

SCHEDULE 23

48-Way Sort Mech Letter Option

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

1. Background

1.1 This Schedule:

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

2. Definitions and interpretation

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

2.2 Any capitalised words and phrases that are not defined in this Schedule have the meaning given to them in Schedule 1 of your Contract.

3. Commencement and duration

3.1 The terms of this Schedule shall take effect from the Access Start Date or such other date that is agreed between you and us (the **48-Way Sort Start Date**).

3.2 The terms of this Schedule shall continue to have effect until the date this Schedule is terminated under this Contract or under paragraph 6 of this Schedule.

4. 48-Way Sort Mech Letter Option

4.1 Subject to you complying with the terms of this Schedule, you may, on and from the 48-Way Sort Start Date, present those Letters specified in paragraph 4.2 at our Inward Mail Centres to those 48 SSCs that are set out in our 48-way sort look-up table (the **48 SSCs**). The 48-way sort look-up table is attached to the file that contains the Access Selection Files on our Website.

4.2 The Letters referred to in paragraph 4.1 are:

- (a) Access 70 Mailmark[®] Letters;
 - (b) Access 70 OCR Letters; and
 - (c) Access 70 Mech Letters,
- (together the **Access 70 Machinable Letters**).

4.3 You agree that the only Mailing Items that you are permitted to present to us under the 48-Way Sort Mech Letter Option are the Access 70 Machinable Letters specified in paragraph 4.2 above and you

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

4.4 Before you can present any Access 70 Machinable Letters to 48 SSCs, you must make the necessary changes to your sortation software to enable this. You agree to make such changes (or to instruct your software supplier to do so) before presenting to us any Access 70 Machinable Letters at 48 SSCs.

4.5 If you present to us:

- (a) any Access 70 Machinable Letters that you wish to sort to 48 SSCs before changing your sortation software in accordance with paragraph 4.4; or
- (b) any Mailing Items, other than the Access 70 Machinable Letters, to 48 SSCs (an **Incorrect Sort**) then:

we may reject the relevant Posting (or segment of a Posting) pursuant to the terms of your Contract and our rights and remedies applicable to incorrect mail presentations (including paragraph 15.6.1 of the User Guide) shall apply.

4.6 Without prejudice to paragraph 4.5, if you present more than two Incorrect Sorts on different days to us then we may also suspend your right to use the 48-Way Sort Mech Letter Option on notice to you until such time as you can demonstrate that the cause of your Incorrect Sorts has been remedied to our reasonable satisfaction.

5. **National Price Plan One (SSCs)**

5.1 If you are on our National Price Plan One (SSCs) then paragraphs 5.2 to 5.7 (inclusive) of this Schedule shall apply.

5.2 We will measure your whole posting profile for the purpose of your National Price Plan One (SSCs) to the 48 SSCs, rather than to our existing 86 SSCs.

5.3 In measuring your posting profile pursuant to paragraph 5.1 above, we will retrospectively adjust your posting profile for the first Financial Year in which this Schedule applies, so that all Postings made before and after the 48-Way Start Date in that Financial Year are measured to the 48 SSCs.

5.4 We will add a new 48-Way Sort National Spread Benchmark and a new 48-Way Sort SSC Permitted Variance Number (each as defined in paragraph 5.6 below) to our Website.

5.5 We will apply the 48-Way Sort SSC Permitted Variance Number when calculating whether you have met the 48-Way Sort National Spread Benchmark in respect of your posting profile when measured to 48 SSCs. You further agree that:

- (a) our introduction of the new 48-Way Sort SSC Permitted Variance Number is not a change to the Permitted Variances for the purpose of clause 13.2.3(c) of your Contract; and
- (b) we may change the 48-Way Sort SSC Permitted Variance Number at any time after we have introduced it, provided that we do so in accordance with clause 13.2.3 of your Contract and, if we do so, such change will be a change to the Permitted Variances for the purpose of clause 13.2.3(c).

5.6 On and from the 48-Way Start Date, each reference to the following definitions in your Contract and User Guide shall be read as follows:

- (a) every reference to "National Spread Benchmark" shall be read to mean "48-Way Sort National Spread Benchmark", defined as follows:

"48-Way Sort National Spread Benchmark" *our geographic profile as measured by the combined volumes of Retail bulk Mailing Items and Access Mailing Items for each 48-Way Sort SSC in the Baseline Year, expressed as a percentage of the total volumes for Retail bulk Mailing Items and Access Mailing Items for all 48-Way Sort SSCs in the Baseline Year."*;

- (b) every reference to "SSC Ratio" shall be read to mean "48-Way Sort SSC Ratio", defined as follows:

"48-Way Sort SSC Ratio" *has the meaning given to it in paragraph 4.1 of National Pricing Plan One (SSCs);"* ;

- (c) every reference to "SSCs" shall be read to mean "48-Way Sort SSCs", defined as follows:

"48-Way Sort SSCs" *our standard selection codes when combined and reclassified into 48 separate selections, as set out in our SSC conversion look up table available on our Website from time to time;"*;

- (d) every reference to "Ratio Threshold" shall be read to mean "48-Way Sort Ratio Threshold", defined as follows:

"48-Way Sort Ratio Threshold" *the level at which the 48-Way Sort SSC Ratio is accepted by us to be meeting the 48-Way Sort National Spread Benchmark, as published on our Website;"*; and

- (e) every reference to "SSC Permitted Variance Number" shall be read to mean "48-Way Sort SSC Permitted Variance Number", defined as follows:

"48-Way Sort SSC Permitted Variance Number" *the Permitted Variance number of 48-Way Sort 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;"*;

and we will report your Postings for the National Price Plan One (SSCs) at only 48 SSCs in accordance with these definitions.

- 5.7 We will add a new 48-Way Sort Urban Density Benchmark to our Website, which we will apply when calculating whether you have met the Urban Density Benchmark in respect of your posting profile when measured to 48 SSCs.

6. Termination

- 6.1 We may terminate this Schedule on giving you at least 190 days' written notice. If we do this:

- (a) the terms in this Schedule (including the specific amendments to certain definitions specified in paragraph 5) shall cease to have effect on the expiry of our written notice, such that the terms of your Contract existing before the 48-Way Start Date shall be reinstated automatically and shall thereafter have full force and effect as if these terms (and amendments) had not been made; and

- (b) such termination shall not affect any rights or remedies either of us may have already under your Contract (as amended hereby), that arose before the date of termination.

7. **No other effect**

All other terms of your Contract, not amended by this Schedule, shall remain unchanged in full force and effect.