

**Company to Company contract**

POST OFFICE LTD

SECTION 1

**OPERATORS' CONTRACT AND STATUS**

**CONTRACT**

1. The Operator is an agent of Post Office Ltd.
- 2.1 The following terms used in this contract have the following meaning unless the context requires otherwise:
  - (a) Operator means the company that is appointed by Post Office Ltd to operate the Post Office branch under this Contract;
  - (b) Branch Manager means the person appointed by the Operator from time to time to manage the Post Office branch on a day to day basis, who may or may not be the Nominated Person;
  - (c) Nominated Person means the person who is a director of the Operator, and who has been notified to Post Office Ltd, by the Operator, to be the nominated person as referenced in parts of this contract. Where the Operator operates more than one Post Office branch the Nominated Person must be the same person at all branches operated by the Operator;
  - (d) Family Member means an individual's parent, child, spouse, civil partner, sibling, former spouse or civil partner, grandparent, grandchild, nephew, niece or any person with whom that individual is in a long term relationship;
  - (e) Insolvency Event means an event listed in Section 24 of this contract;
  - (f) Post Office Group means the group of companies comprised of Post Office Limited, its holding companies, its subsidiaries and associated undertakings (if any) and any subsidiaries and associated undertakings of its holding company including any subsidiaries of those associated undertakings. The terms holding company and subsidiary shall have the meanings given to them in section 1159 of the Companies Act 2006;
  - (g) Control and Change of Control have the meaning given to them in Section 23 of this contract; and
  - (h) Horizon means the Horizon computer system hardware and software, communications equipment in Branch and central data centres where records of the transactions made in Branch are processed, recorded and retained.
- 2.2 Unless otherwise stated or implied from the context all references to:
  - (a) one gender includes references to the other genders (e.g. references to "he" include "she" and "it");
  - (b) a person include references to a natural person and a corporate or unincorporated body (whether or not having separate legal personality).
3. The Operator must provide and maintain, at its own expense, reasonable office accommodation required by Post Office Ltd, and pay also at its own expense, any assistants it may need to carry on Post Office Ltd business.
4. The hours of attendance (liable to variation) are:-

to		to	
to		to	on Sundays
to		to	
to		to	on Bank Holidays
to	on week days	to	
		to	on Public Holidays

to on days, except when registered items or parcels are on hand for despatch, when it may be necessary to attend at PM.

5. The Operator is required to accept full responsibility for the proper running of the Post Office® branch and the efficient provision of those Post Office services which are required to be provided there. The Operator will appoint a branch manager who must be registered as an Assistant. For the avoidance of doubt, there is no requirement for the Nominated Person or any other director of the Operator to attend the Post Office® branch personally or to be the branch manager. Retention of the appointment as Operator is dependent on the Post Office® branch being well managed and the work performed properly to the satisfaction of Post Office Ltd.
6. The Operator is informed at the time of its appointment of the classes of business it is required to provide. It must also undertake, if called upon to do so later, any other class of business not required at the time of its appointment but which Post Office Ltd may subsequently and reasonably require it to do, except that Post Office Ltd may not require it to undertake Mailwork where the Operator did not undertake to do so as part of the terms of its appointment.
7. The Operator may change an existing Nominated Person to another director of the Operator by providing written notice to the Human Resources Service Centre at Post Office Ltd.
8. If Post Office Ltd alters the services to be provided or withdraws a service the Operator has no claim to compensation for any disappointment which may result from the change.
9. The terms of the appointment of Operator do not entitle the Operator, the branch manager, the Nominated person or any other director of or shareholder in the Operator to be paid sick or annual leave or any pension.
10. If on termination of this contract the Operator disposes of its private business and/or premises in which the Post Office® branch is situated, the person acquiring the private business and/or the premises or exchanging contracts in connection with the purchase of the private business and/or premises will not be entitled to preferential consideration for appointment as Operator providing Post Office Limited acts for a proper purpose and in accordance with its duty of good faith when exercising its discretion as to the appointment of a new Operator.
11. The Operator may terminate this contract by giving not less than three calendar months' notice in writing failing which it shall be liable to bear any expense incurred by Post Office Ltd in consequence.
12. This contract may be terminated by Post Office Ltd at any time:
  - (a) in case of breach of condition by the Operator, or non-performance of its obligation or non-provision of Post Office Services by the Operator, but only if any of such breach, non-performance or non-provision is repudiatory; or
  - (b) if an Insolvency Event occurs in relation to the Operator; or
  - (c) if there is a Change of Control of the Operator,but otherwise may be terminated by Post Office Ltd, subject to paragraph 3 of Section 8, on not less than three months' notice, provided that Post Office Ltd shall, acting in good faith and taking into account all relevant factors (but not irrelevant ones), conscientiously consider what the duration of such notice period should be.
13. The Operator will display a vacancy notice in the Post Office® branch window at the time this contract is terminated if so required by Post Office Ltd.
14. The Operator's initial remuneration will be in accordance with the official figures of business found to be warranted at the time.
15. The Operator shall notify Post Office Ltd in writing within 14 days:
  - (a) of any Change of Control of the Operator, giving the date on which the Change of Control occurred and the full name and residential address of the person to whom Control has passed;
  - (b) of the appointment or removal of any director of the Operator, giving the date on which the appointment or removal occurred and the full name and residential address of the person removed or appointed.

**PO RULES & POSTAL INSTRUCTIONS**

16. SECTIONS 1-24 contain the general terms of an Operator's appointment. Post Office Ltd issues the Operator with rules and Postal Instructions which deal with the various classes of Post Office® Business to be transacted at the Post Office® branch.
17. The rules provided for the instruction and guidance of Operators must be kept up to date. They must be carefully studied and applied. No breach of rules will be excused on the grounds of ignorance.
18. Operational rules are intended for the instruction and guidance of both the Operator and the Post Office® branch Assistants which it employs at its Post Office® branch. The Operator must ensure that its Post Office® branch Assistants carry out their duties in accordance with the rules and instructions affecting their respective duties.
19. Certain Postal Instructions are supplied to Mailwork offices for the use of the postmen employed there and should be kept in a position where they are readily available for reference. These particular instructions and rules do not apply to Operators.
20. The Operator shall offer for sale or provide in the Branch all those products and services that the Operator is authorised by Post Office Ltd to sell or provide. The products and services that the Operator is authorised to sell or provide shall be those for which a relevant icon is visible on any Horizon system in use at the branch or, by such other process provided and used to assign product availability in either the current Horizon system or any future equivalent point of sale accounting system.

#### **CONTRACT - CHANGES AND AMENDMENTS**

21. Changes in conditions of service and operational instructions, including those which are agreed with the National Federation of Sub-Postmasters, will appear from time to time in communications from Post Office Ltd or by amendment to the Contract. Such changes and instructions are deemed to form part of the Operator's contract to the extent that such changes and instructions are reasonable.

#### **POST OFFICE LTD**

21. All instructions received from Post Office Ltd should be carried out as promptly as possible, provided such instructions are reasonable.

#### **OVERRIDING DUTIES**

22. Each party shall:
  - (a) at all times in the performance of its obligations and exercise of its rights under the contract act in good faith;
  - (b) take reasonable care in performing its functions and/or exercising its functions within the relationship, particularly those which could affect the accounts (and therefore liability to alleged shortfalls);
  - (c) refrain from taking steps that would inhibit or prevent the other party from complying with its obligations under or by virtue of the contract; and
  - (d) provide the other party with such reasonable cooperation as is necessary to the performance of the other party's obligations under or by virtue of the contract.
23. Post Office Ltd shall:
  - (a) not take steps which would undermine the relationship of trust and confidence between the Operator and Post Office Ltd;
  - (b) exercise any contractual, or other power, honestly and in good faith for the purpose for which it was conferred;
  - (c) not exercise any discretion arbitrarily, capriciously or unreasonably; and
  - (d) exercise any such discretion in accordance with the obligations of good faith, fair dealing, transparency, co-operation, and trust and confidence.



END

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SECTION 2

REMUNERATION

**GENERAL**

1. The Operator is paid according to the amount of work which is transacted at its Post Office® branch. All remuneration is in respect of the provision of Post Office® services.

**FREQUENCY OF PAYMENT**

2. Remuneration is paid monthly, by bank credit transfer, during the period of the Operator's appointment, in accordance with the provisions of the remuneration booklets referred to below.

**3. COMMERCIAL BRANCHES AND SMALL BRANCHES**

- 3.1 The method of calculating an Operator's remuneration will depend on whether its Post Office® branch is designated by Post Office Ltd from time to time as either a "Commercial Post Office® branch" or a "Small Post Office® branch" in accordance with the provisions of the remuneration booklets issued by Post Office Ltd from time to time for each category of branch.
- 3.2 The remuneration system applicable to Operators of each category of branch is set out in these remuneration booklets. The remuneration booklets also contain the rates of remuneration applicable to each category of branch.
- 3.3 Post Office Ltd may revise the remuneration rates set out in the remuneration booklets (in whole or in part) from time to time following consultation with the National Federation of Subpostmasters. Any such revisions will be communicated to Operators.
- 3.4 Post Office Ltd may also revise other parts of the remuneration booklets (including the definitions of Commercial and Small Post Office® branches and the remuneration system applicable to them) from time to time, following negotiation with the National Federation of Subpostmasters. Any such revisions will be communicated to Operators. Where appropriate, revised versions of the booklets will be distributed to Operators.
- 3.5 The remuneration booklets (and any revisions to them) form part of the Operator's Contract.

**SEASONAL POST OFFICE ® BRANCHES**

4. Where a Post Office® branch is regularly open for part of the year only, remuneration will be paid for the period of opening only.

**OPERATOR'S PERSONAL BUSINESS**

5. Full credit is normally allowed for the personal Post Office® business of a Nominated Person and his Family Members, but Post Office Ltd reserves the right to withhold credit for part of such business at its discretion.

**PROHIBITIONS**

6. The delivery of stamps or postal orders or other items of business at the premises of persons, firms or companies is forbidden. Remuneration may be withheld in respect of any business obtained by an Operator in breach of this clause.

**QUESTIONS ABOUT REMUNERATION**

7. If a Operator considers that the provisions of this Section have not been correctly applied in the case of its branch it should contact the Human Resources Service Centre on: 0845 601 6260

END

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SECTION 3

NOMINATED PERSON'S ABSENCE FROM OFFICE

**GENERAL**

The Operator is free to permit the Branch Manager to absent himself from the Post Office branch, provided the Operator makes suitable arrangements for the conduct of the office during the absence of the Branch Manager. Neither the branch manager, nor the Nominated Person nor any other director or shareholder of the Operator, may be involved in the operation of the Post Office® branch unless they are also a registered Assistant.

The Operator should notify the Human Resources Service Centre on form P2593 when the Branch Manager will be away for a period of more than 3 days and give the name of the person substituting for him.

An Operator's responsibility for the proper conduct of the office, or for any losses occurring during the absence of the Branch Manager, is in no way diminished by the absence of the Branch Manager from the Post Office® branch. The Operator must make proper provision, at its own expense, for the conduct of the office while the Branch Manager is away, but assistance towards the cost of substitution of the Branch Manager where he is also the Nominated Person is provided, in respect of certain absences, under the terms outlined in other relative sections listed below:-

- SECTION 4     Absence on holiday
- SECTION 5     Absence on Territorial Training
- SECTION 6     Absence for Jury Service
- SECTION 7     Sick Absence Scheme

END

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SECTION 4

**ABSENCE ON HOLIDAY - HOLIDAY SUBSTITUTION ALLOWANCE**

1. Subject to the following conditions the Operator may claim for reimbursement of the necessary cost of substitution for the Nominated Person when the Nominated Person is taking a holiday. To qualify for reimbursement, the Operator must be able to certify that the Nominated Person renders on average not less than 18 hours personal service as an Assistant each week.
2. The reimbursement of the costs of substitution is paid as Holiday Substitution Allowance and the maxima payable are published annually by Post Office Ltd and communicated to the Operator from time to time. The sum reimbursable is the net additional cost necessarily incurred by the Operator in providing during the absence of the Nominated Person for the Post Office® duties which the Nominated Person normally performs.
3. To assist Operators to overcome the difficulties sometimes experienced in obtaining suitable substitutes in a particular year the holiday substitution allowance extends over a period of 2 years. The holiday periods for which the costs of substitution are payable are:-
4. For a Nominated Person with less than 10 years' service; a total not exceeding 7 weeks in a period of 24 months beginning 1 April in every odd year; 7 weeks for this purpose consist of 42 weekdays plus not more than 7 associated Sundays.
5. For a Nominated Person with 10 years or more aggregated service; a total not exceeding 8 weeks in a period of 24 months beginning 1 April in every odd year; 8 weeks for this purpose consists of 48 weekdays plus not more than 8 associated Sundays.

NOTE: Subject to the above limits on holiday periods, Operators may claim reimbursement of substitution costs for absences of Nominated Persons of less than 3 days, provided that claims are aggregated and made quarterly.

6. Proportionate adjustments will be made to the period for which reimbursement can be claimed when a Nominated Person qualifies for the higher allowance during the 2 year cycle.
7. Subject to the limits in paragraphs 3, 4 & 5, an Operator is free to permit the Nominated Person to take up to the maximum of the period for which holiday substitution allowance may be claimed at any time during the 2 year cycle provided that the Operator makes suitable arrangements for the conduct of the office during its absence or that of the Nominated Person. A further cycle will recur in every odd year.
8. The Operator must do its best to find a suitable substitute and make all necessary arrangements for the absence of the Nominated Person, which should be notified to the Human Resources Service Centre on form P2593. In cases of difficulty Post Office Ltd or the Secretary of the local branch of the National Federation of Sub-Postmasters may be able to give the names and addresses of local people known to be willing to offer their services as holiday reliefs to Operators. Responsibility for concluding arrangements with such people remains with the Operator concerned.

**CLAIMS FOR REIMBURSEMENT**

9. The Operator must submit a formal claim for reimbursement of the holiday substitution allowance on the relevant forms (obtainable from the Human Resources Services Centre), and provide Post Office Ltd with all requested information, within three months of the end of the period of substitution to which the claim relates, except in the cases as in paragraph 10 where claims should be submitted quarterly.
10. Claims for reimbursement of substitution costs for absences of less than 3 days (see Note at paragraph 5) should be submitted on the relevant forms obtainable from the Human

Resources Services Centre), and provide Post Office Ltd with all requested information, at the quarter ended. In addition to the arrangement quoted above, with effect from January 1990 all claims for reimbursement of the cost of employing a substitute for periods longer than 2 days in the event of holiday or sickness, should be submitted for payment to the Human Resources Service Centre no later than six months following the date the claim is made.

11. Where a Nominated Person is also separately employed by Post Office Limited or any third party either on a full or part-time basis, it is essential, in view of the terms of the certificate required as a condition of reimbursement of the cost of his substitution, that he should be absent from all Post Office Limited work and all work for any third party during his holiday as Assistant.
12. A Operator who holds more than one Post Office® branch appointment and who satisfies the general conditions entitling it to claim reimbursement in respect of the absence of a Nominated Person must also satisfy the further condition that that Nominated Person is absent from all the Operator's Post Office® branches at the same time, i.e. irrespective of the number of Post Office® branch appointments held, the Operator shall only be entitled to claim reimbursement for a total period of:-
  - 12.1 not more than 7 weeks in the 24 months beginning 1 April in every odd year, if the Operator and Nominated Person in aggregate have less than 10 years' service;
  - 12.2 not more than 8 weeks in the 24 months beginning 1 April in every odd year, if the Operator and Nominated Person in aggregate have 10 years or more aggregated service.
13. Only one claim for reimbursement is admissible and not one claim per Post Office branch appointment held.
14. Reimbursement of the cost of annual holiday of Nominated Persons warranted under the foregoing rules will be restricted in respect of an Operator's first and last 2 years of appointment to amounts proportionate to the actual periods of appointment during those years; any overpayments which may thus occur will be recovered subsequently.

#### **PREPARATION OF CASH ACCOUNTS DURING ABSENCE ON HOLIDAY**

15. An Operator is allowed to dispense with the preparation of cash accounts on up to 3 occasions in each accounting/financial year during the absence of the Nominated Person on holiday. On one occasion a cash account may cover up to 3 weeks transactions, and on two additional occasions 2 weeks transactions. Alternatively, on two occasions a cash account may cover up to 3 weeks transactions. In no circumstances may two occasions be consecutive.
16. Applications to dispense with cash accounts should be made on form P2639, to the National Business Support Centre (NBSC) at least 3 weeks before the date of absence, but they can only be allowed when the 2 or 3 weeks involved fall within the same accounting period. (The accounting periods are shown in front of the cash book).
17. "Despatch of Accounts" instructions to cover the period concerned will be supplied by FC4.3/CAG Chesterfield and for Scotland, Scottish Accounting Office AD1.
18. It will not be possible to dispense with 2 consecutive cash accounts when one or both of them, or the next account that would be due, is for longer than a normal cash account week, e.g. Christmas and New Year. However, applications to dispense with one account at such times will be considered.

END



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SECTION 5

**ABSENCE - TO ATTEND TERRITORIAL, FORCES RESERVE, ETC., TRAINING**

1. An Operator may be reimbursed with the cost of providing a substitute for a Nominated Person who renders an average not less than 18 hours personal services each week, up to the maximum of the appropriate Holiday Substitution Allowance in force, for an additional period of absence of up to 12 working days and 2 associated Sundays in each year, to attend for training at a Territorial, etc., camp.
2. Claims should be made on form P2340 and P2340(A on which the Operator must certify that the Nominated Person has spent the whole period covered by the claim in full-time training with the force concerned and that the Operator has actually and necessarily incurred additional expenditure to the amount claimed. In all other aspects, the conditions relating to the payment of Holiday Substitution Allowance apply (see Section 4).
3. Territorial, etc. forces which are recognised for the purposes of reimbursement of additional substitution costs are:-

**ARMY**

Regular Army Reserve of Officers  
Army Reserve - Section D  
Territorial Army

**ROYAL NAVY**

Royal Navy Reserve  
Royal Naval Auxiliary Services  
Royal Naval Retired and Emergency List Officers  
Royal Marines Reserve  
Royal Fleet Reserve  
Women's Royal and Naval Reserve  
Queen Alexandra's Royal Naval Nursing Services Reserve.

**ROYAL AIR FORCE**

Royal Auxiliary Air Force  
Royal Air Force Volunteer Reserve  
Royal Air Force Reserve of Officers  
Royal Air Force Reserve - Class E  
Princess Mary's Nursing Service Reserve  
Royal Observer Corps

END

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SECTION 6

**ABSENCE FOR JURY SERVICE**

1. If the Nominated Person receives a summons to serve on a jury the Operator should notify Post Office Ltd immediately, and should inform them of the arrangements which it proposes to make for the conduct of the work of the Post Office® branch in the absence of the Nominated Person.
2. Where exceptionally the Operator is unable to find a substitute for the Nominated Person and the Post Office® branch is temporarily closed on account of the absence of the Nominated Person on jury service, the scale payment for the period of the closure will be withheld.

END

POST OFFICE LTDSECTION 7**OPERATOR'S SICK ABSENCE SCHEME - SUBSTITUTION ALLOWANCE**

1. Subject to certain conditions and limitations described below, the Operator is entitled to claim sick absence substitution allowance, in respect of the costs of substitution necessarily incurred, when the Nominated Person is absent from the Post Office® branch through illness.

**CONDITIONS AND LIMITATIONS**

2. The Operator may claim Sick Absence Substitution Allowance in respect of a Nominated Person who gives 18 hours or more personal service a week as an Assistant, who is not over 70 years of age, and who is absent from the Post Office® branch through illness. The maxima rates payable are published from time to time. The allowance is payable subject to, and in accordance with, the following conditions:-
3. The allowance will be payable when the period of any continuous sick absence amounts to three weeks (21 days including Sundays) or more and it will be paid retrospectively for all but the first week (seven days including Sunday) of absence.
4. Payment of the allowance will be limited to an aggregated period of 13 weeks (91 days including not more than 13 associated Sundays) in any consecutive period of 12 months.
5. Where a Nominated Person is incapacitated by an accident or illness which results, or is likely to result, in a continuous absence beyond 13 weeks, Post Office Ltd may authorise payment of the allowance to be extended up to a maximum period of 26 weeks (182 days including not more than 26 associated Sundays) in any one period of 12 months. Where an Operator has already received up to 12 weeks of the Sick Absence Substitution Allowance entitlement in the previous 12 months in respect of a Nominated Person the Operator may, because of an absence of that Nominated Person resulting from an extended illness, be entitled to an allowance up to a maximum of 26 weeks in any one period of 12 months.
6. Where an Operator's period of reimbursement of sick absence substitution costs is extended beyond 13 continuous weeks, such extension will be reviewed periodically. Under no circumstances will an Operator be allowed to aggregate separate periods of sick absence of a Nominated Person beyond 13 weeks in any one period of 12 months.
7. The maximum allowance payable will be the total amount calculated by applying the Operator's appropriate Holiday Substitution Allowance rate for the period for which sick absence allowance is payable, or the actual additional costs of substitution incurred for the same period, whichever is less.
8. Where an Operator holds more than one Post Office® branch appointment and the same person is the Nominated Person at more than one of those Post Office® branches, the Operator will be entitled to claim the allowance in respect of only one branch for that Nominated Person.
9. Any Operator who qualifies for the sick absence substitution allowance and can produce evidence to show that substitution costs were incurred should submit a claim to the Human Resources Service Centre after the Nominated Person has been absent for three weeks. Thereafter the Operator should claim the allowance at the end of each subsequent period of absence of four weeks (or at the end of the period of absence if that is reached earlier). Claim forms will be supplied by the Human Resources Service Centre on request.

**PERIODS OF SICK ABSENCE OF LESS THAN 3 WEEKS**

10. Where a Nominated Person is absent sick for a period of less than three weeks, and the Operator does not qualify for payment of the sick absence substitution allowance in respect

of that Nominated Person, the Operator will be free to claim, in respect of any substitute for the Nominated Person, Holiday Substitution Allowance for the period of absence up to the limit of any outstanding balance of its HSA entitlement. Claim forms will be supplied by the Human Resources Service Centre on request.

The amounts payable will not be subject to abatement of any national insurance sickness benefit received. Any period of sick absence for which HSA (as distinct from Sick Absence Substitution Allowance) is paid will count against HSA entitlement.

END

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SECTION 8

**TERMINATION**

1. The Operator may terminate this contract by giving not less than 3 calendar months' notice in writing. If the Operator does not give such notice Post Office Ltd may require the Operator to pay any expense which Post Office Ltd incurs in providing temporary arrangements to cater for the business which would normally be expected to be transacted at the Post Office® branch during any part of the 3 month notice period.
2. This contract may be terminated by Post Office Ltd at any time:
  - (a) in case of breach of condition by the Operator, but only if such breach is repudiatory; or
  - (b) non-performance of its obligation or non-provision of Post Office Services by the Operator, but only if such non-performance or non-provision is repudiatory; or
  - (c) if an Insolvency Event occurs in relation to the Operator; or
  - (d) if there is a Change of Control of the Operator,but otherwise may be terminated by Post Office Ltd on not less than three months' notice, provided that Post Office Ltd shall, acting in good faith and taking into account all relevant factors (but not irrelevant ones), conscientiously consider what the duration of such notice period should be.
3. Subject to paragraph 4, but notwithstanding any other provisions of this contract, Post Office Ltd shall not terminate the contract:
  - (a) arbitrarily, irrationally or capriciously;
  - (b) without reasonable and proper cause; and/or
  - (c) in circumstances where Post Office Ltd is itself in material breach of duty in respect of the matters which Post Office Ltd considers give it the right to terminate.
4. Paragraph 3 does not restrict Post Office Ltd's ability to terminate for a repudiatory breach.

END

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SECTION 9

**INJURY RESULTING FROM CRIMINAL ATTACK**

**REPORTS**

1. If an Assistant is injured in an attempted robbery of Post Office property a report should be made at once to Post Office Ltd however slight these injuries may appear to be. In addition, in order that entitlement to National Insurance (Industrial Injury) benefit may be preserved it is important that the Department of Work and Pensions (**DWP**) should be informed without delay.

**POST OFFICE LTD PERSONNEL CRIMINAL INJURY COMPENSATION SCHEME**

2. The scheme has application to Assistants and reliefs and substitutes who sustain permanent physical injury during the theft/attempted theft of Post Office® property on the premises, in or out of normal business hours; or whilst travelling to/from the bank on Post Office® business.
3. For the purpose of the scheme, registered Post Office® branch Assistants are those:-
  - (a) whose commencement of employment has been reported to the Post Office Ltd on form P250 and thereafter recorded on form P356W at 1 April each year as being employed on Post Office® work full-time, part-time, occasionally, or
  - (b) whose employment as a temporary Assistant or substitute has been reported to Post Office Ltd on form P250.

Also covered is DISAPPEARANCE, if any of the categories of the people in (2) above is missing as a result of criminal activity, and is presumed dead, a claim can be made subject to:

- (a) satisfactory evidence supporting the disappearance being supplied.
- (b) there is no reason to believe otherwise and
- (c) a period of 3 years has elapsed.

Any payment thus made will be refunded if subsequently the person concerned is found to be alive.

**EXCLUSIONS**

4. The policy does not cover:-
  - (a) Bodily injury sustained whilst under the influence of intoxicating liquor or drugs other than drugs taken in accordance with treatment prescribed and directed by a qualified registered medical practitioner but not for treatment of drug addiction;
  - (b) any consequence of pregnancy or childbirth;



- (c) any pre-existing physical or mental defect or infirmity;
- (d) war risks.

## **CONDITIONS**

The maximum benefit payable to one individual in one insurance year is £60,000 irrespective of the number of incident/claims which may have occurred. If the maximum benefit is paid to one individual in one insurance year no further liability rests with Post Office Ltd. Post Office Ltd's liability for a series of claims in any insurance period for the same person shall not exceed the maximum benefit (£60,000).

5.1 Any benefits payable under Parts 2 and 3 of the Schedule of Benefits will only be paid on receipt of a DWP Medical Assessment, confirming permanent disablement Data to be supplied to Post Office Ltd. Payment under Part 2 will not be made before the expiry of 90 consecutive days of disablement. Fifty percent of the value of the medical assessment of benefit may be paid on receipt of a 2 year provisional assessment. Any balance will be paid if a life assessment is given. Benefits payable are subject to the overriding maximum of £60,000.

5.2 Benefits may be paid for more than one disability listed in Part 3 of the schedule of benefits, provided that the total amount received does not exceed the maximum benefit of £60,000.

5.3 Any benefit Payable under Part 3 and/or 4 of the Schedule of Benefits will be deducted from the maximum benefit (£60,000), if the individual concerned subsequently dies, or suffers permanent total disablement as a result of the injuries received in the incident(s).

5.4 Any payment made under Part 4 of the Schedule of Benefits, can be made in advance of the settlement of a claim under Parts 1, 2 or 3 of the schedule but is subject to an overriding maximum benefit of (£60,000).

Benefits under Section 4 may be paid up to, but not exceeding 104 weeks, for total disablement arising from a criminal attack while collecting cash from the bank for authorised Post Office® business.

Payments may be made:-

- (a) at the end of the period(s) of total disablement; or
- (b) at the injured persons request, at the end of at least four weeks total disablement and thereafter at four weekly intervals, if requested.

Payments are subject to the provision of medical and any other relevant information as requested by Post Office Ltd.

5.5 Disablement or Partial loss not specified in the schedule of benefits.

The percentage benefit will be in accordance with the DWP medical assessment.

## **CLAIMS PROCEDURE**

6. Claims must be made by the injured person (or his personal representative) to Post Office Ltd within 3 months of the date of the incident(s). Claim forms are available from Post Office Ltd or the Headquarters of the National Federation of Sub-Postmasters.

## **EVIDENCE**

7. All certificates and information shall be sent to Post Office Ltd as and when requested. If a Second opinion is required, an appointment will be made at a time and date mutually acceptable. The cost will be met by the scheme. The injured person will as often as required, submit to medical examination in respect of any alleged bodily injury.

8. In the event of any dispute, Post Office Ltd reserves the right to take such disputes to an independent insurance broker for arbitration.

9. Income Tax is not payable on any benefits under the scheme.

#### THE GOVERNMENT'S SCHEME

10. Compensating victims for crimes of violence is administered by the Criminal Injuries Compensation Authority, whose address is Alexander Bain House, Atlantic Quay, 15 York Street, GLASGOW G2 8JQ Details of scheme can be obtained from the Authority, Office of the Department of Work and Pensions and Citizens Advice Bureaux. Injuries which occur in Northern Ireland, the Channel Islands and the Isle of Man are outside the scope of the government scheme.

(APPENDIX 1 FOLLOWS)

**APPENDIX 1**SCHEDULE OF BENEFITS

1. Death	£60,000
2. Permanent total Disablement resulting in inability to follow any occupation	£60,000
3. Loss of/loss of use of limb(s) etc. and permanent disability in accordance with the following permanent disabilities:-	expressed as a percentage of £60,000

## PERMANENT TOTAL DISABLEMENT

Total loss of sight of both eyes		
Total incurable insanity		
Loss of both arms or both hands		
Complete deafness of both ears of traumatic origin		
Removal of lower jaw		
Loss of speech		100%
Loss of one arm and one leg		
Loss of one arm and one foot		
Loss of one hand and one foot		
Loss of one hand and one leg		
Loss of both legs		
Loss of both feet		
Loss of one eye		30-40%
Complete Deafness of one ear		20%

**UPPER LIMBS****LEFT/RIGHT**

Loss of one arm or hand	60%
Total loss of thumb	30%
Partial loss of thumb (ungual phalanx)	10%
Total amputation of forefinger	14%
Amputation of two phalanges of forefinger	11%
Amputation of unguual phalanx of forefinger	9%
Simultaneous amputation of thumb and forefinger	35%
Amputation of thumb and finger other than thumb and forefinger	30%
Amputation of two fingers other than thumb and forefinger	12%
Amputation of three fingers other than thumb and forefinger	30%
Amputation of three fingers and thumb	45%
Amputation of four fingers excluding thumb	50%
Amputation of the median finger	12%
Amputation of a finger other than thumb, forefinger and median	7%

**LOWER LIMBS****expressed as a  
percentage of  
£60,000**

Amputation of thigh (upper half)	80%
Amputation of thigh (lower half) and leg	70%
Total loss of foot (tibio-tarsal disarticulation)	30%
Partial loss of foot (sub-ankle-bone disarticulation)	30%
Partial loss of foot (medio-tarsal disarticulation)	30%
Partial loss of foot) (tarso-metatarsal disarticulation)	20%
Shortening of the lower limb by at least 5cm	40%
Shortening of the lower limb by at least 3 to 5cm	40%
Shortening of the lower limb by 1 to 3cm	40%
Total amputation of all toes	20%
Amputation of four toes including big toe	14%
Amputation of four toes	9%
Amputation of big toe	14%
Amputation of two toes	5%
Amputation of one toe other than the big toe	3%

Benefit from other injuries will be paid according to DWP assessment all occurring within 24 months of bodily injury or incident giving rise to a claim.

Total disablement arising from criminal attack whilst collecting Post Office® cash from the Bank, entirely preventing the injured person from engaging in, or giving attention to his/her usual occupation - £200 per week, for each full week (one week = 7 days).

END

POST OFFICE LTD

SECTION 10

**RESPONSIBILITY FOR POST OFFICE® STOCK AND CASH**

**CREDIT STOCK OF STAMPS ETC.**

1. The Operator on taking up its appointment is supplied with suitable Post Office® stock, the amount of which is fixed by Post Office Ltd.

**CASH BALANCE**

2. The Operator is permitted to hold Post Office Ltd cash normal to meet payments at its Post Office® branch after due allowance has been made for expected receipts and in accordance with official accounting and security instructions.
3. The Operator is expressly forbidden to make use of the balance due to Post Office Ltd for any purpose other than the requirements of the Post Office® service; and its must, on no account apply to its own private use, for however short a period, any portion of Post Office Ltd funds entrusted to it. It must also be careful to keep the Post Office® money separate from any other monies. Misuse of Post Office Ltd cash may render the offender liable to prosecution and, or, (subject to Section 8) the termination of its Contract of Appointment.

**ACCOUNTS**

4. The Operator must ensure that accounts of all stock and cash entrusted to it by Post Office Ltd are kept in the form prescribed by Post Office Ltd. It must immediately produce these accounts, and the whole of its Post Office® branch cash and stock for inspection whenever so requested by a person duly authorised by Post Office Ltd.

**SECURITY OF CASH, STAMPS ETC.**

5. The Operator is held strictly responsible for the safe custody of cash, stock of all kinds and other Post Office Ltd property, papers and documents, and should keep them in a place of security, especially at night.
6. The Operator is responsible for maintaining a standard of security sufficient to enable it to meet the obligations laid on it by paragraph 5 for the safe keeping of Post Office Ltd cash and stock placed in its care. If any circumstances arise which lead it to doubt whether it can do so it should immediately consult Post Office Ltd.
7. In deciding the standard of security which it would be reasonable to require under paragraph 6 Post Office Ltd will have regard to (a) the circumstances in which the Operator was appointed, and in particular the standard of security then accepted; (b) the length of time since its appointment; and (c) any particular circumstances affecting the Post Office® branch which appear to be relevant.
8. All vouchers for payments e.g. Postal Orders, Allowance Dockets etc., should be placed in a suitable receptacle (cardboard box or strong envelope), labelled "Paid Vouchers" and at the close of business kept separately from cash and stock in another secure place, such as a locked drawer or cupboard.
9. The Operator must be careful to keep its stocks of all kinds in such a manner that they remain in good condition. The stocks must be protected against damp and dust.

10. Datestamps used for authenticating documents (e.g. Postal Orders) or stamping correspondence must be kept in a position on the counter where they are out of reach of members of the public. When not needed for work they must be locked away.
11. Precautions should be taken to guard against the risk of fire.

#### **LOSSES**

12. The Operator is responsible for all losses caused through its own negligence, carelessness or error, and also for all losses caused by the negligence, carelessness or error of its Assistants.
  13. Subject to paragraphs 12 and 13A of this Section 10, the financial responsibility of the Operator does not cease when it relinquishes its appointment and it will be required to make good any losses incurred during its term of office that may subsequently come to light.
- 13A Post Office Ltd shall not seek recovery from the Operator unless and until:
- (a) it has complied with its duties under paragraph 20 of this Section 10 (or some of them);
  - (b) it has established that the alleged shortfall represents a genuine loss to it; and
  - (c) it has carried out a reasonable and fair investigation as to the cause and reason for the alleged shortfall and whether it is properly attributable to the Operator under the terms of this contract.

#### **GAINS**

14. Surpluses may be withdrawn provided that any subsequent charge up to the amount withdrawn is made good immediately.

#### **THEFT OR BURGLARY**

15. If a theft or burglary is committed or attempted at a Post Office® branch, whether or not official cash or stock is stolen, the facts must be reported at once to the Police and to Post Office Ltd by the person who first makes the discovery.

#### **MISSING OR STOLEN STOCK**

16. If an Operator considers that any stock items have been accidentally lost, or stolen it should make a report, in accordance with Appendix 1, as quickly as possible to Post Office Ltd.

#### **RELIEF**

17. **COUNTER LOSSES:** A Operator may exceptionally not be required to make good the full amount of certain losses at its office. If it feels entitled to relief in making good a loss it should apply to Post Office Ltd
18. **THEFT OR BURGLARY:** The question of granting relief will depend upon whether the Operator has taken reasonable precautions to safeguard the official cash and property.
19. **FRAUD:** All cases of fraud or attempted fraud should be reported immediately to Post Office Ltd.

#### **POST OFFICE DUTIES**

20. Post Office Ltd shall:
  - (a) provide the Horizon system, which shall be reasonably fit for purpose, including any or adequate error repellency;
  - (b) provide adequate training and support, including through the provision of training



materials, to the Operator, particularly if and when the Post Office Ltd imposes new working practices or requires the provision of new services;

- (c) properly and accurately effect, record, maintain and keep records of all transactions effected using Horizon;
- (d) properly and accurately produce all relevant records and/or explain all relevant transactions and/or any alleged or apparent shortfalls attributed to the Operator;
- (e) co-operate in seeking to identify the possible or likely causes of any apparent or alleged shortfalls and/or whether or not there was indeed any shortfall at all;
- (f) seek to identify the causes of any such apparent or alleged shortfalls, in any event;
- (g) disclose possible causes of apparent or alleged shortfalls (and the cause thereof) to the Operator candidly, fully and frankly;
- (h) make reasonable enquiry, undertake reasonable analysis and even-handed investigation, and give fair consideration to the facts and information available as to the possible causes of the appearance of alleged or apparent shortfalls (and the cause thereof);
- (i) communicate, alternatively, not conceal known problems, bugs or errors in or generated by Horizon that might have financial (and other resulting) implications for the Operator;
- (j) communicate, alternatively, not conceal the extent to which other operators of Post Office® branches are experiencing problems relating to Horizon and the generation of discrepancies and alleged shortfalls;
- (k) not conceal from the Operator Post Office Ltd's ability to alter remotely data or transactions upon which the calculation of the branch accounts (and any discrepancy, or alleged shortfalls) depend; and
- (l) properly, fully and fairly investigate any alleged or apparent shortfalls.

(APPENDIX 1 FOLLOWS)

**APPENDIX 1****ACCIDENTAL LOSS**

If at any time any items of stock (including stock of no intrinsic value such as motor vehicle licences) are found to be missing, steps must be taken at once to ascertain what has happened to the missing items. The serial numbers must be ascertained (see 2(a)) and verified by examination of items in stock, and the requisition forms examined to discover whether or not any of the items purport to have been issued out of sequence. All the requisition forms for the previous 3 months must at the same time be impounded and held for instructions. If, after careful search, the missing items cannot be found and are thought to have been mislaid only, or inadvertently destroyed, a preliminary report of the loss giving the serial numbers of the items in question must be sent to Post Office Ltd.

**STOLEN ITEMS**

1. If as a result of burglary, break in, theft, or suspected theft any items of stocks are missing the facts should be reported as quickly as possible to Post Office Ltd.
2. The further details which will be required, and which should be obtained and submitted to Post Office Ltd at the earliest opportunity, are as follows:
  - (a) The denominations, total values and serial numbers of missing or stolen items, so far as they are known, with serial numbers of any remaining stocks.
  - (b) A statement as to whether the date stamp of the Post Office® branch has been stolen, and if so, particulars of the type in it when stolen. If the date stamp has not been stolen a statement should be given which should intimate whether there is a reason to believe that it has been used upon the stolen items.
  - (c) A specimen impression of the date stamp and, if it was stolen, particulars of the type in it when stolen.
  - (d) A statement of the circumstances which are thought to show that a theft has been committed and of the supposed date, time and method of commission. It should include, if possible, written report from the person who last saw the missing items and the person who first discovered the loss. The former should say when the items were last seen, in what place and in what kind of receptacle (locked or unlocked) they then were. The latter should state how and when the loss was discovered and describe exactly the condition of the place and of the receptacle from which the items were apparently taken.
  - (e) Particulars of any cheques, including the transaction for which they were accepted.

END

**POST OFFICE LTD**

**SECTION 11**

**RESPONSIBILITY FOR THE SAFEGUARDING OF THE MAIL**

1. The Operator is responsible for the safekeeping of any letter, parcel, packet or other item transmissible by post which is conveyed, received, sorted, collected, delivered or otherwise handled in accordance with the provisions of this Contract (defined hereinafter as a "Postal Packet") whilst such Postal Packets are in its custody, and it must take all reasonable measures to protect them from delay, loss, theft, damage and/or interference of any kind.
2. Security instructions issued and amended (where necessary to minimise the risks referred to in paragraph 1 above) from time to time by Post Office Ltd set out the procedures which the Operator must follow in relation to the collection, handling, conveyance and delivery of any Postal Packet. Failure by the Operator or any Assistant to follow any such procedure will be deemed to be a breach of condition of this Contract by it, and Post Office Ltd reserves the right to take appropriate action in the circumstances.

**INFORMATION/REPORTING REQUIREMENTS**

3. The Operator acknowledges that Post Office Ltd views every incident of damage to, theft or loss of, or interference with, a Postal Packet as being very serious in nature. The Operator must therefore report as soon as possible to Post Office Ltd every such incident in the manner set out in Section 10, or as may otherwise be required by Post Office Ltd.

END

POST OFFICE LTD

SECTION 12

**PREMISES**

1. The Operator must, at its own expense, provide premises in which such reasonable office accommodation and fittings as Post Office Ltd may require are made available for carrying on the Post Office® business.

**TENANCY**

2. The Operator must hold the premises either as owner or on a tenancy subject to at least one quarter's notice. Exceptions are sometimes allowed as to tenancy where the premises are owned or held on a suitable tenancy by the Nominated Person, or the spouse or civil partner or other near relative of the Nominated Person.
3. The Operator must also at its own expense:-
  - clean, decorate and maintain the Post Office® branch premises inside and out to a good standard;
  - light and heat the Post Office® branch premises;
  - exhibit the Post Office® branch title (i.e. ". . . POST OFFICE®") in large painted letters in a prominent position outside the building.
  - in Wales exhibit an external bi-lingual sign "Syddfa'r Post®/Post Office®";
  - if required, provide convenient space for a letter box;
  - if required, provide, where no security screen of a type approved by Post Office Ltd already exists, for the installation of such a screen. Post Office Ltd will provide and pay for the components of the screen and the Operator will be responsible for its erection to the satisfaction of Post Office Ltd and for its maintenance. On installation the screen will become the property of the Operator.

**ALTERATIONS TO POST OFFICE® BRANCH PREMISES, ACCOMMODATION**

4. The Operator must not, without the prior agreement of Post Office Ltd:-
  - move the Post Office® branch to premises other than those in which it was situated at the time of its appointment;
  - alter the accommodation for carrying on the work of the Post Office® branch from that agreed at the time of its appointment.

**NOTICES, PUBLICITY ETC.**

5. The Operator must display in a position visible to the public at all times:
  - an up-to-date window notice indicating hours of opening which is supplied by Post Office Ltd, and
  - other notices and leaflets, as required by Post Office Ltd.
6. The Operator must permit Post Office Ltd to provide (in addition to a security screen - paragraph 3) any improvements in the standard of security which it decides to be necessary and for which it is prepared to pay.

**RESITING OF POST OFFICE® SECURITY EQUIPMENT**

7. Where any agreed re-arrangement of the Post Office® branch accommodation and/or fittings - see paragraph 4 - involves the moving of Post Office® security equipment the Operator's contribution to the cost of doing so will be decided as follows:-

NATURE OF ALTERATION	CONTRIBUTION REQUIRED OF OPERATOR
(a) Operator wishes to improve Post Office® accommodation and Post Office Ltd agrees improvement is desirable.	NIL
(b) Operator has no alternative but to move its premises or alter them to meet requirements beyond its control.	NIL
(c) Operator wishes to re-arrange its private accommodation, which will neither increase nor improve the Post Office® accommodation, but will require security equipment to be moved.	50%
(d) Operator wishes to re-arrange its private accommodation, which will reduce Post Office® accommodation, though not to a level unacceptable to Post Office Ltd, but security equipment will need to be moved.	80%

The above scale is intended as a rough guide only and Post Office Ltd has discretion to fix the level of contribution according to the circumstances of each particular case.

**RESIDENCE**

8. If the Nominated Person does not reside on the premises the Operator must satisfy Post Office Ltd that proper provision has been made for the safety of Post Office Ltd cash and stock entrusted to the care of the Operator. If residential accommodation is associated with the Post Office® branch the Operator must inform Post Office Ltd if it is not occupied by the Nominated Person, or if the Nominated Person ceases to occupy it, and must immediately inform Post Office Ltd if at any time it becomes vacant.

**MAILWORK OFFICES**

9. At Mailwork Post Office® branches where Royal Mail employees work on the premises, the Operator will in addition be required to provide at its own expense:-

- Access to lavatory facilities;
- Facilities for washing, including a supply of hot water, e.g. a kettle of hot water where running hot water is not available;
- Hat and coat pegs;
- Facilities for making tea, if required;
- Adequate lighting and ventilation;
- Adequate heating in winter.

10. The Operator, as occupier of the premises, is required to provide most of the above facilities under the provisions of the Offices, Shops and Railways Act 1963. It is likely that the presence of postmen on the premises will require the Operator, as occupier, to comply with other provisions of this Act. In addition duties are laid down in Sections 3 and 4 of the Health and Safety at Work Act 1974, as regards persons not in its employment. Bearing in mind that the responsibility is its own, it is in the Operator's best interest to be aware of the various requirements of these Acts.

#### **ADVERTISEMENTS**

11. A title, which might suggest that Post Office Ltd is concerned in the management of the Operator's private business, such as "Post Office Stores", must not be used.
12. No advertisement may be exhibited in the part of the premises used for Post Office® business which relates to:-
  - alcoholic liquors (for or against);
  - betting, gambling and football pools;
  - any illegal business or matter;
  - any controversial matter, an advertisement for which might suggest that Post Office Ltd supported one side or the other;
  - any commercial business which operates services of a kind conducted by Post Office Ltd.
13. Otherwise Post Office Ltd is not concerned with the display of commercial advertisements in the Post Office® branch providing that they are not placed in such position as to impair the security or the facilities for transacting Post Office® business. In cases of doubt the matter should be referred to Post Office Ltd.

END



POST OFFICE LTD

SECTION 13

**HOURS OF BUSINESS**

**INTRODUCTION**

1. The actual hours of opening of any individual Post Office® branch are set by Post Office Ltd in accordance with the following rules.

The Operator must not without permission vary the hours of public business set by Post Office Ltd.

**STANDARD COUNTER HOURS OF SERVICE**

2. The standard hours during which the Operator may be required to open its Post Office® branch in order to transact all kinds of Post Office® business appropriate to it are:

Monday - Friday            0900-1730

Saturday                    0900-1230 or 1300 (depending on local circumstances)

**LUNCH TIME AND HALF DAY CLOSURE (MONDAY TO FRIDAY)**

3. At the Operator's request Post Office Ltd may authorise the closure of an office within the times stated in paragraph 2:-

3.1. For up to 1 hour at lunch times, at times agreed between Post Office Ltd and the Operator.

3.2 On 1 afternoon per week (normally Tuesday, Wednesday or Thursday but, in exceptional circumstances Monday to Friday) from 1300 onwards.

**EXTENDED HOURS**

4. Where an Operator wishes to conduct Post Office business outside standard hours, Post Office Ltd will consider such requests taking into account the normal shopping pattern in the locality and the proximity of other Post Office® branches.
5. Where Post Office Ltd considers non-standard hours may be more appropriate for a particular office but the Operator disagrees, the Operator may if it wishes trial a rearrangement of the opening hours. A trial period should not extend beyond three months.

**SUSPENSION OF MID-WEEK HALF-DAY CLOSING DURING THE CHRISTMAS AND NEW YEAR PERIOD AND (WHERE APPLICABLE) ON THE THURSDAY PRECEDING GOOD FRIDAY**

6. Post Office Ltd may, on its own initiative or at the request of the Operator, suspend any mid-week early closing on any day or days between 18 and 31 December (Christmas Day and Boxing Day excluded) and on the Thursday before Good Friday. No additional payment will be made by Post Office Ltd for such opening.

**LOCAL HOLIDAYS AND TUESDAYS AFTER BANK HOLIDAYS**

7. Post Office Ltd will review the concession under which some Post Office® branches close on Local Holidays or on Tuesdays after Bank Holidays. Where this no longer matches customer needs the concession will be withdrawn.

**ADVERTISING OF HOLIDAYS**

8. The times at which a Post Office® branch is closed for National or Local holidays should be prominently advertised at the Post Office® branch concerned.

**PAYMENT FOR THOSE PERIODS OUTSIDE THOSE MENTIONED IN PARAGRAPH 2 ABOVE -  
NON MAILWORK OFFICES**

9. No additional payment will be made by Post Office Ltd for any opening outside standard Counters' hours other than that attracted by extra business transacted.

END

POST OFFICE LTDSECTION 14**ASSISTANTS****INTRODUCTION**

Post Office Ltd must comply with certain obligations in relation to the Post Office® business, including those of: Ofcom and Financial Services Authority regulations, and money laundering and immigration legislation. Some of these obligations require Post Office Ltd to ensure that its Operators (and any persons employed or engaged by Operators on Post Office® business) are made aware of, and know how to comply with, the terms of such regulations and legislation. These requirements have been set out in this Operator's Contract (in particular, but not limited to, this Section 14 and Sections 11 and 15). The obligations placed upon Operators are the minimum necessary to ensure that both Post Office Ltd and Operators are compliant with the regulations and legislation mentioned above, and are, in the main, what most Operators, as responsible employers, should be doing anyway. The objectives of these obligations are:

- to ensure that Post Office Ltd complies with the relevant regulations and legislation, and
- to ensure as far as possible that Operators do so too, and that no Operator suffers from the consequences of failure to so comply. (This is very important, as those consequences can include criminal prosecution.)

Operators have a duty to ensure that they are aware and that they make their staff aware, of the obligations set out in this Contract.

**GENERAL**

1. A Operator must provide, at its own expense, any suitable assistants with the relevant skills which it may need to carry out the Post Office® work in its sub Post Office® branch ("Assistants"). Assistants must be employees of the Operator. The Operator shall also appoint a Branch Manager for the Post Office® branch who must also be an employee of the Operator and a registered Assistant.
2. Assistants are employees of the Operator, and (subject to paragraphs 12 and 13A of Section 10) the Operator will consequently be held wholly responsible for any failure, on the part of its Assistants, to:
  - 2.1 apply Post Office® rules or instructions as required by Post Office Ltd;
  - 2.2 complete any training necessary in order to properly provide Post Office® Services, provided that the Operator shall only be required to train its Assistants to the same and not a higher standard than the standard of training received by the Operator from Post Office Ltd; and
  - 2.3 comply with the obligations set out below.

The Operator will also be required to make good any deficiency of cash or stock which may result from its Assistants' actions or inactions in accordance with paragraph 5 of Section 10.

3. This Section 14 contains the obligations which the Operator has to fulfil in relation to the recruitment and employment of each of its Assistants. Where the Operator fails to comply with any of these terms, it may be deemed to be in breach of its Contract which may, subject to Section 8, then be liable to termination. The obligations in this Section 14 are additional to the Operator's responsibility, as the employer of its Assistants, to comply with the provisions of any legislation and regulations that impose obligations on employers, providers of postal services and financial services, or sellers of insurance or communications products.

**4. RECRUITMENT**

- 4.1 The Operator must establish and maintain a recruitment file for each Assistant. In order to meet its legal obligations regarding monitoring of compliance, Post Office Ltd will be entitled to inspect such recruitment files from time to time upon giving the Operator reasonable written notice that they should be made available for such inspection. The recruitment file should include, in the format of the Recruitment Checklist at Appendix 3 to

this Section 14, a comprehensive record of all checks carried out in relation to the recruitment, selection and employment of any person applying to it for employment as an Assistant ( defined in this Contract as the "Applicant").

4.2 The Operator is responsible for carrying out all necessary checks in order to satisfy itself as to the honesty, integrity and suitability of any Applicant. It must also take certain steps, as set out below, in order to satisfy itself as to:

- the right to work in the UK;
- the identity and permanent National Insurance number; and
- the address,

of any Applicant.

4.3 **Proof of Right to Work in the UK**

The following procedures are necessary to meet the requirements of immigration legislation:

**Step 1**

The Operator will need to ask all Applicants to provide documentation that satisfies the criteria listed at Appendix 2 to this Section 14.

**Step 2**

The Operator must satisfy itself that the Applicant is the rightful holder of any of the documents he presents.

The Operator must carry out the following **reasonable steps** when checking any documents presented by an Applicant:

- a) check any photographs, where provided, to ensure that they are consistent with the appearance of the Applicant;
- b) check that the dates of birth listed are consistent with each other and with the appearance of the Applicant;
- c) check that the expiry dates are valid and the documents are still live;
- d) check any United Kingdom Government stamps or endorsements to see if the Applicant is able to do the type of work he is offering;
- e) if the Applicant gives you, from **List 2 of Appendix 2**, two documents that have different names for the Applicant, you should ask him for a further document to explain the reason for this. (The further document could be a marriage certificate, divorce document, deed poll, adoption certificate or statutory declaration.)

**Step 3**

The Operator should make a photocopy of the following parts of all the documents shown to it for retention in the recruitment file:

- a) the front cover and all of the pages which give the Applicant's personal details. In particular, the Operator should copy: (i) the page with the photograph, and (ii) the page which shows the Applicant's signature; and
- b) any page containing a United Kingdom Government stamp or endorsement that permits the Applicant to do the type of work the Operator is offering.

If it is not possible to make the necessary photocopies at the time, the documents should be retained, copied at the earliest possible opportunity and returned to the Applicant.

**Step 4**

List in the Applicant's recruitment file all documents seen and copied on steps 1-3 above (e.g. 'UK Passport – Number 12345678'; or 'Full birth certificate **and** a P60 dated 14 April 2015').

**4.4 Proof of Permanent National Insurance Number**

- 4.4.1 Unless already provided and photocopied, as part of an Applicant's documentation proving his Right to Work in the UK, the Operator will need to see a document giving the Applicant's **permanent** National Insurance Number and name. This could be a: P45, P60, National Insurance card, or a letter from a Government agency.
- 4.4.2 The Operator must then list in the Applicant's recruitment file the document seen (there is no need to photocopy the document if it is provided solely for proving the NI number).
- 4.4.3 For the small number of Applicants who are unable to supply a permanent National Insurance number, they should be asked to explain why, the reason should be noted and the Operator should consider carefully whether to proceed with the application. Applicants with a genuine reason for being unable to supply a permanent National Insurance number (such as Applicants from outside the UK) should be advised that they would need to obtain one from the relevant authorities prior to being appointed.

**4.5 Proof of Address**

The Operator must see at least one of the following items showing the Applicant's name and current address:

- Driving Licence
- Recent Paid Gas or Electricity Bill
- Recent Paid Telephone Bill (not mobile)
- Recent Paid Council Tax Bill
- Recent Paid Water Bill
- Recent TV Licence
- Recent Bank Statement, must be supported by a credit/debit card

(In relation to the above "Recent" means no more than 3 months old.)

The Operator must then list in the Applicant's recruitment file the details of the document seen (there is no need to photocopy the 'proof of address' document).

- 4.6 The Operator must ensure that all recruitment files for successful Applicants have been correctly annotated and the associated photocopies have been included to provide proof of an Applicant's right to work in the UK. There should be no missing photocopies, incorrect combinations of documents or incomplete tick lists.
- 4.7 The Operator must not confirm an Applicant's appointment until the criteria have been met and the registration process outlined below has been completed.
- 4.8 It is the Operator's responsibility to ascertain that all documentation supplied by the Applicant satisfies the criteria.
- 4.9 **References**  
At the recruitment stage, the Operator will need to obtain at least 2 references (which must be independent of the Applicant and of each other) in respect of the Applicant.

**4.10 Work History**

The Operator must obtain a work history from each Applicant for the immediately preceding 5 years (unless the period in which each Applicant has worked can be proved to



be less than 5 years, in which case the work history of the full period must be obtained). It is the Operator's responsibility to assure itself of the validity and accuracy of the details provided by the Applicant. (Measures to achieve this could include questioning at interview, and the seeking of references from previous employers).

#### 4.11 **Honesty, Integrity and Suitability**

4.11.1 The Operator must seek information from each Applicant about any unspent convictions, including conditional discharges, for any offence in a Court of Law (including a Youth Court or Court Martial) or any caution, reprimand or warning. The Operator must also seek information from each Applicant about any pending criminal proceedings in which the Applicant might be involved. The Operator must also seek information from each Applicant about mis-selling of any product or service or lack of integrity in any form of employment involving selling.

4.11.2 In order to help prevent the employment of unsuitable or dishonest persons on Post Office® work, the Operator must, **before the Applicant begins employment with the Operator**, complete the registration process detailed at 4.11.3 below (defined in this Contract as the "Registration Process"). Under no circumstances must the Operator employ an Assistant before the Registration Process is completed and the Operator has received clearance from Post Office Ltd to employ that Assistant. All Assistants must be registered, including Family Members who may only occasionally work in the Post Office® branch. Holiday reliefs also need to be registered.

#### 4.11.3 **The Registration Process**

- (i) To register an Applicant as an Assistant the Operator must complete forms P250 and P13. The text of form P250 is at Appendix 1 to this Section 14. The text of form P13 is at Appendix 1 to Section 15. In addition the Applicant must complete and sign a Security Checks Consent Form. The Operator may obtain these forms from Post Office Ltd.
- (ii) **Form P250.** The Operator must complete and sign Section 1; the Applicant must complete and sign Section 2. The Operator must then submit the completed form to the address indicated on it. The Operator must ensure that any details referred to in paragraphs 4.11.1 above and 4.11.5 below about the Applicant ("Relevant Information") which have come to its attention are honestly recorded on the form. This will enable Post Office Ltd to conduct its own checks into the background of the Applicant.
- (iii) **Security Checks Consent Form.** The Applicant must complete this form in his own handwriting and sign and date it. The Operator must check that form is complete and legible and that the personal details shown on it match those entered on the P250. The completed form should be sent with the completed P250 to the address shown on the P250.
- (iv) **Form P13.** If the Operator is satisfied that the identity, character, history and suitability of any Applicant will not cause it to breach any of the obligations in this Contract it must require that the Applicant makes a personal declaration on form P13 prior to commencing work in the Post Office® branch. Two copies of this form must be completed, one of which must be kept by the Applicant, and the other should be sent, with the completed P250 and the completed Security Checks Consent Form, to the return address on the P250. Both the Operator and the Applicant must sign the P13.
- (v) Pre-employment checks will be carried out upon receipt by Post Office Ltd of the relevant forms, which should be fully and legibly completed. (These checks can take up to seven working days.)
- (vi) The Operator will then be informed whether or not it may employ the Applicant as an Assistant.



4.11.4 Where Post Office Ltd has good reason to believe that it would not be in its legitimate interests for a particular Applicant to be engaged upon Post Office® business or to have access to any part of the Post Office® branch it will be entitled to require the Operator to refrain from employing that Applicant on Post Office® business if not already employed, or to ensure that the Applicant is not further employed on Post Office® business if already employed. If after such a requirement has been reasonably made by Post Office Ltd the Operator continues to employ such Applicant it may be deemed to be in breach of its Contract as referred to in paragraph 3 above.

4.11.5 If details of any offences committed by the Applicant relating to:

- (i) the delivery or handling of mail, post or packets; or
- (ii) theft or the obtaining of property by deception or fraud; or
- (iii) mis-selling of any product or service; or
- (iv) lack of integrity in any form of employment involving selling; or
- (v) dishonest conduct of any kind,

come to Post Office Ltd's attention by any means and Post Office Ltd notifies this fact to the Operator the Applicant will not until further notice be eligible to work on Post Office® business or any business concerning any member of Post Office Group and the provisions of paragraph 4.11.4 above will apply.

4.12 As a general guide no person under 16 years of age should be employed on Post Office® work, or have access to Postal Packets. However where there is no reasonable alternative to the part-time employment of an Assistant under 16 years of age, such employment is allowed subject to the following conditions:

- no person under the age of 14 years may be employed in any capacity;
- the Assistant, even if a Nominated Person or a Family Member, must be fully registered with Post Office Ltd in accordance with the provisions of this Section 14; and
- the Operator must comply with all relevant legislation affecting the employment of young persons and children.

## **5. UNSUITABLE PERSONS**

5.1 During the entire period that an Assistant is employed by the Operator, the Operator will report immediately to Post Office Ltd any Relevant Information as soon as it becomes aware of same.

5.2 If:

- 5.2.1 the Operator does not submit a form P250 prior to the employment by it of the Applicant; or
- 5.2.2 the Operator does not declare on the form P250 any Relevant Information concerning the Applicant of which it was aware; or
- 5.2.3 the Applicant fails any checks carried out internally by Post Office Ltd; or
- 5.2.4 the Operator does not report to Post Office Ltd as soon as possible any Relevant Information of which it becomes aware (after submission of a form P250),

the provisions of paragraph 4.11.4 above will apply.

## 6. ONGOING REGISTRATION CHECKS

- 6.1 To meet the needs of regulation and legislation Post Office Ltd must be able to maintain accurate details of **all** those who work in Post Office® branches. In addition to completing forms P250 and P13 when employing new Assistants, the Operator is, therefore, required each year to take part in an annual check of persons employed in Post Office® branches. The current mechanism for this check is the form P356, which the Operator is required to fill out and return. This provides Post Office Ltd with up-to-date details of the people working in a Post Office® branch and acts as a monitoring check that every Assistant has been cleared through the pre-employment checking system. It is absolutely essential that the Operator cooperates fully with this process or any replacement process that Post Office Ltd may subsequently and reasonably require.
- 6.2 The details listed on form P356 for each Assistant, which the Operator will need to check for accuracy and amend as necessary are as follows:
- Post Office® branch name and address, FAD (or Branch) code
  - Assistant's name, date of birth and National Insurance number
  - Role type, (e.g. Assistant or holiday relief )
  - Date employment commenced and, if applicable, date employment ceased and reason for leaving
  - Relationship to Operator (if applicable)
  - Horizon Log On ID
- 6.3 Details must be entered on form P356 for every Assistant employed by the Operator, even if he only works occasionally e.g. as a holiday relief.

## 7. TRAINING

- 7.1 Post Office Ltd will:
- 7.1.1. provide the Operator with relevant training materials and processes to carry out the required training of its Assistants on the Post Office® Products and Services;
  - 7.1.2. provide adequate training and support, including through the provision of training materials, to the Operator, particularly if and when Post Office Limited imposes new working practices or systems or requires the provision of new services;
  - 7.1.3. inform the Operator as soon as possible where new or revised training will be necessary as a result of changes in either the law or Post Office® Services; and
  - 7.1.4. where appropriate (for instance where clause 7.1.3 of this Section 14 applies) update the training materials (or processes) or provide new training materials (or processes) to the Operator,
- and Post Office Limited and the Operator shall co-operate in respect of the training of Assistants in the operation of Horizon.

However, it is the Operator's responsibility to ensure the proper deployment within its Post Office® branch of any materials and processes provided by Post Office Ltd and to ensure that its Assistants receive all the training which is necessary in order to be able to properly provide the Post Office® Products and Services and to perform any other tasks required in connection with the operation of the Post Office® branch, provided that the Operator shall only be required to train its Assistants to the same and not a higher standard than the standard of training received by the Operator from Post Office Ltd.

- 7.2 Where Post Office Ltd has obligations to third parties in relation to certain Post Office® Services (including, but not limited to, financial transactions (such as bureau de change, sales of insurance and communications products, and provision of mail services)), the Operator undertakes to use its best endeavours to ensure that its Assistants will not cause

Post Office Ltd to be in breach of such obligations.

- 7.3 Post Office Ltd may request from time to time that where it has obligations as described above the Operator should conduct specific training (whether through written/distance learning that may require confirmation of completion or via presentations) in relation to certain Post Office® Services (such as, but not limited to, money laundering). Failure by the Operator to arrange for such training to be properly applied will be deemed to be a breach of the Contract by it.

7.4 **Training Policy**

7.4.1 The Operator must formulate a training policy for all its Assistants, in order to fulfil its obligations in relation to the safekeeping of any Postal Packets.

7.4.2 This training policy should include the following elements:

- the levels of training required to fulfil the obligations referred to above at 7.4.1;
- the levels of training required according to the differing responsibilities of, and work undertaken by, the Assistants, in relation to Postal Packets;
- details of the minimum level of training required;
- an explanation of how the training is provided;
- the frequency with which training is provided; and
- details of how training is given, recorded and monitored.

7.4.3 The policy must also ensure compliance with all other regulatory and legislative requirements.

7.4.4 The Operator must regularly monitor the implementation of and compliance with the training policy in its Post Office® branch.

## **8. SECURITY**

8.1 The Operator must inform each of its Assistants of the seriousness of any offence of damage or interference to any Postal Packet.

8.2 The Operator must ensure that its Assistants comply with the requirements of the Operations Manual, Volume 5 and the Security Booklet in general - sub sections 3, 4, and 8 in particular, as they apply to:

- the security of the premises;
- the collection, despatch, conveyance or delivery of mail; and
- the measures to be taken to prevent or detect loss or theft of or damage to a Postal Packet.

8.3 The Operator must maintain records which can enable it as far as is reasonably practicable, to identify which of its Assistants was responsible for the conveyance, receipt, collection, sortation, delivery or handling of any Postal Packet which may have been interfered with.

8.4 The Operator must carry out regular assessments of the risk to Postal Packets at the Post Office® branch.

## **9. DISCIPLINE**

9.1 The Operator is responsible for:

9.1.1 ensuring that each of its Assistants is made aware of its obligations in paragraphs 1 and 2 of Section 11 of this Contract; and

9.1.2 placing identical such obligations directly upon every Assistant whom it employs on Post Office® business

9.2 The Operator must establish maintain and adhere consistently to a formal disciplinary policy in respect of any of its Assistants who fails to comply with its obligations as set out in this Contract. Where the Operator already has an established disciplinary policy for its employees it is simply necessary to ensure that the policy meets the criteria set out in 9.3 and 9.4 below.

9.3 The policy referred to in 9.2 above must include at least the following elements:

- 9.3.1 an explanation of what constitutes a “failure to meet the standards of conduct”, and the action to be taken in relation to such failure;
- 9.3.2 a description of how the Operator has conveyed to its Assistants:
  - the fact that a failure to meet the standards of conduct might also constitute a criminal offence; and
  - the action which will be taken in relation to any such failure;
- 9.3.3 a provision for the appropriate records to be maintained detailing any action taken against an Assistant for failure to meet a required standard of conduct; and
- 9.3.4 an explanation of:
  - how the Operator identifies consistent failures to meet the relevant standards of conduct; and
  - what remedial action the Operator will take in the event of consistent failures being made.
- 9.4 The Operator must regularly review :
  - the standards of conduct imposed; and
  - the disciplinary policy in place.
- 9.5 The Operator will keep a formal record of its disciplinary policy and any exercise by it of it, and Post Office Ltd will be entitled to request sight of such record from time to time, where it is reasonable to do so in order to ensure that the Operator is complying with its obligations in this respect.
- 9.6 Where Post Office Ltd believes, in good faith, that an Operator has not implemented the disciplinary policy properly (or at all) against an Assistant, where circumstances justify such implementation, the provisions of paragraph 3 above will apply.

## **10. INFORMATION/REPORTING**

- 10.1 The Operator must as soon as possible upon becoming aware of its occurrence, report to Post Office Ltd every incidence of loss or theft of, damage to or interference with, a Postal Packet (defined in this Contract as an “Incident”).
- 10.2 The Operator must also record in respect of each Incident at least the following details:
  - the date, time and place;
  - the number of (or, where not known, a reasonable estimate of) Postal Packets involved;
  - as far as reasonably practicable, the Assistants who may have participated in the conveyance, receipt, collection, sortation or delivery of the Postal Packets involved; and
  - any other particulars in relation to it (including the factual circumstances).

(Appendices 1, 2, & 3 follow)

**SECTION 14**

**APPENDIX 1**

**FORM P250**

**ASSISTANTS AT POST OFFICE® BRANCHES**

Section 1 of this form should be completed and signed by the Operator or Franchisee or 'officer in charge' whenever considering appointing an Assistant.

Section 2 of this form should be completed and signed by the prospective Assistant.  
(Please note that if more than one change is made to Assistants at the branch, a separate form will need to be completed for each prospective Assistant.)

**SECTION 1 - EMPLOYEE (PLEASE COMPLETE IN BLOCK CAPITALS)**

POST OFFICE® BRANCH NAME: \_\_\_\_\_

FAD CODE: \_\_\_\_\_/\_\_\_\_\_

SUBPOSTMASTER'S/FRANCHISEE'S/OPERATOR'S/OFFICER IN CHARGE'S NAME:  
\_\_\_\_\_  
\_\_\_\_\_

ADDRESS TO WHICH THE AUTHORISATION LETTER SHOULD BE SENT:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I have selected \_\_\_\_\_ (full name in block capitals) as a prospective Assistant at my branch. I have satisfied myself that his character is satisfactory and I am satisfied that he is suitable for the relevant duty. I have no reason to suspect that any previous Post Office® service by the prospective Assistant is not fully stated below.

**New Assistant** - If the prospective Assistant has previously worked at any Post Office® branches, please give details below

Branch	Position held	Start date	End date	Reason for leaving

I can confirm that I have obtained the following information: *(Please give details where appropriate and refer to your contract with Post Office Ltd for the criteria on suitable evidence required)*

- Details of the prospective Assistant's career history over the last 5 years
- Two references (- either one character and one employment reference, or two character references - *but the referees must be independent of the Applicant and of each other*).
- Suitable evidence of identity. *State Identity evidence seen*  
\_\_\_\_\_
- Suitable evidence of National Insurance No. and address. *State evidence seen*  
\_\_\_\_\_
- Evidence of right to work in the UK. *State evidence seen*  
\_\_\_\_\_

Proposed start date of Assistant \_\_\_\_\_ Horizon User ID \_\_\_\_\_ (e.g. EPR001) (Do NOT Enter Any Passwords)

Subpostmaster/Franchisee/Operator/officer in charge signature:  
\_\_\_\_\_

and name (in block capitals):

\_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_



**SECTION 2 - ASSISTANT DETAILS**

Title and name in full (Mr/Mrs/Miss/Ms)

Name at birth, if different from above

Date of birth

Town of birth

Country of birth

National Insurance number

Position (e.g.. Assistant/Holiday Relief)

Home address

Previous address (If less than  
2 years at present address)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have you ever been found guilty of any offence (including conditional discharges) in a court of law (including a Youth Court or Court Martial) or have you received any caution, reprimand or warning, or have you been involved in any mis-selling or lack of integrity in any form of selling environment?

Please tick "Yes" or "No".

Yes  No

If the answer is "Yes" give full particulars.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[NOTE: In answering the question please note that it does NOT relate to any conviction or finding which is treated as spent by virtue of the Rehabilitation of Offenders Act 1974. If therefore, the only conviction or finding against you is treated as spent, your answer to the question should be "No".]

I declare that I have answered all the questions truthfully and fully, and that I am not aware of any circumstances, which if known to Post Office Ltd, might cause question to my honesty and suitability.

Signature \_\_\_\_\_

Date

\_\_\_\_\_

**NOTE: DATA PROTECTION ACT**  
**Personal Data supplied on this form may be processed, and/or verified by reference to information already held by Post Office Limited.**

\_\_\_\_\_  
Finally, if an existing Assistant is leaving (or has left) employment at the Post Office® branch the Subpostmaster or Franchisee or Operator or Officer in Charge, should give details below and ensure that the official secrets cessation form P301 is completed and returned.

Name of previous assistant	Last date of employmen	Reason for leaving

**Once all the foregoing is complete, please return a) this form, b) the completed P13, c) the completed Security Checks Consent form, and d) the completed form P301 (if appropriate) to the following address:  
Postmaster On-boarding Team, Post Office Ltd, Atria, Spa Road, Bolton, BL1 4AG.**

**SECTION 14****APPENDIX 2****Proof Of Right To Work In The UK – Acceptable Documents**

The Applicant must produce ***either*** any **one** of the documents shown below in List 1 ***or two*** documents from either of the combinations shown in List 2.

**LIST 1**

- A passport showing that the holder is a British citizen, or has a right of abode in the United Kingdom.
- A document showing that the holder is a national of a European Economic Area country (i.e. Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, The Netherlands, United Kingdom) or Switzerland. This must be a national passport or national identity card. (See note \* below).
- A residence permit issued by the Home Office to a national from a European Economic Area country or Switzerland. (See note \* below).
- A passport or other document issued by the Home Office which has an United Kingdom Government or Home Office stamp or endorsement stating that the holder has a current right of residence in the United Kingdom as the family member of a national from a European Economic Area country or Switzerland who is resident in the United Kingdom. (See note \* below).
- A passport or other travel document with a United Kingdom Government or Home Office stamp or endorsement to show that the holder can stay indefinitely in the United Kingdom, or has no time limit on their stay. (See note \* below).
- A passport or other travel document with a United Kingdom Government or Home Office stamp or endorsement to show that the holder can stay in the United Kingdom; and that this stamp or endorsement allows the holder to do the type of work you are offering if they do not have a work permit. (See note \* below).
- An Application Registration Card issued by the Home Office to an asylum seeker stating that the holder is permitted to take employment.

(\*Nationals from certain states within the European Economic Area (contact the Home Office, on 0845 010 6677, for details) must register with the Home Office within one month of starting employment; you must advise them to register, and you will need to provide them with evidence of employment (e.g. a contract or letter) in order to do so. Once the Home Office registers your employee you should keep the registration certificate they send to you. It is a criminal offence not to register an appropriate employee).

**LIST 2****FIRST COMBINATION**

**A.** A document giving the person's permanent National Insurance Number and name. This could be a: P45, P60, National Insurance card, or a letter from a Government agency.

**Along with one of the following documents listed in sections B–H below:**

- B.** A full birth certificate issued in the United Kingdom, which includes the names of the holder's parents; **OR**
- C.** a birth certificate issued in the Channel Islands, the Isle of Man or Ireland; **OR**
- D.** a certificate of registration or naturalization stating that the holder is a British citizen; **OR**
- E.** a letter issued by the Home Office to the holder which indicates that the person named in it can stay indefinitely in the United Kingdom, or has no time limit on their stay; **OR**
- F.** an Immigration Status Document issued by the Home Office to the holder with an with a United Kingdom Government or Home Office stamp or endorsement indicating that the person named in it can stay indefinitely in the United Kingdom, or has no time limit on their stay; **OR**
- G.** a letter issued by the Home Office to the holder which indicates that the person named in it can stay in the United Kingdom, **OR**

**H.** an Immigration Status Document issued by the Home Office to the holder with an with a United Kingdom Government or Home Office stamp or endorsement indicating that the person named in it can stay in the United Kingdom.

**SECOND COMBINATION**

**(i).** A work permit or other approval to take employment that has been issued by Work Permits UK

**Along with one of the following documents listed at (ii) or (iii) below:**

**(ii).** a passport or other travel document with a United Kingdom Government or Home Office stamp or endorsement to show that the holder is able to stay in the United Kingdom and can take the work permit employment in question; **OR**

**(iii)** a letter issued by the Home Office to the holder confirming that the person named in it is able to stay in the United Kingdom and can take the work permit employment in question

**SECTION 14**

**APPENDIX 3**

**Recruitment Checklist**

Applicant's Full Name

Applicant's National Insurance Number

(a) At least 2 references obtained?		
(b) Evidence of identity seen? Documents and details:		
(c) Evidence of permanent NI Number seen and any necessary photocopies taken and retained in the Applicant's recruitment file? Document and details:		
(d) Evidence of address seen? Document and details:		
(e) Evidence of right to work in UK seen and all necessary photocopies taken and retained (including Home Office registration application if applicable) in the Applicant's recruitment file?		
(f) Has the 5 year work history been seen and verified if necessary?		
(g) Has the Applicant ever been found guilty (including conditional discharges) of any offence in a court of law (including a Youth Court or Court Martial)?		
(h) If the answer to (g) is "Yes", has the Relevant Information been shown in the P250		
(i) Has the Applicant received any caution, reprimand or warning, or has he/she been involved in any mis-selling or lack of integrity in any form of selling environment?		
(j) If the answer to (i) is "Yes", has the Relevant Information been shown in the P250		
(k) Has the P250 been completed in full and sent to the relevant address?		
(l) Has the P13 been completed in full and sent with the P250?		
(m) Has the authorisation for employment of the Applicant been received?		

(n) Date employment as Assistant commenced

**POST OFFICE LTD**

**SECTION 15**

**DIVULGENCE OF OFFICIAL INFORMATION, CORRESPONDENCE & INTERVIEWS**

**DIVULGENCE OF OFFICIAL INFORMATION**

1. The unauthorised disclosure, or use, of any information or document which has come to the knowledge of an Operator or sub Post Office® Assistant through the work of its Post Office® branch is forbidden. Any such disclosure may render the offender liable to prosecution.
2. Neither the Operator nor its Assistants may disclose any information regarding Postal Packets except to the person(s) to whom such Postal Packets are addressed; nor may they make known information that may come to them directly or indirectly by means of the Post Office® business concerning the character, standing, or responsibility of individuals or firms, or the private affairs of any person.

**PERSONAL DECLARATIONS**

- 3.1 All new Assistants are required to sign a Personal Declaration (form P13 attached as Appendix 1 to this Section 16) which reminds them of the duty of each of Post Office Ltd and the Royal Mail Group to ensure that all communications and items entrusted to it reach the people for whom they are intended promptly and safely. The Personal Declaration also brings to the notice of Assistants their obligations under the Postal Services Act 2000. (An extract from this Act is reproduced at Appendix 2 of this Section 15.)
- 3.2 Every Assistant is on termination of his appointment required to sign a Declaration (P301) to remind him that the provisions of the Official Secrets Act continue to apply to him after he has left in respect of all the information which he has acquired or to which he has had access by virtue of his position as Assistant. (A copy of form P301 is at Appendix 3 of this Section 15.)
- 3.3 The Operator must give each of its Assistants a copy of form P13 and, upon termination of his appointment form P301, as a reminder of the importance of the messages they contain. The duty not to disclose information is imposed by the Act referred to in 3.2 above - not by any Personal Declarations. Consequently no Assistant can avoid these legal obligations by refusing to sign a form or by attempting to revoke or disclaim his signature on the form(s).
4. Any request made to the Operator or its Assistant by the Police or any other authority, or by a private person, for information which may be confidential, or may concern matters connected with the duties of another Operator, Franchisee, Operator or an employee of Post Office Ltd or one of its group companies or which is related to the Post Office® business or any of its (potential) customers, should be referred immediately to Post Office Ltd.

**CONTACT WITH THE PUBLIC NEWS MEDIA**

5. Post Office Ltd has a duty to safeguard its own interests and those of Persons involved in Post Office® business in relation to material that is published in the news media. The Public Relations Department of Post Office Ltd is primarily responsible for
  - (i) deciding whether Post Office Ltd should enter into public correspondence, and
  - (ii) ensuring fair and accurate presentation of facts about Post Office Ltd and its services,

and no other person is entitled to comment publicly on such matters. In particular, untrue, ill-informed or reckless comment will be challenged by Post Office Ltd as the



case may be). While recognising the right of any individual to comment publicly on matters of general interest, Post Office Ltd expects Operators and their Assistants who wish to comment publicly upon matters affecting Post Office Limited or its group companies to exercise this right in a responsible manner. Operators must ensure, when communicating with the press or offering comment which may be published, or broadcast on radio or television, that their comments do not go beyond the accepted bounds of propriety and are not likely to cause embarrassment or to mislead the public. Post Office Ltd should be asked for advice in cases of doubt.

6. An Operator wishing to communicate with the public news media should be guided by the following: -
  - (a) there must be no unauthorised disclosure of official information (see above);
  - (b) views and opinions expressed publicly must not bring Post Office Ltd, any member of Post Office Group, its/their employees, or any other Operator, Franchisee, Operator into disrepute; and
  - (c) an Operator offering unauthorised public comment must make it clear that it is commenting in its private capacity and not on behalf of Post Office Ltd or any member of Post Office Group.
7. A Senior Representative (as defined in the national agreement on facilities for recognised unions) may wish from time to time to represent the view of the National Federation of Sub-Postmasters, particularly on matters affecting his Branch/Committee/Federation. In doing so he must indicate his position as a Federation spokesman and give his own name.
8. Particular care is necessary when offering spontaneous comment to press or broadcasting reporters or interviewers.

#### **PUBLICATION OF OFFICIAL INFORMATION**

9. No Operator may, without the permission of Post Office Ltd, use information derived from official records or experience for the purpose of publishing any document, book, play or article, broadcasting on radio or television, producing or exhibiting a film or photographs, giving a talk or lecture or taking part in a public discussion.

#### **CORRESPONDENCE WITH THE PUBLIC**

10. An Operator should not, without the permission of Post Office Ltd, write to or interview members of the public on Post Office® matters other than for the purpose of correcting an error committed at its own Post Office® branch.

#### **OFFICIAL DOCUMENTS AND LEGAL PROCEEDINGS**

11. No Operator may, without permission, make an official document or a letter from the public, or any other document that may come into its hands officially, the subject of legal proceedings.

#### **USE OF OFFICIAL INFORMATION OR POSITION FOR PRIVATE PURPOSES**

12. No Operator may use its position to further its private interests, or act in any way which might give rise to the suspicion that it has used, for private purposes, information available to it in its capacity as Operator.

#### **BREACHES TO BE REPORTED**

13. An Operator must report to Post Office Ltd any case in which there appears to have been a breach of the above rules by anyone employed by it on Post Office® duties at the sub Post Office® branch.



(APPENDICES 1-3 FOLLOW)

**SECTION 15**

**APPENDIX 1**

**FORM P13**

**PERSONAL DECLARATION TO ROYAL MAIL GROUP (I.E. ROYAL MAIL GROUP LIMITED AND ITS ASSOCIATED COMPANIES)**

**ROYAL MAIL GROUP'S OBLIGATIONS**

Royal Mail Group must ensure that letters, parcels and all other communications or items entrusted to it are delivered as addressed promptly and safely, and that the information in them reaches no one not entitled to it.

To help Royal Mail Group provide this essential service to the community, there are important legal requirements which you must comply with. It is important for you to be aware of and understand those provisions, not only for your own sake but also in order that you should not, through any fault or omission on your part, enable or tempt others to break them.

**SAFETY OF POSTAL PACKET**

It is a criminal offence to STEAL, DESTROY or DAMAGE a letter, parcel, mailbag or any other postal packet in course of transmission by post. It is also an offence to OPEN or DELAY (without proper authority and reasonable excuse) a letter, parcel, mailbag, or any other postal packet in course of transmission by post.

Persons suspected of criminal offences will be subject to investigation which may lead to prosecution in the Criminal Courts. Heavy penalties, including terms of imprisonment, are provided for such offences.

Other misconduct which endangers the safety of a mailbag or postal packet may lead to termination of employment or engagement or contract with Royal Mail Group.

**CONFIDENTIAL INFORMATION**

You shall neither whilst employed or contractually bound by Royal Mail Group or engaged in Royal Mail Group's Business, nor after that employment or engagement ceases,

disclose to any other person, firm or company, or publish or broadcast or use for your own benefit or for the benefit of a third party, any confidential information relating in any way to the activities, operations or business methods of Royal Mail Group or its business partners, except as previously authorised in writing by of Royal Mail Group. Any unauthorised disclosure may amount to a criminal offence.

**APPENDIX 1 - FORM P13 (continued)**

**OFFICIAL SECRETS ACT**

A person may be entrusted with information which is covered by the Official Secrets Act 1989 whilst engaged on business for the Royal Mail Group.

Under the Official Secrets Act 1989, it is a criminal offence for a Government contractor (which means any person or body who is employed in the provision of goods or services for the Crown) including any employee of a Government contractor, to: -

- disclose unlawfully any information obtained as a result of such work without authorisation, and
- fail to safeguard or improperly retain or provide access to documents or articles containing information which it would be an offence under the Act to disclose.

The above conditions apply even when work with Royal Mail Group ends.

**DATA PROTECTION ACT**

Any person who handles information about identifiable living people whether processed electronically or manually may also commit an offence under the Data Protection Act 1998 if he/she improperly obtains, holds, uses or discloses any such information.

**YOU SHOULD READ THIS DOCUMENT CAREFULLY AND THEN SIGN YOUR NAME TO THE DECLARATION BELOW.**

I HAVE READ AND FULLY UNDERSTAND BOTH PAGES OF THIS DOCUMENT AND HAVE RECEIVED A COPY TO RETAIN:

Full Name .....  
(Block Letters)

Signature.....Date.....

In the presence of:

Signature.....

Job Title/Position. ....

NOTE - The person signing this form should sign with his ordinary signature in the presence of a witness. [[The Subpostmaster/Franchisee/Operator/Officer in charge should witness the signature of persons employed at a sub or franchise Post Office® branch]]

Retention Period: [ ]

**SECTION 15**

**APPENDIX 2**

**SUMMARY OF EXTRACTS FROM ACTS OF PARLIAMENT**

1. **Theft Act 1968/Criminal Damage Act 1971**  
The offences of theft or destruction of a postal packet are covered by the Theft Act 1968 or Criminal Damage Act 1971. Persons convicted on indictment for such offences are liable under the relevant sections of those Acts to imprisonment.

**POSTAL SERVICES ACT 2000**

2(i) **Section 83 - Interference with the mail**

Any person engaged in the business of a postal operator commits an offence if contrary to his duty and without reasonable excuse he intentionally delays or opens a postal packet in the course of its transmission by post, or intentionally opens a mailbag. Persons convicted on indictment shall be liable to imprisonment for a term not exceeding two years or to a fine, or both.

2(ii) **Section 125(1)**

Postal packet means a letter, parcel, packet or other articles transmissible by post.

2(iii) **Schedule 7 Unauthorised Disclosure of Information**

Any person who makes an unauthorised disclosure of information obtained whilst dealing with work of a universal service provider, which relates to the affairs of an individual or a particular business commits a criminal offence.

**SECTION 15**

**APPENDIX 3**

**FORM P301**

NON-DISCLOSURE STATEMENT - OFFICIAL SECRETS ACT AND CONFIDENTIAL INFORMATION (To be signed by all persons ceasing to be employed or contractually bound by or engaged in the Royal Mail Groups Business (i.e. Royal Mail Group Limited and its associated companies); and by other persons on ceasing to have access to secret information)

My attention has been drawn to:-

1. the provisions of the Official Secrets Act 1989 (the "Act") and that under the Act it is a criminal offence for a Government contractor (which means any person or body who is employed in the provision of goods or services for the Crown) including any employee or agent of a Government contractor, to:
  - disclose unlawfully any information obtained as a result of such work without authorisation, and
  - fail to safeguard or improperly retain or provide access to documents or articles containing information which it would be an offence under the Act to disclose.

I am fully aware that serious consequences may follow any breach of these provisions.

2. the fact that I must not disclose to any other person, firm or company, or publish or broadcast or use for my own benefit any confidential and/or commercial information relating in any way to the activities, operations or business methods of the Royal Mail Group, or information obtained whilst engaged in Royal Mail Group's business except as previously authorised in writing by the Royal Mail Group. Any unauthorised disclosure may amount to a criminal offence.

I understand that the provisions of the Official Secrets Act 1989 and requirements regarding confidential information may apply to me after my appointment has ceased;  
**I hereby declare that I have surrendered any equipment and any document including any electronic document and back-up disc made or acquired by me owing to my official position, save such as I have Royal Mail Group's written authority to retain.**

Signature:.....Job Title:.....

Full Name (Block Letters):.....

Permanent Home Address (incl. Postcode):.....

.....  
Date:.....

Business Address:.....

.....  
Date of Birth:.....Date of Leaving.....

.....  
Signed in The Presence of:.....JobTitle/Position:.....

Surname (Block Letters):.....

Forename(s) (Block Letters):.....

.....  
Reg'd No. of Appt. Papers:.....Keep Until .....

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**POST OFFICE LTD****SECTION 16****OPERATORS' PRIVATE BUSINESS; BETTING AND GAMBLING; LICENSED PREMISES; BORROWING AND LENDING MONEY; POLITICAL ACTIVITIES; CANVASSING FOR BUSINESS; EMPLOYMENT IN POST OFFICE LIMITED OR OTHER MEMBERS OF POST OFFICE GROUP OR IN ROYAL MAIL GROUP LIMITED OR CIVIL SERVICE.****1. PRIVATE BUSINESS**

- 1.1 The appointment of a Operator confers on the Operator concerned the right to transact, and to receive payment for, certain items of business on behalf of Post Office Ltd. The conditions of the appointment also involve such non-compete restrictions on the private activities of the Operator on the premises in which the Post Office® branch is situated as are fundamental and necessary to ensure the continued viability of Post Office Ltd's nationwide network.
- 1.2 It is important to the future of the Post Office® network that all Operators support Post Office® products and services. A Operator that offers products or services in its private retail business on the premises in which its Post Office® branch is situated which compete with Post Office® products and services can reduce the revenue generated by the Post Office® branch. This revenue is essential to provide a contribution to Post Office Ltd's fixed costs of maintaining the Post Office® network. Without this contribution, Post Office Ltd might not be able to sustain the Post Office® network. It is therefore also in the interests of all Operators to support this principle.
- 1.3 It is also in the interests of all Operators that Post Office Ltd is able to seek and negotiate business opportunities for the whole Post Office® network and that it does not allow clients or suppliers to enter into arrangements directly with selected Post Office® branches only to the disadvantage of the rest of the network. This would adversely affect Post Office Ltd's ability to maintain the Post Office® network as a whole.
- 1.4 Operators benefit from being part of the Post Office® network. In addition to payments which Operators receive from Post Office Ltd, Post Office Ltd invests in advertising that brings customers into Post Office® branches, it ensures that Post Office® products meet regulatory requirements and it provides customer and business services such as helplines to support Operators. The helpline provided by Post Office Ltd shall be reasonably fit for purpose, including (to the extent applicable) any or adequate error repency.
- 1.5 Accordingly, except as permitted by and in compliance with any waiver granted by Post Office Ltd in accordance with paragraph 1.11 below, a Operator must not undertake in a private capacity, or allow anyone else to undertake on the premises in which its Post Office® branch is situated, the types of business listed in paragraph 1.6 of this section 16, as amended by Post Office Ltd from time to time in accordance with paragraph 1.8 below.
- 1.6 The non-compete restrictions on private business activities on the premises in which the Post Office® branch is situated are as follows:
- (i) business concerned with the provision of services relating to the collection, conveyance and/or delivery of letters, parcels and packages (collectively called "Packets" in this paragraph) including without prejudice to the generality of the foregoing: the sale of stamps, pre-paid postage labels and stationery with prepaid postage; the acceptance, retention, sortation, return and redirection of Packets (including Packets containing mail order or other home shopping goods and other Packets); and the acceptance of payment for such services;
  - (ii) services for the payment of bills, the collection of payments (including pre-payments) or the collection of revenue (whether by the sale of stamps or meter tokens, the charging of budget keys or by other means) in connection with services for the supply

of water, gas, fixed line telephones, electricity, cable or satellite television, or local authority services;

- (iii) the sale of National Lottery products;
  - (iv) Banking, Building, Industrial and Provident Society, Friendly Society or Credit Union business or otherwise making available banking facilities including, without limitation, cheque-cashing, bureau de change (including the selling and buying back of currency, on demand and pre-order services), collecting deposits or providing withdrawal facilities on behalf of deposit-takers whether over-the-counter or through an automated teller machine (ATM) or providing loans, credit cards or other forms of credit or credit brokerage services but not including the provision of cash-back transactions or the provision of basic saving stamp schemes which do not involve the return of cash to participants in the scheme. For the avoidance of doubt, a cash-back transaction is the withdrawal of cash via a debit card scheme, from the account associated with the card used, as part of a transaction for the purchase of goods or services through the same scheme; and
  - (v) any financial services business or otherwise making available facilities which may compete with the financial services activities carried on or to be carried on by Operators at any time for or on behalf of Post Office Ltd or through Post Office® branches or which may compromise the regulatory status of Post Office Ltd (including for this purpose, its Operators) in its role as appointed representative of Post Office Ltd's financial service product providers, including, for the avoidance of doubt, the promotion of competing financial services but not including the provision of basic savings stamps schemes which do not involve the return of cash to participants in the scheme.
- 1.7 For the avoidance of doubt, these non-compete restrictions apply to all methods of transaction of the areas of business set out above. This includes, without limitation, the use of smartcards, ATMs and on-line terminals.
- 1.8 The categories of business listed in paragraph 1.6 above constitute the current non-compete restrictions but Post Office Ltd reserves the right to review these restrictions in the light of changing business requirements, varying them if necessary, provided that the terms of any such variation are reasonable. All Operators will be given at least 12 months' notice in writing of any such changes. No restrictions will be introduced on products or services other than Key Products and Services, as defined in section 1.9 of this section 16.
- 1.9 Key Products and Services are the core products and services offered by Post Office Ltd. The Key Products and Services are:



- (i) Letters, parcels and packages services of any kind and related services;
- (ii) Services for the payment of bills, collection of payment or collection of revenue;
- (iii) National Lottery products;
- (iv) Banking services, including bureau de change;
- (v) Financial services;
- (vi) National Savings and Investment products;
- (vii) Money transfer services;
- (viii) Postal orders;
- (ix) Savings stamps;
- (x) Benefits' distribution and Government services;
- (xi) Motor vehicle and driver licensing services and other motorist services;
- (xii) Telephony products and services;
- (xiii) Travel ticketing and travel passes; and
- (xiv) Television licensing services.

Post Office Ltd reserves the right to amend this list of Key Products and Services from time to time. No new products or services will be introduced to this list which are not current or future key sources of revenue and/or contribution for Post Office Ltd.

- 1.10 If a Operator is considering taking up a new private retail business opportunity which may fall within the scope of the non-compete restrictions specified in paragraph 1.6 above, it should, before it takes up any such business, inform Post Office Ltd of the circumstances and seek advice as to whether the work concerned falls within the restrictions described above.
- 1.11 Operators may apply for a waiver from the non-compete restrictions in paragraph 1.6 of this section 16. Post Office Ltd's waiver policy is available on the Post Office Ltd website. This sets out the circumstances in which a waiver may be granted and the procedures that must be followed. This policy is subject to amendment by Post Office Ltd from time to time. If a waiver is granted subject to conditions, a Operator must comply with these conditions. A failure to do so will result in the waiver being invalid from the date the Operator ceased to comply with the conditions.
- 1.12 A Operator must not use and must ensure that no third party uses the name "Post Office" in connection with any of its private business activities (or the private business activities of a company with which it is associated in any way) or in such a way as to imply that Post Office Ltd is in any way connected with these activities. Nor may a Operator transact any private business in a way that might lead customers to conclude that Post Office Ltd is in any way connected with that business.
- 1.13 A Operator must not engage Post Office Ltd employees to undertake any work whatsoever connected with the Operator's private business (or the private business activities of a company with which it is associated in any way) at any time when they are employed in Post Office Ltd duties.

## **2. BETTING AND GAMBLING; LICENSED PREMISES; BORROWING AND LENDING MONEY**

2.1 A Operator and its Assistants must not:

- (i) bet or gamble by means of post (betting by private telephone off the Post Office® part of the premises is permissible); or
- (ii) take part in racing etc. pool or competitions or betting at "fixed odds" on football matches (there is no objection to participation in ordinary football pool competition).

2.2 A Operator must not on the premises in which the Post Office® branch is situated;

- (i) allow or provide for gambling; or
- (ii) conduct any business with a turf commission agency or a football or turf pool agency.

2.3 Notwithstanding the conditions of Paragraphs 1.6(iii), 1.10 and 2.2 above, an Operator and its Assistants may in a private capacity take part in or act as a promoter of such local lotteries as are permitted under the Lotteries and Amusements Act 1976 (Northern Ireland in part III of the Betting and Lotteries Act (Northern Ireland) 1957). The onus of ensuring that the law is complied with rests with the person concerned in the promotion and conduct of the lottery and the sale of tickets. Tickets for such lotteries must not be sold over the Post Office® branch counter nor must the Post Office® branch be used in any way for advertising purposes, e.g. in giving addresses at which tickets are available, nor must advertisements include the words Post Office/Post Office®, Sub-Post Office/Sub-Post Office®, Post Office branch/Post Office® branch or Operator.

2.4 A Post Office® branch may not be situated in premises for which an "on" licence allowing for the sale of drinks, other than a restaurant, has been granted, unless the premises have been clearly divided so that Post Office® customers do not need to go through the licensed premises. There is no objection to the Operator holding an "off" licence provided the liquor is sold in closed vessels.

2.5 Neither an Operator nor any company, partnership or other business with which it is associated in any way must borrow from or lend money to any Post Office Group employee. Nor should an Operator or any such company, partnership or other business provide security for the benefit of any Post Office Group employee in raising a loan.

2.6 The loaning of money by an Operator or by any company, partnership or other business with which it is associated in any way to persons drawing pensions or allowances on the security or strength of their Post Office Card Accounts or of expected future payments from the Department of Work and Pensions is also strictly forbidden.

## **3. POLITICAL ACTIVITIES**

3.1 An Operator is free to take part in any national and local political activities subject to the following conditions:-

- (i) it must not engage in or allow its Assistants to engage in political activities whilst engaged on Post Office® business or on the Post Office® branch premises;
- (ii) it must not exhibit any notice soliciting votes for any particular candidate or with any party or political object either in the Post Office® branch or on any vehicle under the control of Post Office Ltd; and no leaflet or address with a party or political object may lie or be exhibited within the Post Office® branch.

**4. CANVASSING FOR BUSINESS; EMPLOYMENT IN POST OFFICE GROUP, ROYAL MAIL GROUP LIMITED OR THE CIVIL SERVICE**

- 4.1 An Operator must not canvass persons, firms or companies who reside or carry on business at a place nearer to another Post Office® branch, to transact Post Office® business at its Post Office® branch. Nor must it deliver items of Post Office® business to customers' premises.
- 4.2 Neither an Operator nor any of its Assistants may be contracted to or employed in any member of Post Group, Royal Mail Group Limited or the Civil Service if their duties would bring them into contact with the work of the Post Office® branch.

END

POST OFFICE LTD

SECTION 17

**NON-OBSERVANCE OF RULES: APPEALS PROCEDURE**

**ALLEGATIONS OF NON-COMPLIANCE OR NON-OBSERVANCE OF RULES**

1. Although there may be instances where civil or criminal proceedings are contemplated in which it would serve no useful purpose to call for a written explanation, in all other instances, and without prejudice to any subsequent proceedings, any Operator will be afforded an opportunity of giving a written explanation of allegations of non-compliance or non-observance of the rules which are made against it.
2. At the discretion of Post Office Ltd, which will not normally be withheld, an authorised representative of the Operator may, if the Operator so chooses, meet a representative of Post Office Ltd to discuss the allegations. The Operator's representative may be accompanied by a friend while doing so. The friend must be aged 18 or over and cannot be someone involved in the enquiry. The friend must be a Subpostmaster, Post Office® branch Assistant or employee of Post Office Ltd and can be the local NFSP representative.
3. As repeated breaches of the rules, even if minor in themselves, may, subject to Section 8, lead to the determination, without further warning or appeal, of the contract by means of the giving of three months' notice, it is strongly recommended that Operators take the opportunity to make such written and verbal explanations of their actions at the time of the alleged breach of rules. A record will be kept by Post Office Ltd of any such discussions and of any written warnings issued to the Operator or to any Assistant.

**REPRESENTATIONS ON POST OFFICE® MATTERS**

4. Without prejudice to the above a Operator may address at any time to Post Office Ltd any representation it may wish to make having reference to its duties, remuneration or any other Post Office® matter. The decision of Post Office Ltd to such representations is final.

**APPEALS**

5. If the Operator wishes to appeal against a decision to summarily terminate its contract, it may do so either in writing or by interview and will be allowed ten (10) working days from the date of the termination letter to make application, to a member of the Post Office Ltd "Appeals Authority" whose decision will be final. There is no formal appeal against three months' notice of contract termination or against termination with pay in lieu of notice. Appeals on all other issues (e.g. recovery of losses caused by the Operator's negligence) are heard by a senior representative of Post Office Ltd whose decision is final.

**APPROACHES TO PERSONS OUTSIDE POST OFFICE LTD**

6. Until the Operator has exercised its final right of appeal, it should not ask persons outside Post Office Ltd to take up the case on its behalf although this does not prevent an Operator from obtaining such advice and support from the NFSP or any other outside person as may help it to present its case effectively. The Operator should not detain Post Office® papers or allow them out of its custody for the purpose of such consultation without the permission of Post Office Ltd.

END

POST OFFICE LTD

SECTION 18

**OFFENCES: SUSPENSION: ENQUIRIES BY OFFICERS OF THE INVESTIGATION**

**DIVISION**

1. Dishonesty is viewed most seriously and any Operator, Nominated Person or any other director of the Operator or any Branch Manager or Assistant believed to have carried out, or taken part in, an act of dishonesty against Post Office Ltd may be prosecuted. Furthermore, any Operator so involved renders itself, subject to Section 10, liable to the summary termination of its contract. In the case of a Branch manager or Assistant, Post Office Ltd may recommend to the Operator that the Assistant should no longer remain in his employ on Post Office business.

**ARRESTS AND CONVICTIONS**

2. A Operator must report to Post Office Ltd if any Nominated Person, other director, employee, Branch Manager or Assistant of the Operator having any connection with Post Office® business is arrested and refused bail, or convicted by a Court of any criminal offence (except a traffic offence for which the penalty has not included imprisonment).

**IMMORALITY AND OTHER MATTERS OF PERSONAL CONDUCT**

3. It is the aim and practice of Post Office Ltd to maintain, to the maximum extent compatible with needs of service to the public, an attitude of non-interference in the private lives of directors, officers, Assistants and other employees of the Operator. However, where facts come to light calculated to cause public scandal or grave embarrassment to Post Office Ltd in connection with the private conduct of any such person, this may be deemed to constitute a fundamental breach of this Contract entitling Post Office Ltd to terminate the Contract without notice.

**SUSPENSION FROM OFFICE**

4. The Operator's appointment may be suspended at any time if that is considered necessary in the legitimate interests of Post Office Ltd in consequence of:
  - (a) the Nominated Person, any other director or other officer of the Operator or any Assistant having been arrested or having civil or criminal proceedings brought against him; or
  - (b) where irregularities or misconduct at the Post Office® branch have been established to the satisfaction of Post Office Ltd, or are admitted or are suspected and are being investigated,

provided that Post Office Ltd shall not suspend the Operator:

- (c) arbitrarily, irrationally or capriciously;
  - (d) without reasonable and proper cause; and/or
  - (e) in circumstances where Post Office Ltd is itself in material breach of duty in respect of the matters which Post Office Ltd considers gives it the right to suspend.
5. Not used.
  6. Not used.

**CRIMINAL CONDUCT: REPORTING**

7. If an Operator has knowledge or suspicion of dishonesty or other criminal conduct affecting either Post Office Ltd or any other member of Post Office Group on the part of any person including a Post Office® branch Assistant or an employee of either Post



Office Ltd or any other member of Post Office Group Limited it must, if there is any apparent need for immediate action, at once tell Post Office Ltd confidentially of its knowledge or suspicion.

#### **INDUCEMENT TO ACT CONTRARY TO RULES**

8. If any person should try to induce a Operator or a member of its staff to act contrary to the rules (if, for example, he should be asked to datestamp covers irregularly with a view to either himself or the offender afterwards enclosing therein betting slips or other communications relating to the result of some race, game or sport) he should, while avoiding compliance (save in the case described in paragraph 9), also avoid putting that person upon his guard by definite refusal. The Operator (or Assistant) should as soon as possible tell Post Office Ltd what has happened giving a full report and description of the person so that an immediate report can be made to POID and instructions sought.
9. A Operator or Assistant who is asked irregularly to put in course of post for despatch or delivery from the Post Office® branch a cover already date-stamped, addressed to a betting agent, and presumably already containing a betting slip or other communication respecting the result of some race, game or sport, should accept it and with it any bribe offered for compliance. They should at once initial the cover and hand it and the bribe to Post Office Ltd, to whom they should report as provided in the last sentence of paragraph 8.

#### **THEFTS BY STRANGERS**

10. A Operator or Assistant who sees a theft of either Post Office Ltd or Royal Mail Group Limited property committed by a stranger should inform the Police of the facts and then report the matter to Post Office Ltd as soon as possible.

#### **FAILURE TO REPORT DISHONESTY**

11. In line with any employee of Post Office Ltd an Operator or Assistant is expected to report immediately any suspicion of dishonesty or criminal intent which may in any way affect Post Office Ltd or Royal Mail Group Limited, whether the likely offender be connected with either Post Office Ltd or Royal Mail Group Limited or not. It is similarly enjoined to render all possible assistance to officers of the Investigation Division (see below).

#### **ENQUIRIES BY OFFICERS OF THE INVESTIGATION DIVISION**

12. The main job of the Investigation Division is to investigate, or help the Police to investigate, criminal offences against Post Office Ltd and/or its clients and customers, or National Savings. The Investigation Division does NOT enquire into matters where crime is not suspected.
13. Most of the crimes dealt with by the Investigation Division are committed by outsiders. It follows that a common reason for Investigation Division officers seeking interviews with persons employed on Post Office® business is to get help in clearing up such offences. Usually the help takes the form of a witness statement that provides evidence about a particular act or acts that the witness has carried out in the course of his or her duty.
14. Although they comprise the minority of all Investigation Division crime investigations, there are many cases where the possibility (or even direct suspicion) arises that persons employed on Post Office® business may be involved. Officers of the Investigation Division conduct interviews about these suspected offences. These interviews will be conducted in accordance with Codes of Practice issued under the Police and Criminal Evidence Act 1984. This provides for an officer investigating a criminal offence to question any person, whether suspected or not, from whom he thinks that useful information may be obtained. As soon as the Investigation Division officer has evidence that would afford reasonable ground for suspecting that a person

has committed an offence, he must caution him before asking any questions about that offence. The caution must be in terms which make it clear that the suspected person is not obliged to say anything unless he wishes to do so and that what he says will be put into writing and given in evidence.

15. If an Operator or Post Office® branch Assistant is questioned as a suspected person by an officer of the Investigation Division, on statements made by a third person, and expresses a desire to be confronted by that person, such confrontation will, if practicable, be arranged. At the confrontation, the suspect will be at liberty to question the third person on his evidence and the questions and replies will be recorded by the Investigation Division officer.

#### **FRIENDS AT INVESTIGATION INTERVIEWS**

16. At all interviews between Investigation Division Officers and a director or other authorised representative of the Operator or an Assistant, the interviewing officer will first introduce himself, explain the nature of the enquiry, then ask the person to be interviewed if he wishes to have a friend present. The introduction and explanation are necessary first steps so the person to be interviewed knows what is involved when he makes his free personal choice whether to ask for a friend to be present at the interview or not.
17. A friend invited to attend an Investigation Division interview must be aged 18 or over and cannot be someone involved in the inquiry. The friend must be a Subpostmaster, Nominated Person, Assistant or employee of Post Office Ltd and can be the local NFSP representative. To avoid unreasonable delay and to ensure that interviews will not commence until a friend, if requested, is present, the person being interviewed will be asked to nominate alternative friends if the one first (or subsequently) chosen is not available or may be involved in the enquiry.
18. If a person being interviewed declines to have a friend present when asked but changes his mind later, he may ask for a friend to be called at that stage. If he is not questioned as a suspected person at the outset (i.e. not under caution), but fresh evidence emerges during the interview that gives reasonable grounds for suspicion, the Investigation Division officer will make this clear and explain that he proposes to continue his questions after caution. Before the caution is given the Investigation Division officer will ask if the presence of a friend is desired during the remainder of the interview.
19. A friend may only attend and listen to questions and answers. He must not interrupt in any way, either by word or signal. If he does interrupt he will be required to leave at once and the interview will proceed without him. Whatever is said at the interview is to be treated as in strictest confidence. The friend may take notes of the interview but he must keep the notes in the strictest confidence. The only communication the friend is entitled to make on behalf of the person who has been questioned will be in the form of a written "in strictest confidence" statement which may be submitted by the latter, in support of any official appeal which the person questioned may desire to make in connection with the methods followed at the enquiry. No other communication about the interview is allowed (unless made by permission of Post Office Ltd) as it might constitute a breach of the Official Secrets Acts. The questioned person may, however, if he so desires, communicate the friend's statement to the National Federation of Sub-Postmasters in strictest confidence.

#### **SEARCHES**

20. If a person agrees to his property or house being searched by Investigation Division staff the Investigation Division officer will ask, before the search is carried out, if he wishes to have a friend present.
21. Investigation Division officers have no authority to search the Nominated Person or other director of the Operator or an Assistant or their homes unless they have first obtained the agreement of the person concerned or they have obtained a warrant to do so. In practice Investigation Division officers only seek authority or permission to search when it is deemed absolutely necessary or in the interests of the person



involved (e.g. as a pointer to their innocence). If search by consent is carried out during the course of enquiries which do not substantiate any suspicion that may have been directed at the Nominated person or other director of the Operator or an Assistant, he will be handed at a later stage a written apology for any inconvenience caused, coupled with a statement that he readily agreed to the search and that nothing which would cast any doubt on his honesty was found.

END

POST OFFICE LTD

SECTION 19

**TELEPHONE FACILITIES AT SUB-POST OFFICES**

**THE OFFICIAL BRANCH TELEPHONE LINE**

1. A Operator must arrange for the provision of suitable telephone facilities at its Post Office® branch to meet the needs of the official business of Post Office Ltd and the requirements of security. These telephone facilities are known as "The Official Branch Telephone Line".
2. Where possible, The Official Branch Telephone Line must be provided by BT in order that Post Office Ltd may use the line for the Post Office Ltd Asymmetric Digital Subscriber Line [ADSL] service.
3. Where a BT line is installed the Horizon equipment or any future replacement for the Horizon equipment or any official Post Office Ltd equipment as Post Office Ltd may from time to time specify will be connected to the Master Line Box at the Post Office® branch and will utilise the Post Office Ltd ADSL service that runs over The Official Branch Telephone Line.
4. Where it is not possible to install a BT line the Horizon equipment or any future replacement for the Horizon equipment or any official Post Office Ltd equipment as Post Office Ltd may from time to time specify will continue to utilise the ISDN line connected to the Post Office® branch and /or The Official Branch Telephone Line.
5. Whether The Official Branch Telephone is provided by BT or by another telecommunications service provider the operational and security needs of Post Office Ltd must at all times take precedence in terms of the use made of The Official Branch Telephone Line. Where these needs conflict with the private use by the Operator of The Official Branch Telephone Line, the Operator must cease such private use.
6. Provided that the requirements of paragraphs 1 to 5 above are met:
  - (i) the Operator may utilise The Official Branch Telephone Line for private purposes in addition to official Post Office Ltd purposes, and
  - (ii) The Operator may order the addition of extra services for The Official Branch Telephone Line from the telecommunications service provider of that line.

In either circumstance it is the responsibility of the Operator to pay for the installation and operation of any additional services or use

7. Should the Operator wish to make use of its rights under paragraph 6 above, it must first seek Post Office Ltd's agreement to any such changes by contacting the NBSC. Only changes authorised by Post Office Ltd may be introduced.
8. Any movement of or changes to any of the telephone or other communications equipment at the Post Office® branch that are the result of changes initiated by the Operator, including but not limited to refurbishment or re-location of the branch, will be the responsibility of the Operator. The Operator will be responsible for ordering and paying for the movement or changes from the telecommunication service provider.
9. Post Office Ltd reserves the right to amend and update the requirements of this section in the future should the operational and security needs of Post Office Ltd require such a change.
10. The Operator agrees to co-operate with Post Office Ltd in relation to the installation at the Post Office® branch of any other forms of communications equipment or data links to be used for the purposes of conducting the official business of Post Office Ltd.

**PROVISION OF THE OFFICIAL BRANCH TELEPHONE LINE**

11. The Operator must provide:
- (i) a direct exchange line; or
  - (ii) an extension plan installation comprising a portable telephone and two sockets: one to be installed in the Post Office® branch and the other in the Nominated Person's residential premises. (This type of installation is only required where Post Office Ltd considers it is desirable, as a security measure, and where the Nominated Person resides on the premises. However, Post Office Ltd will not require this type of system to be installed at island and small rural offices where Post Office Ltd considers that the risk of criminal attack is clearly negligible).

12. The Operator's requirement to provide The Official Branch Telephone Line may be discharged in the following ways:

- 12.1 By transferring responsibility for and ownership of the BT line at the Post Office® branch to Post Office Ltd. Under this arrangement, Post Office Ltd becomes responsible to BT for the line rental and for the cost of official calls made by the Operator. Private calls made by the Operator are its responsibility and BT will invoice it directly for such calls. This arrangement is known as "Split Billing". As Post Office Ltd pays BT directly for the official use of this line the Operator incurs no telephone costs for the provision of The Official Branch Telephone Line and has no need to reclaim such costs from Post Office Ltd.

As BT provides the Official Branch Telephone Line under this option, it meets the requirements of the Post Office Ltd ADSL service. It is the simplest and preferred option.

Operators who sign a novation accepting the transfer of the line to Post Office Ltd are deemed to have accepted this option. Once this option has been accepted it cannot be reversed. New Operators who take up appointment at Post Office® branches where a previous Operator has transferred to Split Billing are required to continue with that arrangement.

Operators taking up appointment from 1st April 2005 at Post Office® branches where The Official Branch Telephone Line is provided by BT but where previous Operators have not transferred to Split Billing are required as a condition of such appointment to agree to transfer to Split Billing by signing the necessary novation form provided by Post Office Ltd at the time of their appointment.

- 12.2 By allowing the installation by Post Office Ltd at the Post Office ®branch of a separate BT line to be used as The Official Branch Telephone Line. Under this option the Operator retains whatever private lines and /or telecommunications facilities it, but those facilities are not used for official purposes. As Post Office Ltd pays BT directly for the official use of this line the Operator incurs no telephone costs for the provision of The Official Branch Telephone Line and has no need to reclaim such costs from Post Office Ltd.

As BT provides the Official Branch Telephone Line under this option, it meets the requirements of the Post Office Ltd ADSL service.

New Operators who take up appointment at sub Post Office® branches where a previous Operator has adopted this option are required to continue with this arrangement.

- 12.3 By the provision of The Official Branch Telephone Line via BT or another telecommunications service provider in circumstances where the Operator retains responsibility for and ownership of the Line. In such circumstances, the Operator is billed directly by the service provider for all costs associated with the line and is entitled to reclaim from Post Office Ltd the 'official' element of those costs in accordance with paragraphs 13 to 19 below.

If the telephone facilities provided under this option do not meet the specifications required by the Post Office Ltd ADSL service the facilities will not be acceptable as The Official Branch Telephone Line. In such circumstances the Operator must either agree to transfer to option 12.1 or option 12.2, unless Post Office Ltd is unable to offer either of those options, in which case the existing arrangements would continue. In the event of transfer to option 12.1 or 12.2 the Operator would then lose its entitlement to reclaim costs related to official rental or calls.

New Operators who take up appointment at Post Office® branches where a previous Operator has adopted this option are required as a condition of their appointment to change to option 12.1 or 12.2 upon appointment unless Post Office Ltd is unable to offer either of those options in which case they may maintain this arrangement.

#### **TELEPHONE COSTS REIMBURSEMENT**

13. The following applies only to those Operators who provide The Official Branch telephone Line in accordance with option 12.3 above

#### **RENTAL CHARGES**

14. Post Office Ltd on production of a paid quarterly telephone account, will reimburse the Operator the rental charges billed by BT including the VAT element (see paragraph 19) appropriate to the type of telephone facility that Post Office Ltd has agreed is necessary. Rental charges which exceed the levels so authorised by Post Office Ltd remain the responsibility of the Operator.

#### **CALL UNIT ALLOWANCE**

15. Each Operator is given for each telephone account period an allowance of call units for official purposes, based on the scale of Post Office® business transacted; any part of the allowance not expended in a telephone account period cannot be carried over to the next. The Operator is due to pay for all call units used in excess of this allowance.
16. The standard allowances have been fixed at a level that takes into account the varying conditions between offices. They also allow a margin for contingencies.

Branch Banding (per annum)	Official call per annum
Up to £12k	£5.48
Between £12k and £25k	£10.92
Between £25k and £35k	£40.32
over £35k	£52.92

#### **SUPPLEMENTARY ALLOWANCE**

17. A Mailwork Operator may claim an additional allowance, in respect of calls made in connection with its Mailwork responsibilities, providing that the standard allowance has been expended. A claim, supported by documentary evidence should be submitted to Post Office Ltd with the telephone account for the period concerned.

#### **SUBMISSION OF TELEPHONE REIMBURSEMENT CLAIM**

18. The Operator must submit its paid telephone invoice on a quarterly basis for reimbursement.

**REIMBURSEMENT OF VAT CHARGES**

19. Post Office Ltd will reimburse the Operator the charges raised for VAT at the standard rate, in respect of that part of the total charge related to Post Office services, i.e. rental, the free call allowance and emergency repairs.

END

POST OFFICE LTD

SECTION 20

### **QUALITY STANDARDS**

1. Post Office Ltd, through its network of Post Office® branches, aims to give customers and clients a high quality service. The Operator must therefore give high priority to serving customers quickly and efficiently, and to fulfilling the documentation requirements of clients with accuracy and professionalism.

### **WAITING TIME**

2. The Operator should ensure that the time for which customers wait to be served is kept to the minimum, and make any adjustments to the staffing pattern accordingly. To help achieve this objective Operators in Post Office® branches displaying the charter, particularly those in larger Post Office® branches, will be encouraged to monitor waiting times using the system developed by Post Office Ltd.

This entails counting the number of customers queuing and the number of Post Office® branch Assistants serving, three times a day and to supply the information to Post Office Ltd to enable the results to be analysed and fed back to the Operator.

While Post Office Ltd has an overall national objective for customers to wait for no longer than five minutes before being served, it is recognised that customers have different needs and expectations of waiting time in different Post Office® branches, and at different times of the day or week. However, Post Office Ltd will treat very seriously any evidence that suggests that the Operator is not making all reasonable efforts to ensure that customer waiting time is minimised, to meet the needs of customers locally.

### **TRANSACTIONS**

3. The Operator will be responsible for ensuring that transactions are carried out accurately, that all reasonable steps are taken to prevent fraud and that all documentation is properly completed and despatched at the due time. Where under the terms of its contracts with its clients Post Office Ltd incurs financial penalties as a result of the Operator's failure in this regard, Post Office Ltd may, subject to paragraphs 12 and 13A of Section 10, pass on this additional cost to the Operator. The Appendix to this Section sets out the current maxima of the penalties that can be passed on to the Operator. In such circumstances, Post Office Ltd will furnish copies of the appropriate documents as evidence in support of any action. Failure to properly complete accounting and traffic information documents may lead to the exclusion in whole or in part of business transacted for the purposes of determining payment.
4. The Operator will ensure that customers are treated fairly, courteously and helpfully. Persistent failure to meet the high standard of service demanded by Post Office Ltd could, subject to Section 8, result in termination of contract.

(APPENDIX 1 FOLLOWS)

**APPENDIX 1****QUALITY STANDARDS****OPERATOR ERRORS: MAXIMUM PENALTIES****Maximum  
Penalty  
W.E.F 1.4.93**

- (1) British Telecom
- Late despatch of BT Bills with due account to cut off times and where this is demonstrably the fault of the Operator. £10 (per summary form)
- (2) Girobank
- 2.1 Error notices issued in respect of PDR (G.6301/G.6302) transactions, Community Charge (G6403) transactions, Green/Violet Girocheques (G6305/7) transactions. £23.54 (per error notice)
- 2.2 Cashing other Bank's Cheques: Fraud Losses
- Post Office Ltd bears in full losses from fraudulently encashed 'other bank's cheques' where these cheques have been accepted incorrectly (e.g. no cheque card number written on back of cheque). Recompense may be sought towards losses incurred.
- (3) DVLA (MVL Offices) only
- License issued early £8.50 per licence  
 Incorrect Licence issued £8.50 per licence  
 Lost tax discs(where Operator failed to safeguard properly) The six-monthly rate of duty for private and light goods vehicle chargeable at the time of loss.
- (4) Department of National Savings
- DNS may seek recompense from Post Office Ltd for fraud losses, where error by Operator had led to payments which should not have been made. For example:-
- Where a stop payment has been ignored.
  - Where a forged date stamp impression is a bad one.
  - Where pass book entries have been blatantly altered.
  - Where the wrong balance figures have been entered.
- Again, depending on the circumstances, a contribution can be sought towards losses incurred.

END



POST OFFICE LTD

SECTION 21

**REDEMPTION OF TELEPHONE, TELEVISION, MOTOR VEHICLE AND OTHER SAVINGS**

**STAMPS**

1. A Operator must only accept savings stamps either in total or part payment for the relevant transaction to which they refer, except in the case of Post Office® saving stamps which may be accepted for all Post Office® goods and services, and any other goods and services that the Operator has, at its own discretion, decided to allow.
2. It is TOTALLY UNACCEPTABLE for an Operator (or anybody acting on its behalf) to:-
  - (i) exchange redeemed savings stamps for cash; except in the case of Post Office® saving stamps and only then where the Operator is paying change for a purchase made using the Post Office® saving stamps and the amount of such change is under £5.00.
  - (ii) affix savings stamps to savings cards and claim them as if they had been redeemed by a customer in the normal course;
  - (iii) convert total of partial cash or cheque payments for licence or accounts payments into stamps and claim them as if they had been presented by a customer;
  - (iv) convert official cash (whether directly from the till or paid in over the counter) into savings stamps (whether affixed to a card or not) for use as a means of saving for any purpose whatsoever; or to take action which improperly sets out to increase its remuneration.
3. Redeemed savings stamps must be despatched immediately following completion of the cash account on which the transaction to which they refer takes place. It is not acceptable to remit redeemed savings stamps later than the scheduled despatch date or to remit several weeks redemption together.
4. In the event that cases of falsification come to light Post Office Ltd will view such activities extremely seriously and in such circumstances almost certainly (subject to Section 8) consider termination of the Operator's Contract for Services.

END

POST OFFICE LTD

SECTION 22

## **MAILWORK**

### **GENERAL**

1. This contract is between Post Office Ltd and the Operator of \_\_\_\_\_  
\_\_\_\_\_ in respect of the provision of sorting facilities and supervision of Postmen for both delivery and collection of mails, known hereinafter as Mailwork.

The specifications given at APPENDICES 1-3 of this section explain more fully the requirements on the Operator and Royal Mail Group Limited in the provision of Mailwork.

This Mailwork contract does not affect the Operator's obligations and entitlements under its contract with Post Office Ltd to provide counter services.

### **ACCOMMODATION AND FITTINGS**

2. The Operator agrees to provide and maintain such accommodation as is required for the effective discharge of Mailwork duties. In fulfilling this requirement, the Operator will be responsible for meeting the provisions of all relevant legislation (in particular HASAW) and where Royal Mail Group Limited employees work on the premises specifically provide:

Access to toilet facilities

Facilities for washing, including a supply of hot water

Hat and coat pegs

Facilities for making tea

Adequate lighting

Adequate heating, and

Adequate ventilation.

Where provision of relevant legislation or requirements introduced by Royal Mail Group Limited after the appointment of the Operator call for changes in the accommodation provided by the Operator, Royal Mail Group Limited will pay 100% of the costs involved in effecting the required changes. A proportion of the costs is returnable should the Operator relinquish its appointment within 4 years of the work being carried out.

Royal Mail Group Limited will make available fittings designed specifically for Mailwork use at no cost to the Operator. In certain circumstances, Operators may purchase other surplus equipment by local arrangement from Royal Mail Group Limited.

### **ATTENDANCE**

3. The Operator is responsible for the proper conduct of Mailwork duties and must ensure that any Assistant carrying out Mailwork duties is sufficiently well-versed to carry out those duties and is acceptable to Post Office Ltd and to Royal Mail Group Limited. The Operator shall arrange for:
  - (a) the correct handling of value and other special items in accordance with regulations advised from time to time
  - (b) the maintenance of statistical and management information systems as required for the effective provision of Mailwork in accordance with agreements reached with the National Federation of Operators (NFSP).

### **ACCESS TO PREMISES**

4. The Operator will allow access to the area where sorting is performed at all times when Mailwork is being carried out to any representative of Royal Mail Group Limited for the purpose of inspection and procedural audit. Visits to the area where sorting is performed outside hours when it is in use will be by appointment at a time reasonable to both Royal Mail Group Limited and the Operator.

## **POST OFFICE® OBLIGATIONS**

5. Royal Mail Group Limited for its part will provide for:

Training in all aspects of Mailwork to include not only new entrant training but also on-going training

Royal Mail will make available the conduct code applicable to their employees working in the Mailwork office and will take appropriate action to ensure the conduct code is followed in order to support the Operator.

Sufficient levels of operational and administrative support to allow the Operator to fulfil its obligations under the terms of its contract.

The supply of soap and towels and toilet paper.

Fire-fighting equipment.

## **CHANGES TO FACILITIES**

6. Royal Mail Group Limited will ensure that any changes to facilities or services will be subject to consultation with NFSP.

## **REMUNERATION**

7. Remuneration for the facilities and services provided by the Operator will be paid in accordance with the agreement that may be in force from time to time between Post Office Ltd and the National Federation of Operators in respect of Mailwork.

## **WITHDRAWAL OF MAILWORK**

8. Where Mailwork is withdrawn either in whole or in part, a payment may be made. Details of the conditions of such a payment appear at Appendix 4.

## **CHANGES IN CONDITIONS OF SERVICE**

9. Any changes in conditions of service and operational instructions, including those which are agreed with the National Federation of Operators, will be communicated to Operators either directly, in the regular communications issued by Post Office Ltd, or by amendment to Postal Instructions, provided such changes and/or operational instructions are reasonable.

(APPENDICES 1-4 FOLLOW)

## APPENDIX 1

### **ACCOMMODATION SPECIFICATION**

Current Health & Safety legislation requires that certain standards of accommodation are needed at Mailwork Post Office® branches. The following schedule outlines these standards by reference to workplace regulation issued by Health and Safety Executive under Section 16 of the Health and Safety at Work Act 1974.

The determination of whether these standards are achieved at particular offices will be made, if appropriate via Royal Mail carrying out risk assessments via Post Office Ltd to the Operator. Any action required as a consequence of the risk assessment will be agreed between Royal Mail and Post Office Ltd and the Operator and all parties will use reasonable endeavours to ensure that any such agreement is not unreasonably withheld.

In general terms any action required in respect of general maintenance or what can reasonably be expected under the following paragraph A will be funded by the Operator. Any action that can reasonably be attributed to a past change in Royal Mail's requirements, or past changes in legislation, will be funded by Royal Mail.

### **Paragraph A**

The Operator agreed to provide and maintain such accommodation as is required for the effective discharge of Mailwork duties. In fulfilling this requirement, the Operator will be responsible for meeting the provisions of all relevant legislation (in particular HASAW) and where employees of Royal Mail Group Limited work on the premises specifically provide access to a toilet, facilities for washing, including a supply of hot water, facilities for making tea, adequate lighting, adequate heating and ventilation, hat and coat pegs.

The following specification represents guidelines. Their applicability in differing circumstances will depend on a range of factors such as number of staff, duty structures, composition of staff, etc. The intent is to ensure that at the minimum the legislative requirements are met.

## APPENDIX 1

**ACCOMMODATION SPECIFICATION****GENERAL**

<b>General Health, Safety &amp; Welfare responsibilities</b>	Take measures to ensure, so far as it is reasonably practicable, the health, safety and welfare of people who use their premises. These measures should be intended to protect the health and safety of everyone in the workplace, and to ensure that adequate welfare facilities are provided for Royal Mail employees at work as detailed below.	<b>Workplace Reg 4</b>
<b>Display of statutory Notices</b>	Display suitably and prominently all relevant statutory Notices including the Health and Safety law notice and the Health and Safety Policy Abstract Notice.	
<b>WORK AREA</b>		
<b>Space and room dimensions</b>	Every room where persons work should have sufficient floor area, height and unoccupied space for purposes of health, safety and welfare.	<b>Workplace Reg 10</b>
<b>Maintenance of workplace and equipment, devices and systems</b>	The workplace and the equipment, devices and systems should be maintained in an efficient state, in efficient working order and in good repair. Where appropriate a suitable system of maintenance of equipment devices and systems provided by them. The sub-postmaster will arrange for premises maintenance in accordance with its contract.	<b>Workplace Reg 5</b>
<b>Workstations and eating</b>	Workstations should be suitable for the work and for persons working there. Workstations should include, so far as reasonably practicable, protection from adverse weather, arrangements for swift exit in an emergency and arrangements to minimise risks of slipping or falling, and seating suitable for operation. Royal Mail will provide the equipment necessary for its employees to undertake the tasks. The sub-postmaster will ensure that such equipment is used correctly for the appropriate purposes.	<b>Workplace Reg 11</b>
<b><u>CLEANLINESS</u></b>		
<b>Cleanliness and waste materials</b>	The workplace and the future furnishings and fittings should be kept sufficiently clean. Surfaces of the floors, walls and ceilings inside the building should be capable of being kept sufficiently clear. Workplaces should be kept free of accumulation of waste material, suitable waste receptacles should be provided.	<b>Workplace Reg 9</b>

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**WELFARE & SANITARY FACILITIES**

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<b>Toilet Facilities</b>	Royal Mail employees should have ready access to toilet facilities. Provide suitable and sufficient water closets and urinal. Facilities should be appropriate for men and women. Facilities should be kept clean and orderly and adequately ventilated and lit.	<b>Workplace Regs 20 &amp; 21</b>
<b>Supply towels or dryers, toilet paper, soap</b>	Soap and hand cleanser should also be provided for Royal Mail employees at all times as should toilet paper and towels or other hygienic means of drying hands.	<b>Workplace Reg 20</b>
<b>Sanitary towel disposal</b>	Provide suitable means for disposal of sanitary towels in toilets that are used by women.	<b>Workplace Reg 21</b>
<b>Washing facilities</b>	Provide suitable and sufficient washing facilities, including clear hot and cold running water, for Royal Mail Employees. Facilities should be provided in the immediate vicinity of water closets and urinals. Facilities should be appropriate for men and women. Facilities should be kept clear, orderly and adequately ventilated and lit.	
<b>Drinking water supply</b>	A supply of wholesome drinking water would be provided and be readily accessible at all times. It should be clearly marked if appropriate. Clean drinking cups or beakers should be available unless the supply is from a drinking fountain.	<b>Workplace Reg 22</b>
<b>Facilities for making tea and coffee</b>	Facilities for making tea and coffee should be provided and should be subject to routine safety tests carried out by Royal Mail.	<b>Workplace Reg 25</b>
<b>Eating facilities</b>	Provided the mail preparation work area or kitchen is kept in a clean and hygienic condition, this should adequately serve as a facility to eat meals. There should be provision for ensuring food and beverages are kept in a hygienic environment.	<b>Workplace Reg 25</b>
<b>Drying (room) facilities</b>	Provide facilities for the employees' clothing to hang in a clean, dry, warm, well-ventilated place where it can dry out in the course of a working day if necessary.	<b>Workplace Reg 23</b>
<b>Individual hat and coat pegs or lockers</b>	Accommodation for hanging and storage of employees' clothing should be provided; at minimum a separate hook or peg for each worker (it is desirable that individuals are able to secure their belongings, so where an employee makes such a request, space permitting, Royal Mail will provide a 3ft locker).	<b>Workplace Reg 23</b>
<b>Safe access including passageways</b>	Provide arrangements for safe access including swift exit in an emergency.	
<b>Adequate lighting</b>	Provide suitable and sufficient lighting. This should be by natural light so far as is reasonably practicable. Provide a thermometer in the workplace.	<b>Workplace Reg 8</b>
<b>Adequate temperatures</b>	Maintain workplace temperatures that provide reasonable comfort. Use safe heating systems. Provide a thermometer in the workplace.	<b>Workplace Reg 7</b>

<b>Rest facilities</b>	Provide suitable and efficient facilities for rest. Provide suitable protection from discomfort caused by tobacco smoke. Provide suitable and sufficient facilities to eat meals where they are eaten regularly in the workplace.	<b>Workplace Reg 25</b>
<b><u>FIRE &amp; SECURITY ARRANGEMENTS</u></b>		
<b>Fire precautions</b>	Provide fire precautions as required by the relevant fire precautions and regulations. Maintain fire escape minimum standards as defined by Royal Mail Group Limited.	
<b>Fire fighting equipment, alarm system, evacuation drills</b>	Maintain as a minimum, one water fire extinguisher. These extinguishers must be checked annually and arrangements should be made to ensure this happens.	
<b>Disaster Plan</b>	Hold a simplified, scaled down version of a disaster plan. This should specify means of escape, assembly points, individual's responsibilities in times of danger and names and telephone numbers of responsible Royal Mail managers (e.g. controlling DOMs, DAMs etc.) as well as emergency services and utilities contact numbers. It need only be on one side of an A4 sheet and should be readily accessible if not permanently displayed.	
<b><u>HEALTH &amp; SAFETY</u></b>		
<b>Safe systems of work</b>	Hold copy of the Safe Systems of Work for delivery staff and encourage Royal Mail employees to refer to it periodically.	Safe System of Work for Delivery Staff
<b>Display of Health and Safety Information</b>	Hold and make readily available, to Royal Mail employees, a relevant copy of the current Royal Mail Health and Safety Policy showing the management structure of the controlling Main Postal Delivery Office amongst the Organisation section.	Royal Mail Health & Safety Policy
<b>Condition of floors and traffic routes</b>	Floors and traffic route should be suitable for the purpose for which they are used. They should not have holes, slopes uneven or slippery surfaces that might cause safety risks. They should have drainage where appropriate. Floors and traffic routes should be kept free from obstructions and from anything that may cause someone to slip, trip or fall. Staircases should have suitable handrails and guards where appropriate.	

<b>Falls or falling objects</b>	Suitable and effective measures should be taken to prevent falls and people being struck by falling objects. Any known risk area should be indicated and where appropriate securely covered or fenced.	<b>Workplace Reg 13</b>
<b>Windows and transparent or translucent surfaces</b>	Every window and transparent or translucent surface where necessary for reasons of Health & Safety should be made of safety material or adequately protected against breakage and should be appropriately marked to make it apparent.	<b>Workplace Reg 14</b>
<b>Windows, skylights and ventilators</b>	Windows, skylights and ventilators should not present health and safety risks. They should be capable of being cleaned safely.	<b>Workplace Regs15 &amp; 16</b>
<b>Organisation etc. of traffic routes</b>	Workplaces should be so organised in that pedestrians and vehicles can circulate in a safe manner. Traffic routes in workplaces should be suitable for the people or vehicles using them, in number, position and size. Traffic routes should be safe for use by pedestrians and where appropriate, vehicles. Traffic routes should be suitably signed where necessary for safety.	<b>Workplace Reg 17</b>
<b>Doors and gates</b>	Doors and gates should be suitably constructed and safe in use.	<b>Workplace Reg 18</b>

**APPENDIX 2****OPERATOR SPECIFICATION**

The following specification sets out the key outputs that Operators must deliver in respect of the undertaking of Mailwork in Post Office® branches. It should be read in conjunction with the Royal Mail Specification.

The phraseology uses the term "output". This represents the achievement of an outcome for which the Operator is responsible. It does not necessarily mean that the Operator has to personally perform the task to deliver the output. For example, "Royal Mail employees briefed in accordance with employee communication programme": does not necessarily mean that the Operator has to lead formal team briefing sessions. It will mean that the Operator will be responsible for distributing written briefing, facilitating team briefings lead by the Royal Mail line manager, passing on urgent messages for the line manager to Royal Mail employees.

There are a number of outputs, particularly in the Customer and Supervision areas, which cannot be tightly defined and where an element of discretion is needed in determining the level of Operators' involvement. In these cases a test of reasonableness applies. In general terms, Operators are expected to deal with issues that can easily be resolved on the spot. But there is no requirement for them to leave the Mailwork premises to do so. In all cases where Operators are unable to resolve issues or believe that resolution requires additional capability, such difficulties must be referred to the Royal Mail Line Manager.

The detailed local arrangements as to how each output will be achieved at each office will be set out in the Local Specification that will be agreed between Royal Mail, Post Office Ltd and the Operator.

**1. SUPERVISION**

- Royal Mail employees adequately supervised at all times when on mailwork premises. (NOTE: Royal Mail employees will be deemed to be adequately supervised if all the outputs in this specification are achieved)
- Contact point provided for Royal Mail employees based at the mailwork office at all other times when they are on duty.
- Royal Mail employees' attendance checked (i.e. start and where appropriate finish times) and all unforeseen absence reported to Royal Mail line manager.
- Staffing failures covered at minimum cost in accordance with contingency plan difficulties referred to Royal Mail line manager.
- Indoor operational problems resolved where possible: difficulties referred to Royal Mail line manager.
- Pressure overtime authorised and controlled in accordance with guidance from Royal Mail line manager.
- Overtime, Scheduled Attendance's, allowances and Door-to-Door records certified.
- Reasonable actions taken to ensure Royal Mail employees comply with safety and security instructions.

**2. CUSTOMER**

- Information provided to Royal Mail Customer Care when requested (where Operator can reasonably be expected to have access to such information).
- Customer complaints/enquiries dealt with where resolution is possible at local office level – any difficulties referred to Royal Mail Customer Care or Royal Mail line manager.

- Local customer requirements met in accordance with processes set out in local specification.
- Local delivery problems with customers resolved (e.g. dangerous dogs) where resolution is possible at local office level and in accordance with processes set out in local specification – any difficulties referred to Royal Mail line manager.
- Positive approach to Customer First activity in the office (but no requirement for personal attendance for Royal Mail Customer First Activity).
- Positive approach to Royal Mail's image in the local community.

### **3. OPERATIONAL TASKS**

- Mail received and acknowledged.
- Signature and value items securely held and processed in accordance with product specification.
- Redirection instructions, special instructions, retention instructions issued to appropriate Royal Mail employee.
- Door to door managed in accordance with product specification and returns made.
- Response service items processed in accordance with product specification.
- Second pouch arrangements made in accordance with local specification.
- Keys securely held, issued and returned.
- Callers facilities provided (P739, Surcharges, PO Boxes).
- Uniforms, stores, forms, equipment ordered and issued.
- Letterbox faults reported to Royal Mail line manager.

### **4. MANAGEMENT INFORMATION**

- Attendance record completed.
- Work Load Assessment forms, completed by Postmen forwarded in accordance with operational instructions.
- Letter Information Systems and parcel sampling returns completed and forwarded in accordance with operational instructions.
- Official Motor Vehicle mileage and fuel returns made.
- Driver's hours' information supplied.
- Information provided in response to ad hoc requests subject to levels of reasonableness.
- Basic staff hours' records completed.

### **5. PERSONNEL**

- Annual leave selection managed and authorised in accordance with local specifications.

- Royal Mail conduct code followed by Royal Mail employees – any failures by Royal Mail employees to meet Royal Mail standards referred to Royal Mail line manager.
- Opportunity for input to sick absence, Non-culpable Inefficiency, Conduct Code, Welfare Interviews for Royal Mail employees; recruitment of permanent and temporary Royal Mail employees; trial reports and appraisals, sick reports and appraisals.
- Royal Mail employee grievances resolved where this is possible at local office level – any serious grievances referred to Royal Mail line manager.
- Royal Mail employee questions answered if within the knowledge of the Operator – any difficulties referred to Royal Mail line manager or appropriate support function.
- Late attendance reports completed.
- Royal Mail employees recognised in accordance with Royal Mail policy on recognition.
- Accident reports completed.
- Royal Mail employees briefed in accordance with employee communication processes as set out in local specification.
- Royal Mail employee training needs identified and where appropriate referred to Royal Mail line manager.
- Royal Mail employees coached and trained in accordance with processes set out in local specification.

## **6. TRANSPORT**

- Royal Mail vehicles parked securely in accordance with locally agreed arrangements.
- Fleet maintained, fuelled and cleaned in accordance with local Royal Mail procedures.
- Road Transport Act requirements met (Logbooks Drivers hours; returns made).
- Vehicle accident reports completed.
- Cycles and delivery aids kept securely and maintained in safe condition in accordance with locally agreed arrangements.

## **7. SAFETY**

- Hazard/safety checks carried out on mailwork premises.
- Health and Safety notices displayed.
- Adequate fire precautions – Royal Mail employees aware of precautions.
- Locally agreed disaster plan followed.

- First aid facilities available for use and maintained.

**8. SECURITY**

- Security of mail and equipment maintained in accordance with locally agreed arrangements.
- Security procedures followed as per locally agreed arrangements.
- Security checks carried out as per locally agreed arrangements.



**APPENDIX 3****ROYAL MAIL SPECIFICATION**

The following specification represents the key outputs that Royal Mail must deliver to enable the Operator to meet the Operator Specification. It should be read in conjunction with the Operator Specification.

The phraseology uses the term "output". This represents the achievement of an outcome for which Royal Mail is responsible. Where further definition is required (eg type of sorting fitting, level and detail of guidance and training) Royal Mail will determine what is necessary to achieve the Delivery Specification and agree the details in the Local Specifications.

**1. SUPERVISION**

- Information on Royal Mail employees, attendance times and duties provided.
- Contingency plan for office provided.
- Guidance provided to Operator and Royal Mail employees on completion of Overtime, Scheduled Attendance, Allowances and Door-to-Door records.
- Local specification (agreed with the Operator and Post Office Ltd).
- Royal Mail contact point provided to which operational difficulties can be referred.

**2. CUSTOMER**

- Royal Mail Customer Care contact point provided.
- Guidance on meeting the changes to customer requirements (unit specification).
- Information on Royal Mail Customer First provided.
- Information on Royal Mail Mission and Values provided.

**3. OPERATIONAL TASKS**

- Details of scheduled mail arrivals/tick list provided
- Telephoned advice of late arrivals, or other operational changes
- Guidelines and training for Operator and Royal Mail employees provided for all Royal Mail products
- Second pouch arrangements specified
- Key security system specified
- Instructions provided for the ordering of uniforms, store, forms, and equipment

**4. MANAGEMENT INFORMATION**

- Guidance provided on how Postmen complete Work Load Assessment forms.
- Guidance provided on completion of Letter Information Systems/parcel sampling returns.
- Guidance provided on completion of Official Motor Vehicle mileage and fuel returns
- Guidance provided on Drivers hours' information
- Guidance provided on quality checks to be made

- Royal Mail contact point provided for all pieces of management information

## **5. PERSONNEL**

- Resourcing plan provided (annual leave)
- Royal Mail conduct code made available and appropriate action taken by Royal Mail to ensure conduct code is followed.
- Opportunity given to Operator to input relevant information regarding Royal Mail employees in cases of Non-Culpable Inefficiency, welfare, sick absence, trial reports, retention, appraisals.
- Opportunity given to Operator to attend the selection interviews for Royal Mail employees at the Mailwork office.
- Opportunity given to Operators to attend at long service awards/retirement functions.
- Royal Mail contact points provided for all relevant Personnel issues relating to Royal Mail employees.
- Guidance provided on completion of accident reports.
- Royal Mail recognition policy communicated.
- Guidance provided on training for Royal Mail employees (training plans)
- Communications plan for Royal Mail employees in Mailwork office provided.

## **6. TRANSPORT**

- Agreed arrangements specified for secure parking of vehicles
- Arrangements for maintenance, fuelling and cleaning of fleet specified
- Guidance provided on Road Transport Act requirements
- Guidance provided on completion of Vehicle Accident reports
- Arrangements for secure keeping and maintenance of cycles and delivery aids specified.

## **7. SAFETY**

- Safety instructions provided
- Disaster plan specified
- First aid training provided to postmen in line with legal Health & Safety requirements.

## **8. SECURITY**

- Security instructions provided
- Security measures specified

## **9. FACILITIES**

- Sorting fittings, stores cupboards/cabinets, soap/towels, toilet paper, fire fighting equipment, first aid equipment provided.

## APPENDIX 4

### **PAYMENT ON WITHDRAWAL OF MAILWORK**

Where the whole or part of either category of Mailwork carried out at a sub-office is withdrawn by Royal Mail or Royal Mail Parcelforce, the Sub-postmaster will receive a lump sum, an amount equivalent to 1.5 times the consequential annual reduction in pay. Any decision to withdraw Mailwork shall be subject to paragraph 3 of Section 8, and for the purposes of this provision any reference to Post Office Ltd in paragraph 3 of Section 8 shall be construed as a reference to Royal Mail or Royal Mail Parcelforce (as applicable). The reduction in pay should take effect from the date of the withdrawal of the work.

Where appropriate, the payment should take account of all regular payments including the effect of any reduction in the 3% addition paid for minor items of work that attracts no specific payment. Regular and intermittent allowances should also be included in calculating the amount due.

If the withdrawal of Mailwork happens in stages, the Sub-postmaster should receive a lump sum in respect of the reduction on each occasion. In cases where there is simultaneous loss and gain of Mailwork, the lump sum payment should be calculated on any net loss.

Payments should not be made where the change is due to variations in traffic.

At least three months' notice will be provided to the Operator (and Royal Mail or Royal Mail Parcelforce shall conscientiously consider what the duration of such notice period should be), or payment in lieu of such notice will be paid on withdrawal of Mailwork, except in those cases where the Operator's contract is summarily terminated or where he resigns to avoid summary termination.

Payment for the loss of Mailwork will not be made where work is withdrawn at:

1. the request of the Operator
2. the time of summary termination or resignation to avoid summary termination
3. a minimum payment office which is already paid for more work than it carries out.

The annual revision date will be unaffected by withdrawal of Mailwork.

END

POST OFFICE LTD

SECTION 23

**CHANGE OF CONTROL**

1. For the purposes of this contract a person is deemed to have "Control" of the Operator if they have the power to secure that the affairs of the Operator are conducted in accordance with their wishes by the holding of shares, the holding of voting power or as a result of powers conferred by the articles or other document regulating the Operator and a **Change of Control** occurs if a person who has Control of the Operator ceases to do so or if another person acquires Control of it.
2. As soon as practicable after the Operator becomes aware that a Change of Control of the Operator has occurred or is likely to occur the Operator will give notice to Post Office Ltd specifying details of the event and providing Post Office Ltd with any relevant requested information.

POST OFFICE LTD

SECTION 24

**INSOLVENCY EVENTS**

1. For the purposes of this Contract, an Insolvency Event shall have occurred if the Operator:
  - 1.1 passes a resolution or a petition is filed or an order is made for or in connection with the winding up of the Operator (otherwise than for the purpose of solvent amalgamation or reconstruction where the resulting entity assumes all of the obligations under this contract of the Operator) or the Operator becomes subject to an administration order or an administrator, receiver or administrative receiver is appointed of all or part of the Operator's undertaking and assets;
  - 1.2 suspends, ceases or threatens to suspend or cease to carry on its business or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986; or
  - 1.3 commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts or makes a proposal for or enters into any compromise or arrangement with its creditors (other than for the sole purpose of a scheme for a solvent amalgamation or solvent reconstruction where the resulting entity assumes all of the obligations under this contract of the Operator);
  - 1.4 has a creditor or encumbrancer attach or take possession of or it becomes subject to a distress, execution, sequestration or other such process in relation to the whole or any part of its assets and such attachment or process is not discharged within fourteen days;
  - 1.5 has an application made in court or an order is made in relation to it for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over it;
  - 1.6 has a floating charge holder over its assets become entitled to appoint or has appointed an administrative receiver;
  - 1.7 has a person become entitled to appoint a receiver over its assets or a receiver is appointed over its assets;
  - 1.8 becomes insolvent (within the meaning of the Insolvency Act 1986) or makes or proposes to make any arrangement or composition with its creditors;
  - 1.9 suffers any analogous event to those set out in clauses 1.1 to 1.7 above in any other jurisdiction;
  - 1.10 ceases or threatens to cease to carry on all or substantially the whole of its business.