2.2 above, we may also inform third parties of our concerns in relation to the items you have sent, including the identity of the apparent sender and what action we have taken.
- 18.3 *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:

- 18.3.1 constitute a waiver of that term or right; or
- 18.3.2 affect that Party's right to enforce or exercise that term or right later.
- 18.4 *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.
- 18.5 *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.
- 18.6 *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.
- 18.7 *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.
- 18.8 *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.

## **SCHEDULE 1**

### **Definitions and Interpretation**

#### **EXPLANATION OF WORDS AND PHRASES USED IN THIS CONTRACT**

Please note that

- words and phrases used only in the Price Plans in Schedule 3 are set out in a separate section of the table below, to make it easier for you to find those definitions when you are looking specifically at those Price Plans;
- words and phrases used only in the Access Letters User Guide are set out in a separate section of the table below, to make it easier for you to find those definitions when you are looking specifically at the Access Letters User Guide, and to make it easier to read the Access Letters User Guide in isolation a copy of the User Guide definitions section of this Schedule 1 is also appended to it;
- words and phrases used only in Schedule 17: Agency Terms are set out in a separate section of the table below, to make it easier for you to find those definitions when you are looking specifically at Schedule 17.

<b>Access Charge</b>	the charges we may make under this Contract including Postage, Surcharges and Profile Surcharges;
<b>Access Condition</b>	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>	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 Licence Number</b>	the number unique to you which we assign you as an access customer and which must be displayed on the Royal Mail Access Indicator;
<b>Access Service</b>	a Service provided by us under this Contract;
<b>Access Slot</b>	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 the Contract Details;
<b>Access Window</b>	the hours between 07.30am and 12 noon on any Working Day;
<b>Act</b>	the Postal Services Act 2011;
<b>Advertising Codes</b>	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>Affiliate</b>	(in relation to any company) 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 Posting</b>	the total amount of Mailing Items you receive from an Agency Customer and handed over to us on any single Working Day to deliver to the relevant address;
<b>ALPS</b>	an auto level packet sleeve as more fully described in Schedule 14 - ALPS Exchange;
<b>Approved Indicium</b>	the Royal Mail Access Indicator and your Customer Access Indicator on a Mailing Item complying with the specification set out in the User Guide and which has been tested by us to our satisfaction and which has been approved by us in writing;
<b>CBC (Customer Barcode)</b>	a printed barcode capable of being read by our automated mail sortation machinery printed on a Mailing Item;
<b>Christmas and New Year Period</b>	<p>the period starting on the first Monday in December in any year and ending:</p> <p>(a) (in England and Wales) at the start of the first Working Day after the immediately following New Year public holiday; or</p> <p>(b) (in Scotland) at the start of the first Working Day after the immediately following Scottish New Year public holiday;</p>
<b>Client Report</b>	the client report generated by us in accordance with the User Guide as varied from time to time;
<b>Commercial Contact</b>	has the meaning set out in clause 4 of the Contract Details;
<b>Confidential Information</b>	<p>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:</p> <p>(a) before or after the date of this Contract; and</p> <p>(b) relating to the subject matter of this Contract.</p> <p>The disclosure may be in writing, orally or by any other means, directly or indirectly;</p>
<b>Consolidated Posting</b>	the total number of Mailing Items which you hand over on any single Working Day to us to convey and deliver and which has not been identified by you as a UCID Posting;
<b>Container</b>	a Royal Mail bag, tray, ALPS or any other primary container type approved by us from time to time;
<b>Contract Details</b>	the part of this Contract entitled "Contract Details" signed by you and us;
<b>Contract Year</b>	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>	the credit account operated in line with clause 11;

<b>Customer Access Indicator</b>	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. These marks, impressions and devices are initially as set out in Schedule 4 (subject to operational testing) but may be changed by agreement between you and us (acting reasonably);
<b>Customer Entity</b>	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>Daily Posting</b>	the total amount of Mailing Items handed over by you on any single Working Day to us to deliver under this Contract;
<b>Delivery Point</b>	a postal address (business or residential) to which we deliver Mailing Items;
<b>Disruptive Events</b>	any cause beyond our reasonable control (including industrial disputes);
<b>Early Release Schedule</b>	the terms of Schedule 15 - Early Release;
<b>Financial Year</b>	1 April to 31 March;
<b>Forecast</b>	what you tell us about your planned future Postings under paragraph 12 of Schedule 2 and the User Guide;
<b>Format</b>	the format of a Mailing Item, i.e. whether it is a Letter or a Large Letter;
<b>General Access Terms and Conditions</b>	the part of this Contract entitled "General Access Terms and Conditions";
<b>Indicium</b>	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>Holding Company</b>	has the meaning set out in Section 1159 of the Companies Act 2006;
<b>Indicium</b>	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>Insolvency Event</b>	<p>any of the following events (or any event analogous to any of the following in a jurisdiction other than England and Wales):</p> <p>(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; or</p> <p>(b) in your case:</p> <ol 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</li> </ol>



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);

- 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;
- iv. if you have made any composition with your creditors generally;
- v. a creditor or encumbrancer of yours attacks or takes possession of the whole or any part of your assets;
- 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

(c) if the other Party:

- i. suspends, or threatens to suspend, payment of its debts;
- ii. is unable to pay its debts as they fall due;
- iii. admits inability to pay its debts; or
- iv. is deemed unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986; or
- v. suspends or ceases to carry on all or a substantial part of its business;

**Intellectual Property Rights**

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;

**Inward Mail Centre**

one of our inward mail centres as detailed on our Website;

**Key National Posting (KNP)**

a posting of exceptional size, volume, shape or geographical bias which requires specific planning to enable the Service Standard to be met;

**Large Letter**

a Mailing Item the dimensions of which meet the specifications for a large letter as set out in the User Guide;

<b>Letter</b>	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>	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>Machinable Item</b>	a Mailing Item that you hand over to us that complies with the requirements of the User Guide for machine processing;
<b>Mailing Item</b>	a Letter or Large Letter;
<b>Manifest</b>	a declaration by you giving details of a Posting, in line with the User Guide;
<b>Manual Item</b>	a Mailing Item that you hand over to us that does not comply with the requirements of the User Guide for machine processing;
<b>Operational Contact</b>	has the meaning set out in clause 4 of the Contract Details;
<b>Operator</b>	a customer permitted by us to hand over Mailing Items on behalf of Originating Customers;
<b>Originating Customer</b>	a posting customer (including an Agency Customer) for whom an Operator hands over Mailing Items to us;
<b>Parties</b>	you and us, and the word <b>Party</b> will be interpreted accordingly;
<b>Postage</b>	the amount payable by you to us for Mailing Items handed over in a Daily Posting;
<b>Postal Operator</b>	a postal operator, as defined in the Act;
<b>Postcode</b>	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>	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>	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>	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>	the certificate containing details of Postings (which we need to calculate the Postage), described in the User Guide;
<b>Posting Entity</b>	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>Pre-existing Access Contract</b>	any Condition 9 Access Agreement you had with us prior to entering into this Contract;
<b>Presentation Specifications</b>	the requirements set out in the User Guide as to how a Mailing Item must be sorted, segregated, presented and handed over to us including meeting the service specifications;
<b>Price Plan</b>	a Price Plan which is made available by us as set out in Schedule 3;
<b>Pricing Structure</b>	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>Prohibited Items</b>	has the meaning set out in the User Guide;
<b>Region</b>	Means one of: (a) England and Wales; (b) Scotland; or (c) Northern Ireland;
<b>Regulator</b>	Ofcom, or any successor body that is appointed to fulfil its functions;
<b>Regulatory Body</b>	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>	the conditions which the Regulator imposes on persons providing postal services under Part 3 of the Postal Services Act 2011, as amended;
<b>Restricted Items</b>	has the meaning set out in the User Guide;
<b>Royal Mail Access Indicator</b>	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 initially as set out in Schedule 4 but may be changed by us (acting reasonably) in line with clause 13.2.1;
<b>Royal Mail Group</b>	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>	the volume of Mailing Items delivered by Royal Mail for each SSC in the Baseline Year expressed as a percentage of total volumes delivered by Royal Mail for all SSCs in the Baseline Year;
<b>Security Checks</b>	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>Services</b>	the services set out in Part A of Schedule 2 and in Figure 1 of the User Guide, 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 Part A of Schedule 2;
<b>Service Standard Period</b>	(during the first year of this Contract) the period from the Access Start Date until 31 March and (in each subsequent

	year) the period of 12 months ending on 31 March in each case excluding the Christmas and New Year Period;
<b>Statement of Process</b>	a document on our Website which you may use to request a change to this Contract;
<b>Subsidiary Company</b>	has the meaning set out in Section 1159 of the Companies Act 2006;
<b>Surcharge</b>	(in respect of a Mailing Item) an amount charged to cover our reasonably incurred costs in remedying any non-compliance of that Mailing Item with the requirements of the Contract;
<b>Tolerance</b>	has the meaning set out in Part C of Schedule 2;
<b>UCID</b>	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 Schedule 2 and the User Guide;
<b>UCID Posting</b>	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>Under Volume Container</b>	a Container which is not filled with the minimum items by you in line with the requirements set out in the User Guide;
<b>User Guide</b>	the document entitled Access Letters User Guide for Inward Mail Centres which is published by us, as may be changed under clause 13;
<b>Valuables</b>	has the meaning set out in the User Guide as amended from time to time;
<b>Website</b>	<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;
<b>Working Day</b>	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>	our caged trolley(s) used to move or transport bags of Mailing Items;
<b>Zones</b>	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 and as may be amended from time to time in accordance with clause 13.2.1 of the General Access Terms and Condition.

#### **Terms used in Schedule 3 - Price Plans**

<b>Abbreviated Financial Year</b>	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;
<b>Actual Posting Profile</b>	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>	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>	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>Allowed Amount</b>	<b>Customer</b>	<b>Invoiced</b>	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 Annex A of Averaged Price Plan Two (Zones);
<b>Attributable Volumes</b>	has the meaning given in paragraph 5.1 of National Price Plan One (SSCs);		
<b>Averaged Price Plan Two (Zones)</b>	the price plan set out in Option B of Schedule 3;		
<b>Baseline Year</b>	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 13.2.1;		
<b>Benchmark</b>	the National Spread Benchmark and the Urban Density Benchmark;		
<b>Failed SSC</b>	has the meaning given in paragraph 4.2 of National Pricing Plan One (SSCs);		
<b>Implied Amount</b>	<b>Customer</b>	<b>Invoiced</b>	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>	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>National Price Plan One (SSCs)</b>	The price plan set out in Option A of Schedule 3;		
<b>National Profile Areas</b>	the two national profile areas of the United Kingdom which are (a) England and Wales and (b) Scotland and Northern Ireland;		
<b>National Spread Benchmark</b>	our geographic profile as measured by the combined volumes of Retail bulk Mailing Items and Access Mailing Items for each SSC in the Baseline Year expressed as a percentage of total volumes for Retail bulk Mailing Items and Access Mailing Items for all SSCs in the Baseline Year;		
<b>National Spread Surcharge</b>	the surcharges for failure to meet the National Spread Benchmark calculated as set out in paragraph 5 of National Price Plan One (SSCs) in Schedule 3;		
<b>National Spread Surcharge Rate</b>	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>Permitted Variance</b>	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 13.2.3;
<b>Profile Commitment</b>	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>Profile Surcharges</b>	Surcharges 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>Quarter</b>	each three-month period starting on the first day of April, July, October, and January in each Financial Year;
<b>Ratio Threshold</b>	the level at which the SSC Ratio is accepted by us to be meeting the National Spread Benchmark, as published on our Website;
<b>Regional Price Plan (Zones)</b>	the price plan set out in Option D of Schedule 3;
<b>Regional Zonal Calculator</b>	the calculator described in Annex A to the Regional Price Plan (Zones) for your use in the calculation of Profile Surcharges under that Price Plan and which is available on our Website;
<b>Royal Mail Zonal Posting Profile</b>	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 each year on our Website, and as amended from time to time in accordance with clause 13.2.4 of the General Access Terms and Conditions;
<b>Royal Mail Zonal Posting Profile Adjusted for Permitted Variance</b>	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>	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>SSC</b>	our three digit Standard Selection Code;
<b>SSC Ratio</b>	has the meaning given in paragraph 4.1 of National Price Plan One (SSCs) in Schedule 3;
<b>SSC Permitted Variance Number</b>	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;

**Urban Density Benchmark**

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 Baseline 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 the Baseline Year;

**Urban Density Surcharge Rate**

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);

**Urban SSC Percentage**

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;

**Urban Permitted Variance**

as published on our Website and as applied to National Price Plan One (SSCs);

**Urban Volume**

the volume of your Mailing Items delivered in a Contract year to those Postcode Sectors that we classify as having a high density of delivery points and/or businesses as published on our Website;

**Weighted Average Price Variance Percentage**

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) ;

**Zonal Calculator**

the calculator described in Annex A to Averaged Price Plan Two (Zones) for your use in the calculation of Surcharges under that Price Plan and which is available on our Website;

**Zonal Charges**

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;

**Zonal Price Plan**

the price plan set out in Option C of Schedule 3;

**Zone Z Surcharge Rate**

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).

**Terms used in the Access Letters User Guide**

**These words and phrases are used in the Access Letters User Guide. The meanings are set out here for your ease of reference but for the purpose of clause 13 (*Changes*) of the General Access Terms and Conditions these terms form part of the User Guide and may be changed accordingly.**

**Access Selection Files**

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

	Appendix C to the User Guide;
<b>Customer</b>	a holder of this Contract;
<b>Delivery Address</b>	the address to which a Mailing Item is to be delivered and which must consist of an addressee and a geographic address in the United Kingdom, Jersey, Guernsey or the Isle of Man displayed on the Mailing Item;
<b>Discrete Customer Posting</b>	a Daily Posting specific to a Customer's (or Large Agency Customer's) individual Price Plan(s) posted under this Contract;
<b>DSACC</b>	Downstream Access Central Control is our central team who manage the day to day issues and communication of all operational issues relating to this Contract;
<b>Exceptions</b>	variance to the Posting Docket of Mailing Items handed over by you on Handover Day;
<b>Handover Day</b>	the Working Day on which a Daily Posting is handed over at the Inward Mail Centres;
<b>Mixed Weight</b>	an optional form of presentation of Mailing Items which allows you to mix different weight bands of the same format in the same Container in line with the Mixed Weight Schedule;
<b>National Option</b>	National Price Plan One (SSCs) or National Price Plan Two (Zones) as applicable to your Contract;
<b>OCR</b>	Optical Character Recognition;
<b>Revenue Protection</b>	our process of sampling and checking of your Mailing Items on hand over to us;
<b>Standard Selection Code</b>	the unique numeric code that identifies the selections as used in the Access Selection Files;
<b>Summary Manifest</b>	is a physical paper summary of the total number of containers by Container type handed over at an Inward Mail Centre;
<b>Zonal Indicator</b>	the indicator of the Zone to which a Mailing Item is to be delivered under the Zonal Price Plan;
<b>Zonal Option</b>	the Zonal Price Plan as applicable to your Contract;
<b>Zonal Posting</b>	a Posting under the Zonal Price Plan;

#### Terms used in Schedule 17 Agency Terms

<b>Agency Access Start Date</b>	has the meaning set out in each Agency Customer Agreement;
<b>Agency Customer</b>	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>	an agreement between an Agency Customer and us, in the form set out in Annex B of Schedule 17;



<b>Agency Customer Contract Year</b>	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>Large Agency Customer</b>	a company or organisation named in Annex A of Schedule 17;
<b>Pre-existing Agency Customer</b>	if relevant, has the meaning set out in paragraph 3.1 of Schedule 17;

## **INTERPRETATION**

- 1 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.
- 2 A reference to a paragraph is a reference to the relevant paragraph of the Schedule in which it appears.
- 3 Headings and sub-headings are included for reference only and shall not affect how this Contract is interpreted.
- 4 Use of the singular includes the plural and vice versa.
- 5 Use of any gender includes the other genders.
- 6 Where a word or expression is defined, related words and expressions shall be construed accordingly.
- 7 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.
- 8 A reference to a Party to this Contract (including the words you, we and us) includes that Party's successors and permitted assigns.
- 9 A reference to any statute or statutory provision shall be interpreted as including any amendments, modifications or re-enactments to that statute or provision.
- 10 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).
- 11 A reference to a day (including in the phrase Working Day) means a period of 24 hours running from midnight to midnight.

## **SCHEDULE 2**

### **The Services**

#### **Part A**

#### **Our Services and our Service Standard**

#### **1 The Services**

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

1.1.1 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;

1.1.2 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:

(a) 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

(b) 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 13.2.1 of the General Access Terms and Conditions, and Mailing Items for the relevant territory will no longer be accepted under this Contract;

1.1.3 provide you with bags, bag ties, labels and the other property which the User Guide states that we will provide for you, provided that you keep any such property in safe custody and reasonably good condition and that you return any such property to us when reasonably requested or on termination of this Contract;

1.1.4 use reasonable efforts to meet the Service Standard set out in paragraph 2 of this Schedule; and

1.1.5 publish how we have performed against the Service Standard on the Website.

#### **2 The Service Standard**

2.1 Subject to you complying with the terms of this Contract, the Service Standard is that we shall deliver or attempt to deliver to the relevant addresses in the United Kingdom of 95 per cent of the total number of Mailing Items with a correct delivery address in the United Kingdom handed over by you to us on the next Working Day immediately following the Working Day on which such hand over occurred or is deemed to have occurred provided that:

2.1.1 the Service Standard does not apply where Mailing Items handed over by you to us are not accepted by us in line with this Contract; and

2.1.2 the 95 per cent figure shall be the average percentage over the Service Standard Period; and

2.1.3 the total number of Mailing Items referred to in the Service Standard shall not include Mailing Items:

(a) the delivery of which is affected by a Disruptive Event;

- (b) accepted by us in line with paragraph 5.1 of Part B of this Schedule;
  - (c) that have been lost (including Mailing Items which have not been delivered within 15 Working Days of the date on which it we accepted from you in line with this Contract);
  - (d) delayed as a result of carrying out Security Checks; and/or
  - (e) with a delivery address outside the United Kingdom.
- 2.2 Each year we will publish on our website how we have performed against the Service Standard. Subject to paragraph 2.6, we must pay you a Performance Rebate Amount in respect of each Service Standard Period based on our performance in that period compared to a Compensation Target of 90 per cent. We will periodically review the Compensation Target to take in to account the performance of similar next day Royal Mail delivery services for letters.
- 2.3 The **Performance Rebate Amount** will be calculated in accordance with the following formula:  

$$\text{PRA} = \text{AP} * \text{P}$$

where:

**PRA** is the Performance Rebate Amount.

**AP** is the aggregate Postage liable to be paid by you to us in the relevant Service Standard Period adjusted in accordance with clause 11.2 (*disputed invoices*) and excluding any expenditure on Mailings Items that did not comply with the terms of this Contract.

**P** is:

  - (a) 0, if the performance of the "Royal Mail Wholesale" business meets the Compensation Target; or
  - (b) 0.1 per cent, for each 0.1 per cent failure that is below the Compensation Target, up to a maximum of 4 per cent for any Service Standard Period.
- 2.4 Any Performance Rebate Amount payable to you must be paid within one month of the announcement made under paragraph 2.2.
- 2.5 Payment of the Performance Rebate Amount under paragraph 2.4 shall be made:
  - 2.5.1 by way of credit against future Postage; or
  - 2.5.2 by cheque, if you have terminated your Contract within a Service Standard Period in which a Performance Rebate is awarded.
- 2.6 We are not obligated to pay the Performance Rebate Amount for any Service Standard Period where:
  - 2.6.1 you have not provided reasonable proof that you have suffered loss as a result of our failure to meet our Compensation Target;
  - 2.6.2 you have not complied with your credit limits under clause 11.4 without reasonable excuse;
  - 2.6.3 you have paid less than 80 per cent of your invoices within three Working Days after the due date for payment;
  - 2.6.4 the total Performance Rebate Amount due to you is less than £20.

## **Part B**

### **Compliance with the Services**

#### **3 Sampling and checking your Postings**

- 3.1 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.
- 3.2 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). 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 section 15 of the User Guide.
- 3.3 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 or the User Guide:
  - 3.3.1 we will notify your Operational Contact and give you a reasonable opportunity to inspect the sampled Mailing Items as soon as reasonably practicable after identifying the error (but no later than within 24 hours after notification); and
  - 3.3.2 if after inspection by you (or the expiry of the 24 hour period) we are still satisfied that there has been an error, we may act as set out in paragraphs 4 to 8 below and as set out in section 15 of the User Guide.

#### **4 Reverting your Mailing Items to the correct Postage**

- 4.1 If we find that you have declared the Postage on any Mailing Items incorrectly, including mis-declaring the Service, we shall amend the Posting Docket(s) to charge you the correct Postage, notify you of these amendments, and accept the relevant Mailing Items on the basis of the amended Posting Docket(s).

#### **5 Non-compliances for which we may raise a surcharge**

- 5.1 If you do not comply with the Presentation Specifications when you hand over Mailing Items to us then:
  - 5.1.1 if we both agree that it is reasonably practicable for us to rectify your non-compliance, we shall rectify the non-compliance as soon as reasonably practicable and accept the relevant Mailing Items as rectified provided that:
    - (a) the relevant Mailing Items shall not form part of the Service Standard measurement under paragraph 2 of this Schedule; and
    - (b) you pay a Surcharge in line with the User Guide;provided that if you have opted to include an Early Release Schedule in this Contract we may, as set out in that Schedule, rectify the non-compliance and levy the Surcharge without your consent; or
  - 5.1.2 if we do not agree that it is reasonably practicable for us to rectify the non-compliance or if you do not agree to pay the Surcharge, we may reject the relevant Mailing Items (until they are rectified other than by us) and the relevant Mailing Items shall not form part of the Service Standard measurement under Part A of this Schedule 2.
- 5.2 If you hand over a Posting to us which exceeds or falls short of your Forecast (by Format and by Machinable Items and Manual Items) for that Posting by more than 1,000 Mailing Items or 15 per cent of your Forecast number of Mailing Items (by Format and by Machinable Items and Manual Items) for that Posting (whichever is the greater), or you fail to arrive at the Inward Mail Centre

on the Forecast day, we may reject a number of Mailing Items equal to the excess over your Tolerance of the Forecast number or we may levy a Surcharge in line with the User Guide.

## **6 Non-compliances we may reject**

### **6.1 We may reject:**

#### **6.1.1 any Container that contains any Mailing Item that:**

- (a) bears a Royal Mail postage stamp or other Royal Mail mark, impression or device (other than the Royal Mail Access Indicator) and is handed over at an Inward Mail Centre;
- (b) does not bear the Royal Mail Access Indicator in line with Schedule 4;
- (c) is damaged before hand over by you to us;
- (d) contravenes the User Guide's lists of Prohibited Items, Restricted Items or Valuables;
- (e) is not sorted in line with the User Guide;
- (f) is not addressed in line with the User Guide; or
- (g) is not presented in Containers in line with the User Guide; or

#### **6.1.2 any Container that:**

- (a) is not filled in line with the User Guide; or
- (b) is delivered to an Inward Mail Centre but is labelled for delivery to Postcode Sectors not served by that Inward Mail Centre;

#### **6.1.3 any UCID Posting or Daily Posting that comprises fewer than four thousand Mailing Items.**

## **7 Action we may take in respect of rejected Mailing Items**

### **7.1 If we reject any Container of Mailing Items we will notify you and:**

- 7.1.1 make the relevant Mailing Items available for your collection, for which we may charge you reasonable handling charges;
- 7.1.2 if you have not collected the relevant Mailing Items on the Working Day following the Working Day you receive our notice under this paragraph 7.1 we may charge you reasonable storage charges; and
- 7.1.3 if you have not collected the relevant Mailing Items within 5 Working Days of such notification, we may destroy those Mailing Items and charge you a reasonable amount for doing so.

## **8 Using UCIDs**

### **8.1 If you choose to identify Mailing Items that have been prepared and sorted discretely from other Mailing Items by use of UCIDs you must first submit your proposed numbering methodology for your UCIDs to us for our approval. Your numbering methodology for UCIDs must relate to separate Originating Customers, Customer Entities or Posting Entities and we are looking for consistency of use of each UCID number each time the same Originating Customer, Customer Entity or Posting Entity sends Mailing Items with you for hand over to us. We will withdraw the right for you to use UCIDs if your use is not consistent.**

- 8.2 Each Container forming part of a UCID Posting must be clearly identified with the correct UCID and if reasonably required by us must at hand over be clearly segregated from other Containers in a Daily Posting which do not form part of that UCID Posting.
- 8.3 If you have correctly applied your approved numbering methodology and we can easily identify Mailing Items in a Daily 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 paragraphs 3 to 8 of this Schedule and section 15 of the User Guide to those Mailing Items of the same UCID in the Daily Posting.
- 8.4 Each Container in a Daily Posting which is not clearly identified with the correct UCID and/or which is not clearly segregated from other Containers in your Daily Posting which do not form part of the same UCID Posting where we have reasonably required you to segregate in that way will be classed as part of a Consolidated Posting.

## **Part C**

### **Access to our Inward Mail Centres**

#### **9 Hand over and presentation**

- 9.1 Provided that you comply with the terms of this Contract, you may hand over Mailing Items to an Inward Mail Centre that bear Postcodes served by that particular Inward Mail Centre from the Access Start Date.
- 9.2 You may only hand over Mailing Items which are marked with the Royal Mail Access Indicator in line with Schedule 4.
- 9.3 You may only hand over Mailing Items which meet the specifications of the Services detailed in the User Guide, in which case the Access Charges appropriate to the Service shall be payable by you.

#### **10 Minimum posting requirements**

- 10.1 You must make sure that in aggregate you hand over to us at least either (i) six million Mailing Items, or (ii) one million Mailing Items if delivering to fewer than four Inward Mail Centres during each Contract Year. If you fail to hand over to us either (i) six million Mailing Items, or (ii) one million Mailing Items if delivering to fewer than four Inward Mail Centres in any Contract Year after the first Contract Year, we may terminate your Contract in accordance with clause 8.4 of the General Access Terms and Conditions.
- 10.2 You must make sure that each Daily Posting you hand over to us contains a minimum of four thousand Mailing Items, and if UCID Postings are handed over within the Daily Posting, that each UCID Posting contains a minimum of four thousand Mailing Items.

#### **11 The Access Window and your Access Slot**

- 11.1 The hours between 07.30 a.m. and 12.00 noon on any Working Day shall (unless otherwise agreed) be the Access Window.
- 11.2 Your Access Slot shall be that period within the Access Window which has been agreed between us, as set out in the User Guide, during which period you must begin hand over of Mailing Items for that Access Slot at that Inward Mail Centre.
- 11.3 You must use reasonable efforts (including where necessary making sure you have enough personnel available) to complete the handover of all your Mailing Items within a reasonable period of time from when you commence hand over during your Access Slot.
- 11.4 We may refuse to accept Mailing Items if you do not begin hand over during your Access Slot or if you have not used reasonable efforts to complete hand over within a reasonable period of time.
- 11.5 If, subject to paragraph 11.6, you arrive at the Inward Mail Centre outside your Access Slot on any Working Day, then:

- 11.5.1 if you arrive earlier than the Access Slot, we may:
  - (a) refuse you access to the relevant Inward Mail Centre until the start of the Access Slot; or
  - (b) allow hand over of the relevant Mailing Items;
- 11.5.2 if you arrive later than the Access Slot, we may:
  - (a) refuse you access to the relevant Inward Mail Centre; or
  - (b) allow hand over of the relevant Mailing Items provided that for the purposes of the Service Standard measurement the relevant Mailing Items shall be deemed to have been handed over to us on the Working Day immediately after the Working Day when the hand over took place.
- 11.6 If your driver arrives at the Inward Mail Centre within the Access Slot but is prevented from handing over the relevant Mailing Items at the Inward Mail Centre within that Access Slot for a reason attributable to us, we shall accept that hand over and that hand over shall be deemed to have been made within the relevant Access Slot.
- 12 **Information you must give to us in advance of a Daily Posting**
- 12.1 In line with and as more fully set out in the User Guide, you shall:
  - 12.1.1 on each Working Day, tell us the estimated number of Mailing Items that you expect to hand over to us on each of the next 7 Working Days at each Inward Mail Centre to which you anticipate that you will require access, using reasonable efforts to give us an estimated breakdown of those Mailing Items between Machinable Items and Manual Items;
  - 12.1.2 on each Working Day, tell us how many Letters or Large Letters that you expect to hand over to us at each Inward Mail Centre on the following Working Day including a breakdown of those Mailing Items between Machinable Items and Manual Items; and
  - 12.1.3 on the day of handover, give us a Posting Docket and Manifests detailing the actual number of Mailing Items for hand over at each Inward Mail Centre on that Working Day; and
  - 12.1.4 in addition, as and when applicable, tell us of any Key National Postings in line with the reporting requirements of the User Guide.
- 12.2 If we do not receive the information set out in paragraphs 12.1.1 to 12.1.4 above then:
  - 12.2.1 if the reason we do not receive the information is that there has been a failure on our part, we shall accept hand over of the relevant Mailing Items; and
  - 12.2.2 if the reason we do not receive the information is because there has been a failure on your part, we may refuse to accept hand over of the relevant Mailing Items.
- 12.3 If the number of Mailing Items by Format and by Machinable Items and Manual Items that you hand over to an Inward Mail Centre differs (by more or less) from the number notified under:
  - 12.3.1 paragraphs 12.1.2 and 12.1.4 by more than the relevant Tolerance, we may refuse to allow hand over of or we may accept the Letters or Large Letters (as appropriate) that are in excess of the Tolerance of the Forecast number but we shall use reasonable efforts (subject to paragraphs 3 to 8 above) to allow hand over or to accept them (subject to paragraph 1). For this purpose, Tolerance is the greater of:
    - (a) 1,000 Letters or Large Letters (as appropriate); or
    - (b) 15 per cent of the number notified under paragraph 12.1.2 or 12.1.4; or

- 12.3.2 paragraph 12.1.3, we shall treat such Letters or Large Letters in line with section 15 of the User Guide.
- 12.4 In the unlikely event that you are unable to produce a Posting Docket electronically, we will accept as an interim contingency arrangement a submission via DocketHub or an alternative systems solution approved by us.
- 12.5 Where we accept Mailing Items in line with paragraph 12.3.1, if the relevant number of Letters or Large Letters (by Machinable Items and Manual Items as appropriate) that you hand over to us at an Inward Mail Centre is more than the acceptable Tolerance for the number that you pre-notified under paragraphs 12.1.2 and 12.1.4 , the number of Mailing Items in excess of the Tolerance shall not form part of the Service Standard measurement for the purposes of paragraph 2 of this Schedule.
- 12.6 Where we accept Mailing Items in line with paragraph 12.3.1, if the relevant number of Letters and Large Letters (by Machinable and Manual, as appropriate) that you hand over to us at an Inward Mail Centre is less than the acceptable Tolerance for the number that you pre-notified under paragraphs 12.1.2 and 12.1.4 we may levy a surcharge in line with the User Guide.
- 12.7 Where you provide us with information under paragraphs 12.1.2 and 12.1.4 and you do not inform us on the Working Day before the day of handover that you wish to cancel a Posting we may levy a surcharge in line with the User Guide.
- 13 **The Client Report**
- 13.1 Once we are satisfied that the Posting Docket for a Daily Posting is correct in line with the User Guide we shall send you the electronic Client Report. Subject to paragraph 13.2 below, you must agree that Client Report as soon as possible and in any case within 2 hours of receiving it and we shall release the Mailing Items within that Daily Posting for processing when we receive your agreement to it. Failure to agree the Client Report within this time may mean that we reject your Mailing Items. Agreement of the Client Report represents the final and accurate record of that Daily Posting on which we raise our invoice to you.
- 13.2 If you have opted to include an Early Release Schedule in this Contract, then the terms of that Schedule apply to the release of your Mailing Items and paragraph 13.1 does not apply to you.
- 14 **Your obligation to subscribe to Quality of Service measurement**
- 14.1 We are obliged by the Access Condition to measure the quality of service from the time that Mailing Items are handed over to us under an Access Contract until those Mailing Items are delivered. As the holder of an Access Contract you agree to participate in the process of measuring that quality of service if you are asked to do so by the independent company responsible for that process.



## **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.]**

### **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.
- 1.2 All references to the expression "Contract Year" in this National Price Plan One (SSCs) shall be read "Financial Year".

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

- 2.1 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 Contract 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 purposes of clause 8.2 of the General Access Terms and Conditions, but shall entitle us to levy a National Spread Surcharge and/or Urban Density Surcharge (both of which are Profile Surcharges) in accordance with paragraphs 5 and 7 of this Price Plan; provided, however, that we will not apply any Profile Surcharges for failure to meet your Profile Commitment in a Contract 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 Surcharges 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 Contract 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 Contract 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 Surcharges calculated in accordance with paragraph 5.

## **5 National Spread Surcharge**

5.1 Subject to paragraph 5.2, the National Spread Surcharge 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 Surcharge will be the National Spread Surcharge 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 surcharges 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 a surcharge as set out in paragraph 7.

## **7 The Urban Density Surcharge**

7.1 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 Contract 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 surcharge you the Urban Density Surcharge 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 National Spread Benchmark and the 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 National Spread Benchmark in each calendar month; and
  - (b) the Urban Density Benchmark in each Quarter.
- 8.3 We will share this performance with you in a written report within a reasonable time after the end of the month or the Quarter (as applicable) to which the report applies. This report will also 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 Profile Surcharges for that Contract Year.
- 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 Mail 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 Annex B 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.
- 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% 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% 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 Schedule 20 (Royal Mail Mailmark) and/or 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 Schedule 20 (Royal Mail Mailmark) and/or 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 Surcharges**

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

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

- 10.1 If this Contract terminates or you change or terminate this Price Plan during a Contract Year, we may levy Profile Surcharges in respect of the period from the start of the Contract 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 Contract Year). We will calculate your Profile Surcharges for the Abbreviated Contract Year in line with paragraphs 5 and 7 above as if the Abbreviated Contract Year was a Contract Year, and we will invoice you for those Profile Surcharges within 30 days of notifying you of your end of Abbreviated Contract Year performance.

**11 Transferring to the Zonal Price Plan**

- 11.1 If the number of items incurring Profile Surcharges exceeds 15 per cent of your annual volume as invoiced by us under this Price Plan in any Contract 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 Access Charges, our Permitted Variances and our Pricing Structure**

- 12.1 The Access Charges and Permitted Variances which apply to National Price Plan One (SSCs) are published on our Website [www.royalmailwholesale.com](http://www.royalmailwholesale.com), and may be varied from time to time in accordance with the provisions of clause 13.2.3 of the General Access Terms and Conditions.
- 12.2 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 13.2.1 of the General Access Terms and Conditions.

## **OPTION B**

### **Averaged Price Plan Two (Zones)**

#### **1 Introduction**

- 1.1 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)**

- 2.1 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 8.2 of the General Access Terms and Conditions but shall entitle us to levy a Surcharge calculated in accordance with Annex A 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 Mail 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 Annex B 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% 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% of your total number of Mailing Items in a Financial Year,

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

- 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 Schedule 20 (Royal Mail Mailmark) and/or 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 Schedule 20 (Royal Mail Mailmark) and/or 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 Annex A 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 Surcharges calculated in accordance with Annex A 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 share your performance against the Royal Mail Zonal Posting Profile in a written report within a reasonable time after the end of the month to which the report applies to. 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 Profile Surcharges for that Financial Year.
- 5.2 Where we undertake statistical sampling pursuant to paragraph 4.5, we will share your performance against the 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 Profile Surcharges for that Financial Year.
- 5.3 If you do not have a Pre-Existing Access Contract immediately prior to entering into this Contract, at our discretion, we will not commence measurement of your Daily Postings against the Royal Mail Zonal Posting Profile for a period of six months from your Access Start Date. 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 Surcharges**

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

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

- 7.1 If this Contract terminates or you change or terminate this Price Plan during a Financial Year, we may levy Profile Surcharges 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 Surcharges for the Abbreviated Financial Year in line with paragraph **Error! Reference source not found.** and Annex A of this Price Plan as if the Abbreviated Financial Year was a Financial Year, and we will invoice you for those Profile Surcharges within 30 days of notifying you of your end of Abbreviated Financial Year performance.

**8 Transferring to the Zonal Price Plan**

- 8.1 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 Access Charges, our Permitted Variances and our Pricing Structure**

- 9.1 The Access Charges and Permitted Variances which apply to Averaged Price Plan Two (Zones) are published on our Website, and may be varied from time to time in accordance with the provisions of clause 13.2.3 of the General Access Terms and Conditions.
- 9.2 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 13.2.1 of the General Access Terms and Conditions.

## **ANNEX A: CALCULATION OF PROFILE SURCHARGES**

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 surcharge you if your Implied Customer Invoiced Amount is greater than your Allowed Customer Invoiced Amount. Using the Zonal Calculator available on our Website, the following steps explain how we calculate such Surcharges:

- 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.

Where the amount calculated for your Implied Customer Invoiced Amount exceeds the amount calculated for your Allowed Customer Invoice Amount, a surcharge 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.
- 1.2 Details of the Zones and of the Access Charges which apply to this Zonal Price Plan are published on our Website [www.royalmailwholesale.com](http://www.royalmailwholesale.com).
- 1.3 The Access Charges are exclusive of VAT.
- 1.4 Our Access Charges may be varied from time to time in accordance with the provisions of clause 13 of the General Access Terms and Conditions.

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

- 2.1 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**

- 3.1 Mailing Items which you hand over to us under this Zonal Price Plan must meet the specifications set out in Appendix J of the User Guide. We may reject Mailing Items which do not fully comply with Appendix J or process them in line with section 15 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 may be updated each Financial Year in accordance with clause 13.2.4 of this Contract.

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

- 2.1 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% 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% level at the Zone Z Surcharge 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 Surcharges calculated in respect of that Financial Year in accordance with Annex A of this Price Plan.

#### **4 Reviews**

- 4.1 We will review your Actual Posting Profile for each chosen Region and we will provide you a written report in respect of your performance within a reasonable time after the end of the calendar month 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 Profile Surcharges for that Financial Year.

**5 Profile Surcharges**

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

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

- 6.1 If this Contract terminates or you change this Price Plan during a Financial Year, we may levy Profile Surcharges 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 Surcharges for the Abbreviated Financial Year in line with paragraph 3 and Annex A of this Price Plan as if the Abbreviated Financial Year was a Financial Year, and we will invoice you for those Profile Surcharges within 30 days of notifying you of your end of Abbreviated Financial Year performance.

**7 Transferring to the Zonal Price Plan**

- 7.1 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 Access Charges, our Permitted Variances and our Pricing Structure**

- 8.1 The Access Charges which apply to the Regional Price Plan (Zones) are published on our Website, and may be varied from time to time in accordance with the provisions of clause 13.2.3 of the General Access Terms and Conditions.
- 8.2 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 13.2.1 of the General Access Terms and Conditions.

## **ANNEX A: CALCULATION OF PROFILE SURCHARGES**

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 surcharge you 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 available on our Website, the following steps explain how we calculate such Surcharges 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 Surcharges 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 3, above, for such Zones, you have an overall excess number of Mailing Items. We calculate the total Profile Surcharges 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 3, 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.

## ANNEX B: THE MANIFEST

- 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 Annex.
- 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 Appendix J of 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
				Nat	A	B	C	D	Z	Nat	A	B	C	D	Z	Nat	A	B	C	D	Z								
12345678	ABCDEFGG	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		

### Delivery Note –

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.

Royal Mail – Please print name:  
Royal Mail – Signature:

### For Royal Mail Use Only

Date of Handover to Royal Mail  
Arrival Time at Royal Mail

### For Customer Use only

Customer Defined Information field

**SCHEDULE 4**  
**ACCESS INDICIUM**

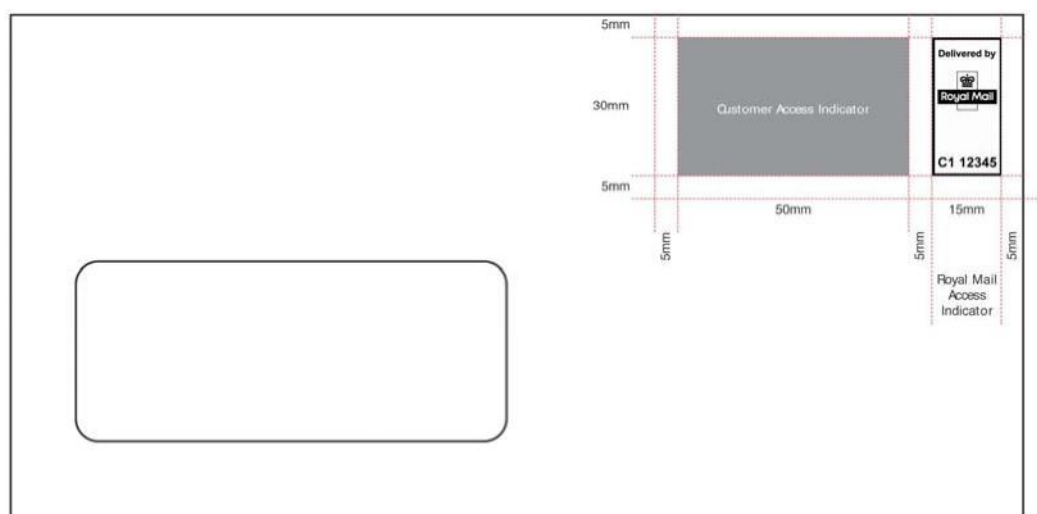
**Your Access Licence Number** – [insert number]

**Customer Access Indicator (Optional)** [insert  
customer Access Indicator]

**Royal Mail Access Indicator**



**Layout for Letters**



## SCHEDULE 5

### UCIDS

**[CUSTOMER: Insert here a statement explaining your numbering methodology for identification of Mailing Items relating to a separate Originating Customer, Customer Entity or Posting Entity and provide an example]**

Please sign below to confirm that this page is Schedule 5 of your Access Letters Contract dated ..... 201[

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

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