

SCHEDULE 13 TRUNKING SERVICES

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 From time to time we may offer one or more services where you and we agree that you may hand over Mailing Items for specified Postcode Areas at an alternative Inward Mail Centre to the one required by Paragraph 9.1 of Schedule 2 to your Contract and we will transport such Mailing Items to the destination Inward Mail centre on your behalf.
- 1.2 This Schedule sets out the terms on which you and we agree that such a service shall be operated.
- 1.3 The Trunking Services between a specified Handover Inward Mail Centre and a specified Destination Inward Mail Centre shall each operate as a separate Trunking Scheme for a fixed period. You may apply to participate in one or more Trunking Schemes in any given year by following the application process specified in Paragraph 5 of this Schedule.
- 1.4 The availability of Trunking Services shall be at our sole discretion. We shall publish potential and live Trunking Schemes on our Website.

2 Definitions and interpretation

- 2.1 Schedule 1 of your Contract explains the meaning of some words and phrases used in your Contract, including this Schedule, and sets out some rules of interpretation which also apply to this Schedule.
- 2.2 In addition, some words and phrases used specifically in this Schedule are defined below:

"Application Period" means, in respect of each Trunking Scheme, a period of 30 days commencing on the date on which we publish the potential Trunking Scheme in accordance with Paragraph 5.2.1;

"Carrier Combined York Allocation" means the total maximum number of Yorks allocated to all Carriers for each Posting, as set out in the relevant Trunking Scheme Particulars;

"Carriers" has the meaning given at Paragraph 6.2 (and "Carrier" shall be construed accordingly);

"Destination Inward Mail Centre" means the Inward Mail Centre to which we will transport Mailing Items for the Destination Postcodes Areas on your behalf if you are participating in the relevant Trunking Scheme, as specified in the Trunking Scheme Particulars;

"Destination Postcode Areas" means the Postcode Areas for each Trunking Scheme specified in the Trunking Scheme Particulars;

"Handover Inward Mail Centre" means the Inward Mail Centre where you shall deposit Mailing Items which correspond to the Destination Postcode Areas if you are participating in the relevant Trunking Scheme, as specified in the Trunking Scheme Particulars;

"Handover Time" means the time specified in the Trunking Scheme Particulars;

"Royal Mail's Transportation Cost" means the annual cost which we incur for providing the Trunking Services for each Trunking Scheme, for the Trunking Scheme Period, as notified to you by us;

"Specification" means the document set out in Part 1 of the Annex to this Schedule, as amended from time to time in accordance with this Schedule;

"Trunking Fee" means the charge for each Trunking Scheme specified in the Trunking Scheme Particulars, payable for the Trunking Services and calculated in accordance with Paragraph 6.2;

"Trunking Scheme Particulars" means the particulars of each Trunking Scheme, as set out in Part 2 of the Annex to this Schedule and as otherwise notified to you and/or published from time to time on our Website;

"Trunking Scheme Period" has the meaning given in Paragraph 5.2;

"Trunking Scheme Start Date" mean the start date of each Trunking Scheme, as specified in the Trunking Scheme Particulars;

"Trunking Scheme" means the provision of Trunking Services from one specified Handover Inward Mail Centre to one specified Destination Inward Mail Centre;

"Trunking Services" means the services to be provided by us as part of this Schedule, as further described in Paragraph 4 and this Schedule;

"Your Percentage" has the meaning given at Paragraph 6.2; and

"Your York Allocation" means the maximum number of Yorks containing Mailing Items for the Destination Postcode Areas which you may present on any given Posting in relation to each Trunking Scheme, as notified by us to you in accordance with Paragraph 5.2.3.

3 **Commencement and duration**

3.1 The terms of this Schedule shall take effect from:

3.1.1 the Parcels Start Date where you are entering into this Schedule at the same time as entering into the Contract; or

3.1.2 such other date that is agreed between you and us;

and shall remain in force until the date it is terminated under this Contract.

3.2 To avoid doubt each Trunking Scheme shall terminate upon the end of the relevant Trunking Scheme Period and shall not automatically continue or renew unless mutually agreed between the parties (in writing). If there is more than one Trunking Scheme operating at any time, it is agreed that each Trunking Scheme may cease to operate and be capable of being terminated without that resulting in any other concurrent Trunking Scheme ceasing to operate or being terminated as a necessary consequence.

4 **Trunking Schemes**

4.1 Subject to you complying with the terms of this Schedule, during the term of this Schedule, for each Trunking Scheme that you participate in we shall transport (in accordance with the Trunking Scheme Particulars for that Trunking Scheme) to the

Destination Inward Mail Centre, Mailing Items for the Destination Postcode Areas, which have been handed over by you to us at the Handover Inward Mail Centre in accordance with the Specification and, up to and including Your York Allocation for that Trunking Scheme.

5 Application to participate in Trunking Schemes

- 5.1 In order for a Trunking Scheme to be viable, a single or multiple Carrier(s) committing to a minimum volume of Mailing Items must enter into each Trunking Scheme. The minimum viable volume of Mailing Items for each potential Trunking Scheme shall be determined by us at our sole discretion.
- 5.2 Each Trunking Scheme shall operate for a fixed term specified in the Trunking Scheme Particulars, starting on the Trunking Scheme Start Date (the **Trunking Scheme Period**). The application process for each Trunking Scheme shall be conducted as follows:
- 5.2.1 We shall publish details of each potential Trunking Scheme no later than 60 days prior to the relevant Trunking Scheme Start Date on our Website and shall concurrently notify you by email on each occasion such details are published.
- 5.2.2 You may express your interest in participating in a Trunking Scheme during the Application Period by submitting a copy of the Trunking Scheme application form located on our Website.
- 5.2.3 After the end of the Application Period, we shall assess the carrier applications for that Trunking Scheme to determine if it is operationally viable. If, at our sole discretion, we determine that the potential Trunking Scheme is operationally viable, we shall notify you of Your York Allocation, Royal Mail's Transportation Cost and the corresponding Trunking Fee.
- 5.2.4 You shall tell us in writing within 7 days of receipt of the notice described in paragraph 5.2.3 if you no longer wish to participate in the relevant Trunking Scheme on that basis. If you do not respond in that period, that will be deemed to be acceptance of Your York Allocation and the corresponding Trunking Fee, and acceptance of your participation in the relevant Trunking Scheme generally.
- 5.2.5 We will review the carrier responses and/or the deemed acceptances for each potential Trunking Scheme and notify you if the Trunking Scheme is viable to proceed.
- 5.2.6 Each Trunking Scheme shall commence from the relevant Trunking Scheme Start Date and (subject to Paragraph 7) continue for the relevant Trunking Scheme Period.

6 Trunking Fee

- 6.1 Subject to paragraph 6.6, in consideration for us providing the Trunking Services, you agree to pay the Trunking Fee in accordance with this Paragraph 6.
- 6.2 The Trunking Fee is a single fee for the fixed Trunking Scheme Period and will be calculated by apportioning Royal Mail's Transportation Cost between all carriers that have agreed to participate in a Trunking Scheme ("**Carriers**") using the following two-stepped formula:

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

Allocation **Percentage**")

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

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

- 6.3 The Trunking Fee for each Trunking Scheme is payable in full in advance of the Trunking Scheme Start Date.
- 6.4 You will pay invoices in full within 30 days of the date of the invoice. An invoice is deemed to be received on the Working Day following the date on which we send it to you.
- 6.5 The Trunking Fee is expressed as exclusive of VAT. You shall pay any VAT payable on the Trunking Fee.
- 6.6 Notwithstanding paragraphs 6.1 to 6.5, you do not have to pay a Trunking Fee in respect of a Trunking Scheme if you meet all of the following criteria:
 - 6.6.1 you have entered into an Access Letters Contract with us which includes Schedule 29 (Trunking Services) ("**ALC Schedule 29**");
 - 6.6.2 you are a current participant in a Trunking Scheme under ALC Schedule 29 which has the same Trunking Scheme Period, Handover Inward Mail Centre and Destination Inward Mail Centre as that specified in the Trunking Scheme Particulars under this Schedule 13; and
 - 6.6.3 you are not in breach of your payment obligations under ALC Schedule 29.
- 6.7 If you no longer meet the criteria listed in paragraph 6.6 at any time during the Trunking Scheme Period, you agree to pay the Trunking Fee in accordance with paragraphs 6.1 to 6.5, subject to a pro-rata reduction.

7 Termination and Suspension

- 7.1 We reserve the right to unilaterally suspend any Trunking Scheme at any time in accordance with Clause 7 (Disruptive Events) of this Contract.
- 7.2 Regardless of any other term of this Contract, either of us may terminate any Trunking Scheme(s) or the Schedule by giving the other Party not less than 30 days' written notice.
- 7.3 Regardless of any other term of this Contract, either of us may terminate either the relevant Trunking Scheme(s) or this Schedule on written notice with immediate effect if: the other Party commits any material or persistent breach of the terms of the Contract or this Schedule provided only that, 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.
- 7.4 Regardless of any other term of this Schedule, we may terminate either this Schedule or the relevant Trunking Scheme (as stated below) on written notice with immediate effect (and without owing any liability to you whatsoever for any costs which you may incur as a result of such termination) if:

- 7.4.1 you fail to pay the Trunking Fee or other charges due under this Contract as they fall due (and this termination right shall apply, at our sole discretion, either to the relevant Trunking Scheme or the Schedule); or
 - 7.4.2 an Insolvency Event occurs (and this termination right shall apply to the Schedule).
- 7.5 If a change in law, change in regulation or decision by any regulatory body results in the Trunking Services becoming economically unviable, we may either:
- 7.5.1 notify you of our intention to charge an uplift to the Trunking Fees (**Fees Uplift**) (**Uplift Notice**); or
 - 7.5.2 terminate the Trunking Scheme(s) which has become economically unviable on 30 days' notice.
- 7.6 Where we notify you of the charges uplift in accordance with Paragraph 7.5.1, you must notify us within ten (10) days of the receipt of the Uplift Notice whether you would be prepared to accept the Fees Uplift and the parties shall meet to discuss and agree in good faith any Fees Uplift.
- 7.7 Once the parties have agreed any Fees Uplift in accordance with Paragraph 7.6, the Fees Uplift shall be payable by you in accordance with the payment terms agreed between us in the General Terms and Conditions.
- 7.8 If you do not respond to the Uplift Notice within the time period stated in Paragraph 7.6 or you notify us that you do not wish to accept any Fees Uplift, we will have the right to terminate the Trunking Scheme(s) to which the Uplift Notice relates in accordance with Paragraph 7.5.2.

8 Consequences of Suspension or Termination

- 8.1 Termination of this Schedule by either of us for any reason shall not affect any rights which have accrued to either of us under this Schedule before the date of termination.
- 8.2 You acknowledge that we have incurred costs in relation to the delivery of the Trunking Services and accordingly you agree that you shall not be entitled to a refund of any Trunking Fees in the event of:
- 8.2.1 termination by you for convenience pursuant to Paragraph 7.2 if you are not the sole Carrier participating in that Trunking Scheme;
 - 8.2.2 termination by us for your breach of contract pursuant to Paragraph 7.3 or Paragraph 7.4.1;
 - 8.2.3 termination by us due to an Insolvency Event pursuant to Paragraph 7.4.2; or,
 - 8.2.4 (subject to Paragraph 8.3) termination for any other reason.
- 8.3 You shall be entitled to a refund of the portion of the Trunking Fees that have been paid in advance in respect of Trunking Services not provided by us subsequent to termination only if any of the following occurs:
- 8.3.1 termination by us for convenience pursuant to Paragraph 7.2;
 - 8.3.2 termination by you for convenience pursuant to Paragraph 7.2 if you are the sole Carrier participating in that Trunking Scheme;

- 8.3.3 termination by us arising as a consequence of a change in law, change in regulation or decision by any regulatory body pursuant to Paragraph 7.5.2;
- 8.3.4 termination by you for our breach of contract pursuant to Paragraph 7.3; or
- 8.3.5 termination by you due to an Insolvency Event pursuant to Paragraph 7.4.2,

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

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

The Annex
Part One
The Specification

1 Introduction

- 1.1 This Annex contains the specification that must be adhered to by you when participating in Trunking Schemes. Capitalised words used in this Annex shall have the meaning given to them in the Schedule or your Contract, unless otherwise defined.

2 Presentation

- 2.1 For each Trunking Scheme, for the duration of the specified Trunking Scheme Period, provisions of your Contract that require you to hand over Mailing Items to the Inward Mail Centre that bears Postcodes served by that particular Inward Mail Centre shall for the purposes of Mailing Items for the Destination Postcode Areas be read as references to the Handover Inward Mail Centre. For the avoidance of doubt, where you have elected to participate in a Trunking Scheme, you may only use the Handover Inward Mail Centre to hand over Mailing Items for the Destination Postcode Areas and you shall not be permitted to hand over such Mailing Items at the original Inward Mail Centre.
- 2.2 Mailing Items presented at the Handover Inward Mail Centre as part of a Trunking Scheme must be unloaded from your vehicle(s) and handed over to us at Handover Inward Mail Centre in Yorks by the Handover Time on each Working Day.
- 2.3 If you present any Mailing Items after the Handover Time, we may (at our sole discretion) either:
- 2.3.1 reject all those Mailing Items presented after the Handover Time; or
 - 2.3.2 accept either some or all of those Mailing Items presented after the Handover Time. In these circumstances, we shall use our reasonable endeavours to deliver such Mailing Items in accordance with your Contract and this Schedule, but we shall not be in breach of your Contract or this Schedule if we fail to meet any service standard in relation to such Mailing Items.
- 2.4 Each York must only contain Mailing Items for the Destination Postcode Areas. We will carry out any checks of the Mailing Items under Paragraph 3 to Schedule 2 of your Contract at the Handover Inward Mail Centre. If we find missorted Mailing Items during the processing of the Mailing Items at the Handover Inward Mail Centre, we will process the missorted Mailing Items and correct the Postage by amending the Posting Docket to reflect that the relevant Mailing Items will be charged at the prevailing 'Missorts Processed' rate, or in the case of Mailmark items, at the 'Missorts' charge, as published on our Website. There will be no option for you to collect the missorted Mailing Items.
- 2.5 Each York you use to hand over Mailing Items for the Destination Postcode Areas must display a York card which clearly and visibly shows the Destination Inward Mail Centre as the destination office in the format as specified in Section 9.8 or Section 9.9 (whichever is applicable) of the Parcels User Guide.
- 2.6 You must segregate Yorks containing Mailing Items for the Destination Postcode Areas from Yorks containing Mailing Items for other Postcode Areas. You must load all Yorks containing Mailing Items for the Destination Postcode Areas onto one

vehicle and at the rear of that vehicle. This will facilitate an efficient process for cross-docking the Yorks to our vehicles Scheduled for transportation to the Destination Inward Mail Centre. In the event that you have not complied with this Paragraph 2.6, we may treat the relevant Posting as non-compliant and refuse the handover of the same.

3 Documentation

- 3.1 You must inform us by 06:30 each Working Day of the number of Yorks that you will present to us that Working Day.
- 3.2 You must present your Manifest and waybill documentation for Mailing Items for the Destination Postcode Areas upon arrival at the Handover Inward Mail Centre.

4 Access Slot

- 4.1 The Access Window for the purposes of this Schedule is specified in the relevant Trunking Scheme Particulars.
- 4.2 If you have not already booked an Access Slot during the Access Window stated at Paragraph 4.1, you must book an Access Slot at least two weeks before the date of handover of Mailing Items for the Destination Postcode Areas.

5 York Allocation

- 5.1 Our agreement to transport Mailing Items on your behalf under each Trunking Scheme is fixed at a maximum number of Yorks per Posting as notified to you in accordance with Paragraph 5.2.3. If you deliver Yorks in excess of Your York Allocation to the Handover Inward Mail Centre as part of a Posting then we may, at our sole discretion, chose to reject some or all of these excess Yorks. We shall owe you no liability for any losses that you suffer as a result of our rejection of such excess Yorks.
- 5.2 For the avoidance of doubt, Your York Allocation applies to each individual Posting and failure to utilise your maximum York Allocation on any given Posting does not require us to carry Yorks in excess of Your York Allocation on any other Posting.

6 Interaction with existing provisions of the Contract

- 6.1 For the purposes of meeting handover obligations stated elsewhere in this Contract, Mailing Items for the Destination Postcode Areas which are presented to a Handover Inward Mail Centre as part of a Trunking Scheme are considered to have been handed over at the Destination Inward Mail Centre and therefore:
 - 6.1.1 will contribute towards the minimum posting requirements for the Destination Inward Mail Centre in Paragraph 10.1 of Schedule 2; and
 - 6.1.2 will not contribute towards the presentation requirements for the Handover Inward Mail Centre in Paragraph 1.3 of Annex A of Schedule 12 (Acceptance by Vehicle).

It is acknowledged that when you handover mail for a Destination Mail Centre at a Handover Mail Centre you will also have mail for the Handover Mail Centre on your vehicle. Where the Handover Mail Centre is a mandatory Acceptance by Vehicle Mail Centre and you are a signatory of the Acceptance by Vehicle schedule you agree to ensure that at least 50% of the Handover Mail Centre mailing items are handed over during the pre 10am slot

7 Our Obligations to Transport Mailing Items

- 7.1 Provided that you have complied with Paragraphs 2, 3, and 3.2 of this Specification, we will use reasonable endeavours to:
- 7.1.1 receive the Yorks that you have unloaded from your vehicle and load them onto our vehicle for transportation to the Destination Inward Mail Centre;
 - 7.1.2 transport the relevant Mailing Items to the Destination Inward Mail Centre on the same Working Day; and
 - 7.1.3 unload Yorks at the Destination Inward Mail Centre.
- 7.2 On arrival at the Destination Inward Mail Centre, we shall process the relevant Mailing Items in accordance with your Contract, and such Mailing Items will for the purposes of Paragraph 2.1 of Schedule 2 be deemed to have been presented at the Destination Inward Mail Centre on the same Working Day on which it was presented at the Handover Inward Mail Centre.

Part Two

Initial Trunking Scheme Particulars

Trunking Scheme name: [Insert Details]

Trunking Scheme Start Date:	[Insert Date] (or as otherwise agreed by us and the Carriers)
Trunking Scheme Period	12 months after the Trunking Scheme Start Date
Handover Inward Mail Centre:	[Insert IMC]
Handover Time:	[Insert Time]
Destination Postcode Areas:	[Insert Postcode Areas]
Destination Inward Mail Centre:	[Insert IMC]
Access Window:	[Insert Time]am to [Insert Time]am on any Working Day
Carrier Combined York Allocation	[Insert Yorks]
Your York Allocation	[Insert Yorks]
Trunking Fee:	[Insert Fee]