

UK Mail Terms and Conditions – MAIL DISTRIBUTION

1. Definitions and interpretation

1.1 In this Agreement:

Access Agreement means the Access Letters Contract and/or Wholesale Parcels Contract made between the Customer and Royal Mail

Account Application Form means the form completed and signed by the Customer setting out amongst other things the Customer's name and address and an account number (as allocated by UK Mail);

Agreement means the agreement between UK Mail and the Customer constituted by an Account Application Form, the Mailing Profile(s), these terms and conditions (as varied from time to time), the Letter of Responsibilities and the User Guide;

Charges means UK Mail's charges for conveying Mailing Items, as agreed in a Mailing Profile, or made by UK Mail as a result of the Customer's failure to comply with the terms of this Agreement, and as may be varied or supplemented under the provisions of this Agreement;

Collection means the total amount of Mailing Items to be collected in one instance by UK Mail on a specific day from a specific Collection Location;

Collection Location means a location from which UK Mail will collect Mailing Items under this Agreement, details of which are set out in the Account Application Form, or as the Customer may otherwise agree with UK Mail in writing;

Container means any bag, tray, cage, stillage or similar container or materials handling equipment provided by UK Mail to the Customer under this Agreement.

Customer means the person entering into this Agreement and responsible for the Mailing Items handed over under this Agreement (whether or not that person uses an agent for actual hand over), as identified in the Account Application Form;

Indicator means the marks, impressions or other devices to be shown on each Mailing Item to be conveyed by UK Mail under this Agreement, as specified by UK Mail in the User Guide;

Letter of Responsibilities means the agreement between the Customer, Royal Mail and UK Mail setting out certain responsibilities of the Customer according to the Access Agreement which UK Mail will undertake on behalf of the Customer

Mailing Profile means agreed parameters of Mailing Items (including but not limited to the expected sortation, level, service, type of Mailing Item, weight, and volumes of Mailing Items) to be collected and conveyed by UK Mail under this Agreement, and as is set out in documents signed by UK Mail and the Customer from time to time;

Mailing Item means a Letter, Large Letter, A3 Parcel or Parcel, as those terms are defined in the Royal Mail User Guide;

Royal Mail means Royal Mail Group Limited;

Royal Mail User Guide means the user guide issued by the Royal Mail and entitled "Condition 9 Access

Services for Inward Mail Centres User Guide" as published on www.royalmailwholesale.com and as amended from time to time;

Scheme means the Royal Mail United Kingdom Post Scheme (as amended from time to time) and any replacement or similar Scheme or Schemes (and any amendments thereto) relating to inland postal services made or deemed to have been made by Royal Mail from time to time under section 89 of the Postal Services Act 2000;

UK Mail means UK Mail Limited (company number 00965783) with its registered office at Express House, 120 Buckingham Avenue, Slough, Berkshire SL1 4LZ;

User Guide means the UK Mail Customer User Guide as published and amended by UK Mail from time to time and includes any other document referred to in that User Guide; and

Working Day means any day which is not a Sunday, bank holiday, public holiday or Royal Mail non-service day.

1.2 In this Agreement (except where the context otherwise requires):

(a) any reference to a clause is to the relevant clause of this Agreement;

(b) the clause headings are included for convenience of reference only and shall not affect the interpretation of this Agreement;

(c) use of the singular includes the plural and vice versa and use of any gender includes the other gender;

(d) the words "include", "including" and "in particular" shall be construed as being by way of illustration or emphasis and shall not limit or prejudice the generality of the foregoing words; and

(e) reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

1.3 The User Guide forms part of this Agreement and shall have effect as if set out in full in the main body of this Agreement and any reference to this Agreement includes the User Guide. However, in the event of there being any conflict between the wording of the User Guide and the main body of this Agreement, the main body of the Agreement shall prevail.

1.4 The provisions of the Scheme insofar as not inconsistent with this Agreement are hereby incorporated into this Agreement. The Customer shall be deemed to be the "sender" for the purposes of the Scheme and for the purpose of the Scheme any reference in the Scheme to Royal Mail or the Post Office shall be read as including (where the context permits) a reference to UK Mail.

2. Service obligation

2.1 UK Mail shall convey and deliver to the relevant Royal Mail sites within the UK all Mailing Items collected by UK Mail from the Customer and accepted by UK Mail in accordance with an agreed Mailing Profile and the terms of this Agreement.

- 2.2 UK Mail aims to deliver all Mailing Items to Royal Mail the next Working Day after accepting the Collection. The Customer acknowledges that UK Mail does not offer any guarantee as to the actual date of delivery to Royal Mail of any Mailing Item. Accordingly, UK Mail shall not be liable to the Customer or to any other person for failure to deliver within this target (whether as a result of a breach of this clause or otherwise).
- 2.3 Notwithstanding any provision of this Agreement, the Customer acknowledges that since it has a direct contract with Royal Mail pursuant to the Access Agreement its only remedy for failure by Royal Mail to provide mail delivery services in relation to Mailing Items pursuant to the Access Agreement will be against Royal Mail.
- 2.4 Other than as specifically set out in the Letter of Responsibilities, UK Mail's responsibilities to the Customer cease when the Mailing Items are handed-over to Royal Mail and accepted by Royal Mail under the Access Agreement.
- 3. Collections and Mailing Items**
- 3.1 Unless UK Mail agrees otherwise, the Customer shall provide appropriate equipment and labour at the Collection Location for loading the Collection onto UK Mail's vehicles. Any assistance UK Mail provide to load a Collection will be provided at UK Mail's discretion and is at the Customer's sole risk and UK Mail will not be liable for any damage caused.
- 3.2 The Customer shall ensure that no Collection will contain any bag weighing more than 11 kg nor any letter tray weighing more than 10 kg.
- 3.3 The Customer warrants that either it is the owner of all Mailing Items in each Collection or if not the owner it is an agent of the owner and is authorised to hand over the Mailing Items on the owner's behalf.
- 3.4 The Customer shall ensure that:
- (a) each Mailing Item complies with relevant addressing and access Indicator requirements;
 - (b) no Mailing Item in a Collection will bear a Royal Mail postage stamp or other Royal Mail mark, impression or device (other than as part of the Indicator);
 - (c) each Mailing Item in a Collection will comply with the Scheme (except as expressly permitted by this Agreement);
 - (d) the Mailing Preference Service's Suppression File is applied to all relevant Mailing Items; and
 - (e) each Mailing Item complies with the agreed parameters of the Mailing Profile
- 3.5 The Customer shall procure that the contents of all Mailing Items in a Collection conform to the British Codes of Advertising and Sales Promotion.
- 3.6 The Customer shall indemnify UK Mail and keep UK Mail indemnified against any liability, loss, claim, costs or expense (including legal expenses) suffered or reasonably incurred by UK Mail (or its employees, agents or contractors) as a result of the provision of assistance under clause 3.1 or as a result of any breach by the Customer of any provision in this clause 3.
- 4. UK Mail property**
- 4.1 The Customer shall immediately upon termination of this Agreement or otherwise when reasonably requested by UK Mail return to UK Mail any property, including any Containers, provided by UK Mail to the Customer under this Agreement (including that set out in the User Guide).
- 4.2 The Customer shall keep the property referred to in clause 4.1 in safe custody and good condition. The Customer shall not use such property for any purpose other than the carrying out of its obligations or exercising its rights under this Agreement nor allow any third party to take possession of (other than where a Customer uses an agent for actual hand over of Mailing Items to UK Mail),, or have any rights over such property.
- 4.3 The Customer may only use property referred to in clause 4.1 to effect hand over of Mailing Items to UK Mail in accordance with this Agreement and as set out in the User Guide.
- 4.4 UK Mail and its nominees shall be entitled to inspect the property referred to in clause 4.1 at any reasonable time and, in the case of misuse of the property by the Customer or any third party, may repossess such property.
- 5. Charges and payment**
- 5.1 The Customer shall pay the Charges in accordance with the Mailing Profile(s). UK Mail may vary the Charges (acting reasonably and after notifying the Customer) if Collections do not meet the parameters of the Mailing Profile(s). In addition, the User Guide sets out additional levies and charges which may in specified circumstances be charged by UK Mail.
- 5.2 UK Mail reserves the right to review and increase Charges at any time upon giving 30 days notice to the Customer.
- 5.3 Any credit terms allowed to the Customer by UK Mail are given only at UK Mail's complete discretion and subject to satisfactory credit checks. UK Mail reserves the right to review such terms in the event that there are any changes in the Customer's credit background. Any breach of credit terms shall entitle UK Mail to suspend provision of services under this Agreement
- 5.4 UK Mail shall send to the Customer weekly invoices, whether by post, email or other means, showing the total Charges or other sums due from the Customer and the Customer shall pay all such invoices in full within 14 days of the date of the invoice, unless payment is by direct debit in which case payment must be made within 21 days of the date of the invoice.
- 5.5 Any queries relating to invoices must be received by UK Mail, in writing, within 7 days of the date of the invoice.
- 5.6 All payments due from the Customer under this Agreement will be made without deduction whether by way of counterclaim, set-off or otherwise unless the Customer has a valid court order requiring an amount equal to the deduction to be paid by UK Mail.
- 5.7 All Charges or other sums payable under this Agreement are expressed exclusive of VAT, which shall be paid at the time and in the manner required by law.
- 5.8 If the Customer fails to make any payment to UK Mail under this Agreement on the due date, (including cancelling or failing to pay a direct debit), without

prejudice to any other right or remedy available to UK Mail, UK Mail shall be entitled to:

- (a) suspend immediately the performance or further performance of its obligations under this Agreement without liability to the Customer;
- (b) charge daily interest on all amounts not paid until payment is received in full at an annual rate equal to 4% above the Lloyds TSB Bank plc base lending rate from time to time, and
- (c) terminate any agreed credit terms

6. Exclusions of liability and claims

6.1 The Customer acknowledges and agrees that:

- (a) the treatment of all Mailing Items under this Agreement will be the same as in the case of ordinary Mailing Items posted with Royal Mail and, in particular, UK Mail does not keep detailed records of conveyance or delivery of any specific Mailing Items;
- (b) in the event of loss of or damage to any Mailing Item dealt with by UK Mail under this Agreement, UK Mail shall, subject to satisfactory proof of hand over to UK Mail being provided by the Customer and of the loss or damage, and subject to the remainder of this clause 6, pay compensation to the Customer in respect of the relevant Mailing Item limited to the Charge paid in respect of such Mailing Item and the cost of producing such lost or damaged Mailing Item .

6.2 UK Mail's maximum liability for loss or damage to Mailing Items in relation to any Collection (whether under clause 6.1 or other provision of this Agreement, in tort (including negligence) or breach of statutory duty) or otherwise) is £10,000.

6.3 Except as provided in clause 6.1, UK Mail shall not be liable to the Customer or to any other person (whether in contract, tort (including negligence or breach of statutory duty) or otherwise) for any loss of or damage to any Mailing Item dealt with by UK Mail under this Agreement or for any delay in delivery.

6.4 Notwithstanding clause 6.1, UK Mail shall not be liable to the Customer for any loss or damage (whether in contract, tort (including negligence) or breach of statutory duty) or otherwise) of any Mailing Item:-

- (a) which occurs as a direct or indirect result of any failure by the Customer to comply with this Agreement (including the Scheme and the User Guide) or which has been handed over by the Customer in breach of the warranties contained in clause 3.3; or
- (b) which is lost or damaged prior to the bag or container containing that Mailing Item being scanned by UK Mail at a UK Mail site; or
- (c) unless the Customer notifies UK Mail of a claim under clause 6.1 in writing within 28 days of the relevant Collection date.

6.5 Subject to clause 6.1, UK Mail's liability to the Customer and to any other person shall otherwise be limited to £5,000,000 in the aggregate in any year.

6.6 Neither party shall be liable to the other for loss of profit, revenue, business, goodwill and like loss (whether direct or indirect) or for any consequential or indirect losses.

6.7 UK Mail shall not be liable for any failure or delay in performance of UK Mail's obligations (including for any loss or damage or failure to deliver or delay in delivery of a Mailing Item) due to any event beyond UK Mail's reasonable control including an act of God, war, riot, civil commotion, terrorism, malicious damage or blockades, industrial disputes, compliance with any law or governmental order, rule, regulation or direction, national emergencies, fire, flood, tempest or storm, accident, breakdown of plant or machinery or default of supplies (including fuel) or sub-contractors or any act or omission of Royal Mail.

6.8 Nothing in this Agreement shall exclude or restrict either party's liability for fraudulent misrepresentation or for death or personal injury caused by negligence.

7. Termination

7.1 Without prejudice to any other right to terminate under this clause 7, either party may terminate this Agreement at any time by giving the other party 30 days' written notice.

7.2 Either party (the "**terminating party**") may terminate this Agreement immediately by giving the other party (the "**breaching party**") notice if:

(a) the breaching party commits any breach of the terms of this Agreement and the breach is not capable of remedy or where the breach is capable of remedy the breaching party has not remedied that breach within 14 days of being notified of the breach by the terminating party; or

(b) the breaching party has an administrator or a receiver (including any administrative receiver or manager) appointed over the whole or any part of its assets or an order made or a resolution passed for winding-up of the breaching party (otherwise than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or if circumstances arise which entitle a court or a creditor to appoint a receiver or manager or which entitle a court to appoint an administrator or make a winding-up order or if the breaching party has made any composition with its creditors generally.

7.3 UK Mail may terminate this Agreement immediately by giving the Customer notice if the Customer fails to pay any sums payable under this Agreement when due, provided that UK Mail has given the Customer notice specifying an intention to terminate this Agreement and given a period of 7 days to remedy that failure.

8. Consequences of Termination

8.1 The termination of this Agreement (for any reason) shall not affect the coming into or the continuance in force of any obligations which expressly or by implication are intended to come into or continue in force on or after such termination and shall be without prejudice to any other rights of either party accrued up until the date of termination.

8.2 On termination of this Agreement (for any reason) the Customer shall immediately:

(a) cease using the Indicator,

(b) stop supplying, distributing and printing stationery incorporating the Indicator,

(c) at UK Mail's sole discretion and request, either ensure that the Indicator is completely concealed on the

remaining copies of such stationery (for example by over-labelling of the whole of the Indicator) or destroy the remaining copies of such stationery and provide UK Mail with written confirmation signed by one of the Customer's directors that this obligation has been complied with; and

(d) return to UK Mail any property or materials UK Mail supplied to the Customer.

8.3 If the Customer fails to comply with clause 8.2, UK Mail (or its nominees) may on reasonable notice, have access to the Customer's premises for the purpose of recovering its property.

8.4 On termination, any sum owing to UK Mail by the Customer, regardless of whether such sum is due to be paid in the future, will become immediately due and payable.

9. Confidentiality

9.1 Except as provided in clauses 9.2, 9.3 and 9.4, UK Mail and the Customer undertake to the other to keep confidential the terms of this Agreement, all information (written or oral) concerning the business, the customers or financial information of the other that it has received as a consequence of the discussions leading up to this Agreement or which it subsequently receives as a consequence of the performance of this Agreement, including the prices charged by UK Mail under this Agreement ("**Confidential Information**").

9.2 UK Mail and the Customer may each disclose Confidential Information to their respective legal, financial and other business advisors (in each case in so far as such advisors need to know such Confidential Information) or as may be required by law or by any regulatory authority.

9.3 Clause 9.1 shall not apply to Confidential Information which the receiving party can demonstrate was; (i) already in its possession prior to its receipt from the disclosing party; (ii) was subsequently disclosed to it lawfully by a third party who did not obtain such Confidential Information (directly or indirectly) from the disclosing party; or (iii) was in the public domain at the time of receipt by the receiving party or has subsequently entered the public domain other than as a result of a breach of clause 9.1 by the receiving party.

9.4 The C9 Agreement and the Letter of Responsibilities may be disclosed by either the Customer or UKM Mail to the other or to Royal Mail but shall not be disclosed to any other party, save as permitted under clauses 9.2 and 9.3

9.5 The obligations of the parties under this clause 9 survive termination of this Agreement however caused.

10. Assignment, Use of Agents and Sub-contracting

10.1 UK Mail may employ any person as UK Mail agent, sub-contractor or otherwise in the performance of any of UK Mail's obligations under this Agreement. In particular, the Customer recognises UK Mail may use other members of its group, or its or their franchisees and owner-drivers to collect Mailing Items from the Customer and to convey them. .

10.2 UK Mail recognises that the Customer may use agents for the preparation and hand over of Collections. If the Customer does so, it remains responsible for the actions of the agent and for the agent's compliance with this Agreement. UK Mail is entitled to deal with the

Customer's agent in respect of any Collections handed over by that agent.

10.3 This Agreement is personal to the Customer and the Customer may not assign or licence any or all of the Customer's rights or obligations under it without the prior written agreement of UK Mail (such agreement not to be unreasonably delayed or withheld).

11. The Indicator

11.1 The Indicator is the property of UK Mail. All Mailing Items shall carry the Indicator, and UK Mail hereby permits the Customer to use the Indicator on Mailing Items on the terms set out in this Clause 11. The Customer shall not use the Indicator on any Mailing Items to be collected, conveyed or delivered by a party other than UK Mail, or an agent, sub-contractor or other person employed by UK Mail for that purpose.

11.2 The Customer shall:-

(a) comply strictly with the policies and guidelines relating to the use of the Indicator (including those set out in the User Guide). Specifically, and without limiting this obligation, the Customer may only use the Indicator if the Customer reproduces the Indicator exactly in the form as set out in the User Guide;

(b) not do or suffer to be done any thing which may adversely affect the distinctiveness of the Indicator or rights in and to the Indicator or which would or might invalidate title in the Indicator, reduce its value, or adversely affect the reputation or the business of UK Mail;

(c) not portray any imagery or words related to UK Mail in any way which would or may bring UK Mail into disrepute. Except for use of the Indicator as permitted in this Agreement, the Customer shall not use or seek to register any trade mark, business name, corporate name, domain name or get up which is owned by or which may be associated with or is confusingly similar to those used by UK Mail;

(d) not make any statements or claims that indicate that UK Mail has approved or recommended any goods or services offered by the Customer and/or its agents;

(e) not use the Indicator except as expressly permitted in these terms.

11.3 The terms of this clause 11 do not and will not operate to grant the Customer any rights in respect of the Indicator. All intellectual property rights in respect of the Indicator will (as between the Customer and UK Mail) remain vested in UK Mail at all times. All goodwill attaching to the Indicator arising through the Customer's use of the Indicator will automatically accrue to UK Mail, whether arising at common law or otherwise, and the Customer assigns with full title guarantee to UK Mail any such goodwill which may otherwise be vested in it.

11.4 Any breach of this clause 11 is deemed not to be capable of remedy for the purpose of clause 7.2(a).

12. Notices

12.1 All notices between the parties under this Agreement must be in writing and delivered by hand, post or fax, if to UK Mail, to UK Mail's registered office and if to the Customer, to the Customer's address specified on the Account Application Form, or in either case, to such other address

as is notified by one party to the other. Communications and messages set out in invoices from UK Mail to the Customer shall be deemed as notice for the purposes of this Agreement

12.2 Notices will be deemed to be received (a) if sent by post, 2 days (excluding Saturdays, Sundays and bank or public holidays) after posting (excluding the day of posting), (b) if delivered by hand, on the day of delivery; and (c) if sent by fax before 4:00pm on a day other than a Saturday, Sunday or a bank or public holiday, at the time of transmission, and if sent by fax after 4.00pm or sent on a Saturday, Sunday or a bank or public holiday on the next day which is not a Saturday, Sunday or a bank or public holiday.

13. Communication and Management

13.1 At the same time as serving the same upon Royal Mail, the Customer shall serve upon UK Mail a copy of any notice served by it upon Royal Mail under the C9 Agreement.

13.2 The Customer shall serve upon UK Mail as soon as possible and shall in any event despatch the same within 3 Working Days of receipt, a copy of any notice or communication received by it from Royal Mail under, in connection with or relating to the C9 Agreement which is relevant this Agreement.

13.3 The Customer shall notify UK Mail as soon as possible of any dispute or issue arising under the Letter of Responsibilities or, where the issue is relevant to this Agreement, the C9 Agreement whether such dispute or issue relates to Royal Mail or to any other person.

14. Miscellaneous

14.1 UK Mail reserves the right for it to refuse to accept, to detain, to destroy or to open and inspect any Mailing Item according to section 107 of the Postal Services Act 2000 and this Agreement.

14.2 UK Mail may vary these terms and conditions by giving the Customer at least 30 days notice in writing.

14.3 The failure of either party to enforce or to exercise, at any time or for any period, any term of, or right arising pursuant to, this Agreement does not constitute, and shall not be construed as, a waiver of such a term or right and shall not affect the party's right to enforce or exercise it at a later date.

14.4 UK Mail is not and does not contract as a common carrier. This Agreement supersedes any prior agreements and arrangements between UK Mail and the Customer, and constitutes the entire agreement between UK Mail and the Customer, relating to its subject matter. Neither party has relied upon or been induced to enter into this Agreement by any representation or statement other than as set out in this Agreement. No addition to or modification of this Agreement shall be effective unless it is in writing and signed by a duly authorised representative of both UK Mail and the Customer. Any Mailing Item handed over to UK Mail is handed over under this Agreement to the exclusion of all other documents or terms that the Customer attempts to apply, even if they are endorsed upon, delivered with or contained in any document that the Customer delivers to UK Mail.

14.5 This Agreement shall be subject to English law. The parties submit to the exclusive jurisdiction of the English Courts.

14.6 Nothing in this Agreement is intended to confer on any person any benefit or any right to enforce any term of it which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

15. Data Protection Act

15.1 The Customer consents to and understands that for all account applications, a credit search will take place using a credit reference agency. This information may also be shared with other UK Mail Group plc subsidiaries.