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	Contracting with Agents - BAU churn contracts
Document description	<p>BM20 - PREFACE AND STANDARD CONDITIONS FOR THE OPERATION OF A MAIN POST OFFICE® (OFF SITE POL CASH WITH COMBI) NO POL FUNDED WORKS BUT POL FUNDED EQUIPMENT.</p> <p>This document is only for use where:</p> <ul style="list-style-type: none"> (i) a new operator is being appointed to operate a main Post Office branch; (ii) at new premises; (iii) the operator of the existing Main branch is leaving the network. (The existing branch has already been converted under NT to a main); and (iv) POL is not paying for any of the Fit Out Works but is paying for some of the Equipment. <p>IMPORTANT: It is only for use in branches where a combi counter will be installed.</p> <p>It is not for use where:</p> <ul style="list-style-type: none"> (i) a new operator is being appointed to operate a Main (POL cash) at existing premises (irrespective of whether or not the branch has already been converted to a Main); (ii) an existing agent is being appointed to operate a Main (POL cash) at new premises; or (iii) the existing branch hasn't already been converted under NT. <ul style="list-style-type: none"> • The contract should only be issued to the operator to sign once they have successfully completed POL's recruitment and application process.
Document list	Contracts list
ON SITE / OFF SITE	OFF SITE (Second Generation)
Mains/Locals	Main
Version No.	12
Status	CLEARED FOR USE BY NEIL ENNIS 11 OCTOBER 2016
Date	11 October 2016
Comments	<p>11 October 2016. Amended to:</p> <ul style="list-style-type: none"> • include revised FS wording in the Preface; • update Appendix 2 of the Preface to reflect that maintenance of safes, cctv and alarms is POL's responsibility; and • update the address for notices served on POL in the Standard Conditions.

OFF SITE MAIN POST OFFICE® AGREEMENT

PREFACE PART A

All capitalised terms not defined in this Preface have the meanings given to them in the Standard Conditions for the Operation of a Main Post Office® Branch (Off Site, Post Office Limited Cash) (the **Standard Conditions**).

This Preface is part of an Agreement between Post Office Limited and the Operator for the operation of a Main Post Office Branch (as defined in the Standard Conditions) at the Branch Premises (as defined below).

The **Agreement** consists of the following documents:

- This Preface and the following Appendices to it:
 - o Appendix 1 – Works at the Branch Premises and Plan
 - o Appendix 2 – Equipment
 - o Appendix 3 – Conditions of Appointment
- The Standard Conditions
- The Manual (as defined in the Standard Conditions)
- The Fees Booklet (as defined in the Standard Conditions)
- The Outreach Services Conditions
- The Outreach Operations Manual (as defined in the Outreach Services Conditions)

1. The Agreement is between:

- (a) **Post Office Limited** (Company No. 02154540), whose registered office address is at Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ (**Post Office Ltd**); and

Note: where the Operator is a company use the following version of paragraph (b), otherwise it should be deleted.

- (b) insert the full company name of the Operator (Company No. insert number) of insert registered office address (the **Operator**).

Note: where the Operator is a partnership use the following version of paragraph (b), otherwise it should be deleted.

- (b) insert the name of the partnership (a partnership) of insert the address of the partnership (the **Operator**).

Note: where the Operator is an individual use the following version of paragraph (b), otherwise it should be deleted.

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- (b) insert the name of the individual of insert the address of the individual (the **Operator**).
2. The Branch Premises are the premises at: **insert address**.
3. The Branch will have the following numbers of Combined Retail Counter Positions insert number and Dedicated Post Office Counter Positions insert number at the Start Date.
4. **Opening Times:** The Operator shall operate the Branch at the Branch Premises from:
- 4.1 the Dedicated Post Office Counter Positions (as defined in Part 1 of the Standard Conditions), during at least the hours of 9am to 5.30pm Monday to Saturday (inclusive) but excluding public or statutory holidays; and
- 4.2 the Combined Retail Counter Positions (as defined in Part 1 of the Standard Conditions), during the opening hours of the Basic Business which will be at least:
- | | |
|-----------|----|
| Monday | to |
| Tuesday | to |
| Wednesday | to |
| Thursday | to |
| Friday | to |
| Saturday | to |
| Sunday | to |
- including on any public or statutory holidays on which the Basic Business is open to the public. The Parties acknowledge that the Products and Services offered from the Combined Retail Counter Positions will be a reduced set of Products and Services from those available at the Dedicated Post Office Counter Positions, as determined and notified to the Operator in writing by Post Office Ltd from time to time.
- The opening hours of the Dedicated Post Office Counter Positions and those of the Combined Retail Counter Positions, detailed in this clause 4 (as varied from time to time in accordance with the Agreement), are referred to as the **Minimum Hours** for each type of Counter Position.

5. The **Commencement Date** of the Agreement is the date on which this Preface is signed by Post Office Ltd (as set out below).
6. **Note: If Part C of the Preface is included but not Part B then rename Part C as Part B and use this version of clause 6. Otherwise it should be deleted.** The **Start Date** on which the Operator will begin the operation of the Branch at the Branch Premises will be as determined in accordance with Part B of this Preface or such other date as may either be agreed in writing between the Parties at any time or (where the Operator has not complied with any of the terms of the Agreement, including any Conditions of Appointment which are required to be completed before the Start Date) be determined by Post Office Ltd in its absolute discretion and notified in writing to the Operator at any time.
6. **Note: If Part B of the Preface is included but not Part C then use this version of clause 6. Otherwise it should be deleted.** The **Start Date** on which the Operator will begin the operation of the Branch at the Branch Premises will be as determined in accordance with Part B of this Preface or such other date as may either be agreed in writing between the Parties at any time or (where the Operator has not complied with any of the terms of the Agreement, including any Conditions of Appointment which are required to be completed before the Start Date) be determined by Post Office Ltd in its absolute discretion and notified in writing to the Operator at any time.
6. **Note: If Parts B and C of the Preface are included then use this version of clause 6. Otherwise it should be deleted.** The **Start Date** on which the Operator will begin the operation of the Branch at the Branch Premises will be as determined in accordance with Part C of this Preface or such other date as may either be agreed in writing between the Parties at any time or (where the Operator has not complied with any of the terms of the Agreement, including any Conditions of Appointment which are required to be completed before the Start Date) be determined by Post Office Ltd in its absolute discretion and notified in writing to the Operator at any time.

6. **Note: Use this version of clause 6 where neither Part B nor C are included in the Preface. Otherwise it should be deleted.** The **Start Date** on which the Operator will begin the operation of the Branch at the Branch Premises will be the date notified in writing by Post Office Ltd to the Operator (such notice to be given at least 21 days prior to the Start Date) and will not be earlier than **insert date (Earliest Start Date)** or later than **insert date (Latest Start Date)**. If Post Office Ltd fails to notify the Operator of the Start Date then the Latest Start Date shall be deemed to be the Start Date. Any of the Earliest Start Date, the Start Date and the Latest Start Date may be amended at any time by written agreement between the Parties. Where the Operator has not complied with any of the terms of the Agreement, including any Conditions of Appointment which are required to be completed before the Start Date), the Start Date may also be amended or deferred by Post Office Ltd in its absolute discretion and notified in writing to the Operator at any time.
7. The **Basic Business** at the Branch Premises is **insert description e.g. convenience store, supermarket, newsagent, chemist etc.**
8. **Note: delete if the Operator will move straight onto variable fees** The Fees payable by Post Office Ltd to the Operator from the Start Date for the first and second Accounting Periods (as defined in Part 1 of the Standard Conditions) (calculated with effect from the Accounting Period within which the Start Date falls), shall be:
- First Accounting Period: **£insert amount** (pro-rated in the same proportion as the number of days from the Start Date to the end of the Accounting Period bears to the total number of days in that Accounting Period);
- Second Accounting Period: **£insert amount,**
- (the First Fees Payments)** and thereafter shall be calculated on a strictly "per Transaction" basis only in accordance with clauses 2.4.1 and 2.4.2 of Part 3 of the Standard Conditions. Where the Start Date falls within an Accounting Period after Post Office Ltd's payment cut-off date, the Operator shall not receive the First Fees Payment for the First Accounting Period until the end of the following Accounting Period.
- Note: Delete if the operator will receive fixed fees for the first two accounting periods.**
- The Fees payable by Post Office Ltd to the Operator from the Start Date and thereafter shall be calculated on a strictly "per Transaction" basis only in accordance with clauses 2.4.1 and 2.4.2 of Part 3 of the Standard Conditions.
9. **VAT**
- Note: delete this clause if the Operator is not registered for VAT.** The Operator's VAT number is **insert registered VAT number.**

10. Equipment, Works and Funding

- 10.1 The Operator shall be solely responsible for bearing the costs of:
(i) the Fit Out Works (including the Enabling Works and the Cosmetic Works and the career wear) described in Appendix 1 of this Preface; and (ii) obtaining and installing the Operator Funded Equipment described in Appendix 2 of this Preface and Post Office Ltd shall not be required to contribute to the costs.
- 10.2 Post Office Ltd shall be solely responsible for bearing the costs of obtaining and installing the Post Office Ltd Funded Equipment described in Appendix 2 of this Preface and the Operator shall not be required to contribute to the costs.
- 10.3 Post Office Ltd will reimburse the Operator for the costs of the Operator Arranged Equipment (as indicated in Appendix 2) provided that the Operator has obtained quotes for the Operator Arranged Equipment and POL has approved such quotes in accordance with Clause 1.5 of Part 3 of the Standard Conditions.

11. The Existing Branch referred to in Part B of this Preface is: insert the name **and address of the current branch which is being relocated.**

12. **Note: Delete the whole of the following clause where on the date the Preface is sent to the operator: (i) consultation has been completed, and POL has decided to proceed with the relocation of the branch; AND (ii) POL is satisfied that the new operator has already acquired a Valid Property Interest in the Branch Premises. Termination of the Agreement before the Start Date**

Note: Delete the references to Parts B or C as appropriate. Post Office Ltd may terminate the Agreement in accordance with Parts B and/or C of this Preface if the conditions referred to in that the relevant Part are not fulfilled.

13. **Note: delete this clause if the Operator will not be providing Mailwork Services. Mailwork -** The Operator shall provide Mailwork services from the Branch Premises in accordance with the Mailwork Specification, which forms part of the Manual.

14. **Note: Delete if no guarantee is required by POL.** The performance of the Operator's obligations under the Agreement must be guaranteed by one two guarantors acceptable to Post Office Ltd. The Each guarantor will usually be a director or shareholder of the Operator.

15. Warranty and undertaking on third party obligations

- 15.1 The Operator warrants and represents that on and from the Commencement Date, it shall have no contractual or other obligations to any third party which would or may be breached by entering into and/or performing any of its obligations under this Agreement.

15.2 As a condition of this Agreement, the Operator undertakes to ensure that the warranties and representations at clause 15.1 are and shall remain true throughout the Term.

16. Regulatory status

16.1 The Operator warrants and represents that on the Commencement Date, it is not authorised or regulated by the Financial Conduct Authority or the Prudential Regulation Authority or an appointed representative or introducer appointed representative of a firm authorised and regulated by the Financial Conduct Authority or the Prudential Regulation Authority and is not an exempt person within the meaning of the Financial Services and Markets Act 2000.

16.2 The Operator undertakes to inform Post Office Ltd in accordance with clause 3.6.7 of Part 2 of the Standard Conditions if it proposes to change its regulatory status, or if its regulatory status does change, at any time during the term of this Agreement. The Operator must provide the notice required by this clause at least:

16.2.1 three (3) months before it submits an application for authorisation or variation of permission, if it intends to become authorised or vary or cancel its permissions; or

16.2.2 one (1) month before its name appears on the Financial Services Register, if it intends to become an appointed representative or introducer appointed representative of another authorised firm.

16.3 On the first anniversary of the Commencement Date and on each subsequent anniversary of the Commencement Date during the term of this Agreement, the Operator shall provide Post Office Ltd with a certificate, signed on behalf of the Operator by a duly authorised signatory, in which the Operator warrants that the Operator's regulatory status has not changed:

16.3.1 since the Commencement Date; or,

16.3.2 if the Operator has served Post Office Ltd with a notice of a change in its regulatory status in accordance with clause 16.2 above, since the date such notice was received by Post Office Ltd.

The certificate shall be sent to the address set out in clause 22.1 of Part 2 of the Standard Conditions.

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IMPORTANT NOTE TO CONTRACTS TEAM: The default position is that this Part B should be included unless specific instructions have been received from the Implementation Team to remove this Part B. Part B should only be deleted where the consultation has been completed, and POL has notified the operator of its decision to proceed with the relocation of the branch prior to the date the Preface is sent to the new operator for signing.

PART B

Consultation Condition Precedent

1. In addition to the terms defined elsewhere in the Agreement, in this Part B the words below have the meanings next to them unless the context requires otherwise:

Code of Practice	the Code of Practice on public consultation and communication with respect to changes in the Post Office network as agreed between Post Office Ltd and Consumer Focus from time to time
Consultation	a 6 week local public consultation conducted by Post Office Ltd under the Code of Practice in respect of its proposals for relocating the Existing Branch to the Branch Premises
Consultation Condition Precedent	that having concluded the Consultation and taken account of the representations made during the Consultation, Post Office Ltd in its absolute discretion decides that it wishes the Operator to begin the operation of the Branch from the Branch Premises
Key Date	the date being six weeks after the final day of the Consultation
Not Proceed Notification	a notice issued by Post Office Ltd to the Operator stating that the Consultation Condition Precedent has not been satisfied
Proceed Notification	a notice issued by Post Office Ltd to the Operator stating that the Consultation

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Condition Precedent has been satisfied

2. The Agreement shall come into effect on the Commencement Date. However, the Agreement may be terminated by Post Office Ltd immediately on giving written notice to the Operator without any liability to the Operator if Post Office Ltd has served a Not Proceed Notification on the Operator by the Key Date or the Consultation Condition Precedent is deemed not to be satisfied under clause 6 below.
3. Where the Consultation Condition Precedent is satisfied, Post Office Ltd will serve a Proceed Notification on the Operator by the Key Date.
4. Where the Consultation Condition Precedent is not satisfied, Post Office Ltd will notify the Operator of its decision in writing no later than the Key Date by way of a Not Proceed Notification. For the avoidance of doubt, a Not Proceed Notification will not of itself constitute a notice to terminate the Agreement unless it expressly states that it is also a notice to terminate.
5. Post Office Ltd reserves the right to waive the Consultation Condition Precedent. Any such waiver shall be made by serving a written notice (the **Waiver Notification**) on the Operator by the Key Date and shall be without prejudice to any other rights which Post Office Ltd may have under the Agreement.
6. In the absence of a notification from Post Office Ltd to the Operator under clauses 3, 4 or 5 of this Part B by the Key Date, the Consultation Condition Precedent shall be deemed not to have been satisfied.
7. **Note: If Part C is included in the Preface, keep green highlighted wording. If Part C is not included, delete pink highlighted wording from this clause.** The Operator shall not commence any Operator Arranged Works or Operator Arranged Equipment at the Branch Premises pursuant to Part 3 and Part 7 of the Standard Conditions until it has received **both** a Proceed Notification or Waiver Notification **and a notice in accordance with clause 1.2 of Part C** from Post Office Ltd. If the Operator begins any Operator Arranged Works or Operator Arranged Equipment prior to receiving **both** a Proceed Notification or Waiver Notification **and a notice in accordance with clause 1.2 of Part C**, then without prejudice to Post Office Ltd's other rights this will be a material breach of the Agreement which cannot be remedied for the purposes of clause **16.2.1** of Part 2 of the Standard Conditions and for avoidance of doubt such works shall be at Operator's risk and cost.
8. Neither Party shall have any liability to the other if the Consultation Condition Precedent has not been satisfied, or waived in accordance with clause 5 of this Part B, save that if it has not been

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satisfied, or waived in accordance with clause 5 of this Part B, and the Agreement has not been terminated by Post Office Ltd pursuant to clause 2 of this Part B, the Operator shall be obliged, if requested by Post Office Ltd to do so, to negotiate in good faith with Post Office Ltd such changes to the Agreement as Post Office Ltd may put forward as a result of the Consultation.

9. Note: If Part C is included in this Preface, delete yellow highlighted wording. Otherwise it should be kept and the highlighting removed. The Start Date will be the date specified by Post Office Ltd and notified to the Operator in writing at any time or as otherwise determined in accordance with Part A of this Preface. For the avoidance of doubt, Post Office Ltd may notify the Operator of the Start Date in the Proceed Notification or Waiver Notification referred to above or in a separate notification. Providing Post Office Ltd does so at least 7 (seven) days in advance of the Start Date originally notified, Post Office Ltd may postpone the Start Date by giving written notice to the Operator.

Note: Delete this part where the Operator has acquired a Valid Property Interest in the Branch Premises prior to the date the Preface is sent to the operator for signing.

PART B/C

Precondition

1.1 Note: If Part B (Consultation Condition Precedent) is included in the Preface, keep pink highlighted wording only. Where Part B is not included use the yellow highlighted wording only. The Agreement is also conditional upon Post Office Ltd confirming to the Operator in writing in accordance with clause 1.2 below that it is satisfied (following the provision by the Operator of evidence acceptable to Post Office Ltd) that the Operator has, not later than 4 (four) weeks after the date of the Proceed Notification or Waiver Notification (as defined in Part B of this Preface), Commencement Date (or by such other date as may be agreed in writing by the Parties) obtained a Valid Property Interest (as defined in the Standard Conditions) in the Branch Premises (the **Precondition**).

1.2 Note: If Part B (Consultation Condition Precedent) is included in the Preface, keep pink highlighted wording. If it is not included, delete pink highlighted wording from this clause. If Post Office Ltd is, at its absolute discretion, satisfied that the Operator has fulfilled the Precondition it shall where it has previously issued a Proceed Notification or Waiver Notification to the Operator under Part B, give a further, written notice to the Operator confirming that the Operator has fulfilled the Precondition and, subject to clause 6 of Part A of this Preface, specifying the Start Date, taking into account any Fit Out Works required at the Branch Premises. Providing Post Office Ltd does so at least 7 (seven) days in advance of the Start Date originally notified, Post Office Ltd may postpone the Start Date by giving written notice to the Operator.

1.3 Note: If Part B (Consultation Condition Precedent) is included in the Preface, keep pink highlighted wording. If it is not included, delete pink highlighted wording from this clause. If Post Office Ltd is not, at its absolute discretion, satisfied that the Operator has fulfilled the Precondition, Post Office Ltd may terminate the Agreement immediately on written notice to the Operator notwithstanding any Proceed Notification or Waiver Notification issued by Post Office Ltd in accordance with Part B.

1.4 Note: If Part B (Consultation Condition Precedent) is included in this Preface, delete pink highlighted wording. Otherwise, it should be kept and the highlighting

removed. The Operator shall not commence any Operator Arranged Works or obtain or install any Operator Arranged Equipment at the Branch Premises pursuant to Part 3 and Part 7 of the Standard Conditions (to the extent Post Office Ltd has requested the Operator to arrange for, or obtain, such Operator Arranged Works or Operator Arranged Equipment) until it has received a written notice from Post Office Ltd pursuant to clause 1.2 above. If the Operator begins any Operator Arranged Works or obtains any Operator Arranged Equipment prior to receiving such notice, then without prejudice to Post Office Ltd's other rights this will be a material breach of the Agreement which cannot be remedied for the purposes of clause 16.2.1 of Part 2 of the Standard Conditions and for avoidance of doubt such works shall be at Operator's risk and cost.

The Operator and Post Office Ltd hereby agree to enter into the Agreement as defined above.

OPERATOR

Either: Signature of Operator (if an individual)
OR: Signature of Director or partner if a company or partnership

Second Signature (not required if Operator is an individual or where the Operator is a single director company with no separate company secretary)
Signature of Director/Company Secretary or partner if a company or partnership

Typed or Printed Name

Title: Operator/Partner/Director

Date

Typed or Printed Name

Title: _____ Director/Company Secretary/Partner

Date

NOTE: The signing provisions below should be used instead if the Operator is a company and an authorised signatory is signing the Agreement on behalf of the company under the delegated authority of the board of directors. A signed copy of the relevant board resolution that gives authority to the named individual to sign the Agreement on behalf of the company (or written confirmation of the delegated authority from a director) must already have been provided to and agreed with Post Office Ltd.

Signed by
for and on behalf of the Operator

Title: An authorised signatory

Date

POST OFFICE LTD

An authorised signatory

Typed or Printed Name

Title

Date

APPENDIX 1

WORKS AT THE BRANCH PREMISES AND PLAN

- 1. Enabling Works** Note: insert list of enabling works below from the scoping letter/report and for each item of works specify whether POL or the operator is responsible for arranging them.

Electrical works/sockets

- 2. Any other works, including Cosmetic Works** Note: insert list of cosmetic and other works from scoping letter Appendix C and for each item of works specify whether POL or the operator is responsible for arranging them.

- 3. Career wear** Note: insert list of career wear to be obtained by the Operator.

insert list from scoping letter Appendix D

Insert a plan of the Branch Premises

APPENDIX 2 - EQUIPMENT

Items of equipment that may be required to establish a Main Post Office branch at new premises

Note: Where the Operator is responsible for ordering and initially paying for any of the items of POL Funded Equipment i.e. Operator Arranged Equipment this will need to be stated in column 2 of the table below by amending the "X" to a "Y" Please note that the Operator may be responsible for ordering and initially paying for some of the Post Office Ltd Funded Equipment, referred to as Operator Arranged Equipment, with Post Office Ltd reimbursing the costs of such Operator Arranged Equipment, subject to clause 1 of Part 3 and clause 1 of Part 7 of the Standard Conditions. These items, if any, are indicated by the letter Y in the relevant column below.

Column 1 Item for installation in Main Post Office branch	Column 2 Who pays for Equipment?			Column 3 Who is responsible for maintenance of the Equipment?			Column 4 Items to be returned to Post Office Ltd or its supplier at end of the Agreement
	Post Office Ltd	The Operator					
	Post Office Ltd Funded Equipment - Post Office Ltd orders and pays for those items marked with an X below. Those items marked with a Y below (if any) are arranged by the Operator ("Operator Arranged Equipment")	Post Office Ltd Arranged Equipment - items ordered and initially paid for by POL with the Operator reimbursing the cost	Operator Funded Equipment - the Operator orders and pays for with no reimbursement from Post Office Ltd	Post Office Ltd	The Operator	Post Office Ltd's supplier	
Signage (including internal signage, survey and install)			X		X		
Safes (Main safe) including MMG		X		X			
Electronic Scales		X		X			
Alarms installed by Operator’s contractor.		X		X			

Bureau de Change Rate Board	X					X	X
Counter Desking		X			X		
FSS desking and privacy Screens/conversation area			X		X		
Customer seating/Counter Staff Seating			X		X		
Cash Funding Unit (Rollercash/Bidi etc)			X		X		
Horizon	X			X			X
Secure Counters (including anti-bandit screens and parcel hatches)		X			X		
Drop bag Fittings			X		X		
Post & Go	X			X			X
AEI Kiosk	X			X			X
AEI Consumables (including curtains and Stylii)	X			X			X
Mails Acceptance Unit		X			X		
Mails Integrity unit/secure mail storage		X			X		
Queue Management (barrier)			X		X		
Call Forward			X		X		
Coin Cabinets			X		X		
Self inking date stamp			X		X		X
Retention Units			X		X		
Branch Consumables (subject to reasonable use) printer rolls & cartridges.	X			X			X
Name Badges		X			X		
Coin Hoppers		X			X		
Note Counters (to be obtained at the option of the Operator)			X		X		
Pedestals			X		X		
Footrests			X		X		
Mobile Till Trolleys			X		X		
Test Weights	X			X			X
UV Lights	X			X			
Hearing Loops (portable)			X		X		
CCTV installed by ROME (POL Security Requirement only)		X		X			
Flip Top Tills			X		X		
Visi-Frames (one per office)		X		X			
A Frames			X		X		

Paystation™ terminal	X			X			X
Telephone line to be connected to Paystation™ terminal (if required)			X		X		
ATM	X			X			X
Till inserts (if Post Office Ltd determines that these are required)		X			X		
Speech enhancement unit			X		X		
BDC rate board - new cover	X					X	n/a

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APPENDIX 3 - Conditions of Appointment

- 1 The Operator shall comply (and in the case of ongoing obligations shall continue to comply for the duration of the Agreement) at its own expense with the following conditions of appointment and shall ensure that any works/actions that it is required to carry out or perform in order to achieve compliance with the relevant condition of appointment are carried out or performed by the date specified below for the relevant condition.
- 2 **Note: POL to insert any conditions of appointment that apply. These conditions of appointment will be either related to improving accessibility or related to works of redecoration or refurbishment that the Operator has agreed to carry out. In the case of accessibility conditions of appointment, the relevant conditions that need to be included will be notified by the area manager following his/her review of the Business as Usual FCA's accessibility assessment of the premises. In the case of conditions of appointment relating to works of redecoration or refurbishment, these will be derived from the retail standards checklist on the branch survey form for the premises.**
- 3 The Operator shall not be in breach of the Agreement, nor liable for any failure or delay in complying with any condition of appointment by the date specified above, if the Operator is prevented or delayed from complying with such condition of appointment by a Force Majeure Event, provided that the Operator must:
 - 3.1 promptly notify Post Office Ltd in writing of the nature and extent of the Force Majeure Event together with any additional information as Post Office Ltd may reasonably require; and
 - 3.2 use its best efforts to remove or overcome the effects of such Force Majeure Event.
- 4 Following any notice from the Operator in accordance with paragraph 3.1, the Parties shall discuss the effect of the Force Majeure Event on the relevant condition(s) of appointment, and use all reasonable endeavours to agree any changes to the condition(s) of appointment that may be required as a result, which may include agreeing a revised date for the Operator to achieve compliance with the relevant condition(s) of appointment.
- 5 For the purposes of paragraph 3 above, **Force Majeure Event** shall mean the occurrence of any:
 - 5.1 Acts of God, fire, explosion, flood, earthquake or other natural disaster;
 - 5.2 war, riot, civil commotion, terrorist attack;
 - 5.3 interruption or failure of utility service, including electric power, gas or water;
 - 5.4 law or government order, rule, regulation or direction, or any action taken by a government or public authority, including failing to grant a necessary licence or consent (provided that the Operator has used its best endeavours to obtain such licence or consent); and

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5.5 refusal by the landlord and/or owner of the Branch Premises to grant any necessary permission or consent (provided that the Operator has used its best endeavours to obtain such licence or consent),

which directly causes the Operator to be unable to comply with the relevant condition of appointment by the date specified, provided that such event does not arise from the negligence of the Operator.

6 ATM Note: Delete if no ATM is required by POL/BOI at the Branch Premises.

The Operator agrees to enter into an ATM Agreement with the Bank of Ireland in the form enclosed with this Preface prior to the Start Date for the installation and operation of an ATM at the Branch Premises. **Note: Include the following where POL has agreed that the term of the ATM Agreement with new operator shall be the unexpired portion of the agreement with the Existing Operator. Otherwise it should be deleted.** The term of the ATM Agreement shall not be longer than the unexpired portion of the existing agreement between Post Office Ltd and the Existing Operator for the operation of the ATM from the Existing Branch, unless otherwise agreed between Post Office Ltd and the Operator. **Note: Where a new ATM Agreement is required due to the relocation of the Branch, this will be sent out with this Preface for signing by the Operator.**

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POST OFFICE LIMITED**STANDARD CONDITIONS FOR THE OPERATION OF A MAIN POST OFFICE®
BRANCH (OFF SITE, POST OFFICE LIMITED CASH)**

These Standard Conditions form part of the Main Post Office Agreement and contain the following Parts:

- PART 1 - DEFINITIONS USED IN THE AGREEMENT**
- PART 2 - OPERATING A MAIN BRANCH**
- PART 3 - FINANCIAL DETAILS**
- PART 4 - EQUIPMENT FOR A MAIN BRANCH**
- PART 5 - MANUAL FOR A MAIN BRANCH**
- PART 6 - NON-COMPETE RESTRICTIONS AND HOW THEY AFFECT BRANCH PREMISES**
- PART 7 - FIT OUT WORKS AND BRANCH PREMISES**

PART 1 - DEFINITIONS USED IN THE AGREEMENT**1 Definitions and Interpretation**

1.1 In addition to the terms defined in the Preface, the words below have the meanings next to them unless the context requires otherwise:

Accounting Periods the periods into which Post Office Ltd's financial year is divided. Each period shall be of 4 or 5 weeks, as notified by Post Office Ltd to the Operator

Agreement the Main Post Office® Agreement between Post Office Ltd and the Operator relating to the Branch and consisting of the documents listed in the Preface, as each of them may be amended by Post Office Ltd from time to time in accordance with these Standard Conditions

Assistant a person employed by the Operator who is approved by Post Office Ltd in accordance with the Manual to work in the Branch

Basic Business the type of business carried on by the Operator on its own account from the Branch Premises

Branch the Post Office Main branch operated by the Operator from the Branch Premises, including the provision of the Products and Services by the Operator on behalf of Post Office Ltd from the Dedicated Post Office Counter Position(s) and the Combined Retail Counter Position(s) and all associated Post Office related activities

Branch Premises the premises specified in the Preface from

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		which the Branch and the Basic Business are operated
Client		any person on whose behalf Services and/or Products are supplied by Post Office Ltd through the Network
Combined Retail Counter Position		a counter position at which a combined retail till is located to enable both Transactions and Basic Business transactions to be performed
Compliance Training		any compliance training required by Post Office Ltd from time to time, including mail integrity, mail segregation, financial compliance, anti-money laundering, telecoms, data protection and other regulatory compliance training
Conditions of Appointment		the conditions of appointment applicable to the Operator set out in Appendix 3 to the Preface
Confidential Information		any information or know-how in whatever form relating to the business affairs, products, operating or marketing techniques, suppliers, Customers, Clients, or finances of Post Office Ltd which is by its nature confidential or is marked confidential, including Official Information and Personal Data
Counter Positions		Dedicated Post Office Counter Positions and/or Combined Retail Counter Positions
Customer		a customer of the Branch and/or of Post Office Ltd
Dedicated Office Area	Post	an area within the Branch Premises dedicated to the provision of Products and Services and complying in all respects with the specification for the dedicated Post Office area at the Branch Premises set out in the Scoping Report
Dedicated Post Office Counter Position		a counter position within the Dedicated Post Office Area at which only Transactions can be performed
DPA		the Data Protection Act 1998
Equality Policy		Post Office Ltd's equality and accessibility policy communicated by Post Office Ltd to the Operator from time to time, either in the form of general guidance or instructions to all operators (including the Accessibility Guide), or specific guidance or instructions notified to the Operator and in the case of any conflict the

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	specific guidance or instructions will take precedence
Equipment	the equipment listed in Appendix 2 of the Preface, including Post Office Ltd Funded Equipment, Post Office Ltd Arranged Equipment, Operator Funded Equipment and Operator Arranged Equipment
Existing Operator	the operator who is currently operating, or who has previously operated, the Existing Branch
Fees	the fees payable by Post Office Ltd to the Operator for the proper performance of Transactions in accordance with the Agreement as set out in the Fees Booklet
Fees Booklet	the booklet provided to the Operator by Post Office Ltd setting out the Products and Services and the applicable Fees, as revised and amended by Post Office Ltd from time to time in accordance with Part 3 of these Standard Conditions
Fit Out Works	the works listed in Appendix 1 of the Preface, being the enabling and/or cosmetic works to the Branch Premises to accommodate the Post Office Main facility, including both Post Office Ltd Arranged Works (if any) and Operator Arranged Works
Group	<p>in relation to a company:</p> <ul style="list-style-type: none">(a) that company and any Subsidiary of that company; and(b) the ultimate Holding Company of that company; and(c) every other company which is a Subsidiary of the same ultimate Holding Company; <p>in each case from time to time;</p>
Holding Company	shall have the meaning set out in section 1159 of the Companies Act 2006
Insolvency Event	<p>where the Operator is a company, any of the following events:</p> <ul style="list-style-type: none">(a) the Operator or its Parent Company is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends or threatens to

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suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

- (b) a moratorium is declared in respect of any indebtedness of the Operator or its Parent Company. If a moratorium occurs, the ending of the moratorium will not remedy any default caused by that moratorium;
- (c) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Operator or its Parent Company;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Operator or its Parent Company;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Operator or its Parent Company or any of its assets; or
 - (iv) enforcement of any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect over any assets of the Operator or its Parent Company,or, any analogous procedure or step is taken in any jurisdiction; and/or
- (d) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Operator or its Parent Company

**Intellectual
Property**

all patents, copyrights, design rights, trade marks, goodwill, trade secrets, know-how,

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database rights, moral rights and other rights in the nature of intellectual property rights (whether registered or unregistered) and all applications for the same, anywhere in the world

Licensed Materials	any branding, internal and external signage and other materials as may be specified, or provided to the Operator, by Post Office Ltd (or provided at Post Office Ltd's request by its approved supplier) and containing, depicting or bearing any Post Office Intellectual Property
Manager	the Operator himself (where the Operator is an individual) or (where the Operator is a company or partnership) a shareholder, director or partner of the Operator (who is also an Assistant) or an Assistant appointed by the Operator to act as a manager of the Branch
Manual	the manuals and other documents referred to in Part 5 of these Standard Conditions
Network	the network of Post Office® branches within the United Kingdom operated or controlled by Post Office Ltd
New Operator	anyone appointed by Post Office Ltd to operate all or part of the Branch whether at the Branch Premises or at alternative premises following termination of the Agreement
Notice to Amend	a written notice from Post Office Ltd to the Operator giving not less than 3 months' notice to amend any of the terms of the Agreement (other than (i) an amendment to the Fees Booklet or any part of it, which may be made in accordance with Part 3, (ii) an amendment to or of the Manual, which may be made in accordance with Part 5, or (iii) an amendment in relation to or of the non-compete restrictions on private business activities, which may be made in accordance with Part 6 of these Standard Conditions)
Official Information	<p>all information and data:</p> <ul style="list-style-type: none">(a) relating to the System and the processes, operational procedures and rules of Post Office Ltd;(b) relating to Clients and/or Customers and their transactions, including information relating to a named individual; and/ or

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(c) of a financial nature in relation to the Branch, Post Office Ltd, its business or Post Office Group or its business

Operator Arranged Equipment	those items of the Post Office Ltd Funded Equipment which is indicated in column 2 of Appendix 2 of the Preface (as varied or amended by any Notice to Amend), as being the Operator's responsibility to order and initially pay for (if any)
Operator Arranged Works	those of the Fit Out Works in Appendix 1 of the Preface which are not Post Office Ltd Arranged Works
Operator Funded Equipment	the equipment which is indicated as such in column 2 of Appendix 2 of the Preface (as varied or amended by any Notice to Amend), and which shall be solely the Operator's responsibility to order, install and pay for with no possible contribution from Post Office Ltd. Any such equipment shall, unless Column 3 of Appendix 2 of the Preface expressly indicates that such equipment must be returned to Post Office Ltd at the end of the Term, belong to the Operator.
Parent Company	means, in relation to a company, any undertaking that is the parent undertaking (that term having the meaning given to it under section 1162 of the Companies Act 2006) of that company
Parties	Post Office Ltd and the Operator, and Party shall mean either of them
Personal Data	the personal data (as defined in the DPA) provided by Post Office Ltd or a Customer to the Operator or processed (as defined in the DPA) by the Operator in connection with the Agreement
Personnel	the Operator's employees, agents, contractors and advisors (including Assistants)
Post Office Cash and Stock	cash, stocks of Products and/or any other property, papers or documents belonging to Post Office Ltd or its Customers or Clients
Post Office Group	the group of companies comprised of Post Office Limited, its holding companies, its subsidiaries and associated undertakings (if any) and any subsidiaries and associated

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	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
Post Office Intellectual Property	all Intellectual Property in anything provided by or on behalf of Post Office Ltd in connection with the operation of the Branch, including the System and the Trade Name and those Trade Marks used in the operation of the Branch and which are referred to in the Manual or which are otherwise notified in writing by Post Office Ltd to the Operator
Post Office Ltd Arranged Equipment	the equipment which is indicated in Appendix 2 of the Preface (as varied or amended by any Notice to Amend) as being Post Office Ltd's responsibility to order and initially pay for
Post Office Ltd Arranged Works	the Fit Out Works which are specifically and expressly indicated in Appendix 1 of the Preface as being Post Office Ltd's responsibility to arrange (if any)
Post Office Ltd Funded Equipment	the equipment which is indicated as such in column 2 of Appendix 2 of the Preface (as varied or amended by any Notice to Amend), and which shall be solely Post Office Limited's responsibility to order, install and pay for with no contribution from the Operator. Any such equipment shall belong to Post Office Ltd
Preface	the preface that forms part of the Agreement
Products	the products listed in the Fees Booklet referred to in Part 3, as varied from time to time by Post Office Ltd in accordance with that Part
Sales Model	the sales model to be implemented by the Operator in the operation of the Branch as specified in the Manual
Services	the services listed in the Fees Booklet referred to in Part 3, as varied from time to time by Post Office Ltd in accordance with that Part
Staff Liabilities	in relation to an Assistant or other member of Personnel, any costs and/or liabilities arising out of or in connection with his employment or the termination of his employment including any contractual entitlements to salary, wages

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or other emoluments, any employer's national insurance contributions, pay-as-you-earn tax deductions, pension contributions or payments, any reimbursement of employee expenses and any settlements, awards, costs or penalties arising in connection with any dispute between him (or trades union representing him) and his employer

Subsidiary	shall have the meaning set out in section 1159 of the Companies Act 2006
System	the system of conducting and marketing the business of Post Office Ltd in a Post Office branch as disclosed to the Operator by Post Office Ltd in accordance with the Agreement and the Manual
Term	the duration of the Agreement
Trade Marks	the registered and unregistered trade marks and service marks which are used in connection with Post Office Ltd's business and any trade marks, trade names (including the Trade Name) and service marks that are or will be owned by Post Office Ltd or Post Office Group at any time during the operation of the Agreement
Trade Name	means "Post Office"
Transaction	each supply of a Product or Service to a Customer in the Branch
VAT	value added tax as provided for in the Value Added Tax Act 1994
Valid Property Interest	a valid and marketable title to the Branch Premises or a valid tenancy of the Branch Premises giving the Operator exclusive control of the whole of the Branch Premises (including its access and provision of utilities and services) on an exclusive occupancy basis for a term of at least 12 months from the Start Date and which is terminable on or after such 12 months on not less than 12 months' notice
Working Day	a day other than a Saturday or Sunday or other public or statutory holiday in England and Wales

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PART 2 - OPERATING A MAIN BRANCH

1 The Operator and the Branch

1.1 The Operator agrees to operate the Branch on behalf of Post Office Ltd in accordance with the terms of the Agreement (including for the avoidance of doubt the Manual).

1.2 The Agreement is a contract for services and the Operator is an agent and not an employee of Post Office Ltd. The Operator acknowledges that no relationship of employer and employee exists between Post Office Ltd and the Operator, or between Post Office Ltd and any Assistant.

1.3 The National Federation of Subpostmasters (the **NFSP**) is an independent members organisation supporting operators of Post Office branches across the UK and is solely acknowledged by Post Office Ltd as a representative body of operators. The NFSP is the only body with which Post Office Ltd will seek to discuss and consult on matters affecting operators, subject to any legal, regulatory or political obligations. Such discussions will take place within the existing and developing relationship framework.

1.4 For clarity, the Operator is permitted to provide the Products and Services from the Branch Premises but not from any other location (unless otherwise agreed in advance in writing between the Parties).

1.5 Post Office Ltd shall provide:

1.5.1 a helpline to enable the Operator to consult with Post Office Ltd about running the Branch (details of the helpline are contained within the Manual);

1.5.2 the Operator with stocks of Products and documentation to use in the Branch.

1.6 Post Office Ltd has the right to enter into contracts or arrangements with Clients for the handling of Products or the supply of Services by the Network (including the Branch) on such terms as Post Office Ltd considers fit. Post Office Ltd retains the discretion as to where within the Network particular products and services are offered.

1.7 Where the Operator is a partnership, each partner shall be jointly and severally responsible for the performance or non-performance of the Operator's obligations in the Agreement.

1.8 The Operator shall notify Post Office Ltd of any changes to the nature of the Basic Business (including through the addition of any new category of business), and Post Office Ltd may terminate the Agreement on not less than 1 months' notice, or immediately, if Post Office Ltd reasonably regards such change as bringing Post Office Ltd and/or the Branch and/or its business into disrepute.

2 Assistants and Training

2.1 The Operator shall ensure at all times that only Assistants have any access to or involvement with the Branch and Post Office Ltd's information systems, but this shall not restrict any access by Post Office Ltd and/or its authorised representatives to the Branch and Post Office Ltd's information systems.

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2.2 The Operator shall comply with the Manual regarding obtaining Post Office Ltd's approval of prospective Assistants and shall also cooperate fully in any ongoing periodic checks of Assistants required by Post Office Ltd during the Term.

2.3 Where Post Office Ltd considers it necessary, it shall:

2.3.1 initially train all of the first Manager(s) and certain of the Assistants in the operation of the System and initial sales training. The number and identity of such personnel to receive the training shall be determined by Post Office Ltd in consultation with the Operator. The training will last for up to 14 days, of which six to eight days will be spent in a classroom or another offsite location, and the other six days will be spent at the Branch Premises; and

2.3.2 provide Sales Model training for all of the first Manager(s) and Assistants. The Sales Model training required will be delivered at any location and shall be for such duration as Post Office Ltd may reasonably determine. Post Office Ltd shall give the Operator advance notice of the training so that the Operator has a reasonable opportunity to make arrangements for the management of the Branch while the training is being undertaken.

2.4 The Operator shall ensure that each Manager who receives the training cascades the training to all other Assistants and to any replacement Manager(s), in order to ensure that all subsequent Managers and all other Assistants receive sufficient initial training from properly trained Managers. The Operator shall further ensure that the Sales Model is fully implemented in the Branch.

2.5 Post Office Ltd may require the Manager(s) and/or the Assistants to undertake further training at any reasonable location and time during the Term if Post Office Ltd:

2.5.1 reasonably considers such training to be essential; or

2.5.2 wishes to train them in new and improved techniques which have been devised and which the Operator will be required to use in operating the System.

2.6 The Operator shall ensure that such Manager(s) and Assistants attend the training provided by Post Office Ltd under clauses 2.3 and 2.5.

2.7 Any failure by the Operator to comply with its obligations pursuant to this clause 2 shall be deemed to be a material breach of the Agreement and any failure by the Operator to comply with clause 2.2 only shall be deemed to be a material breach of the Agreement which cannot be remedied.

2.8 The Operator shall be responsible for the costs of the Manager(s) and/or Assistants attending the training referred to in clauses 2.3 and 2.5 (including, as appropriate, salary, travel, accommodation and subsistence), but the cost of delivering the training shall be met by Post Office Ltd.

2.9 The Operator shall:

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- 2.9.1** ensure that there is always a trained Manager and/or sufficient trained and experienced Assistants to operate the Branch to the standards required by Post Office Ltd and to meet the demand for the Products and Services;
- 2.9.2** ensure that all Assistants understand that they are employees of the Operator, not Post Office Ltd;
- 2.9.3** ensure that all Assistants comply with Post Office Ltd's reasonable instructions regarding standards of appearance, behaviour and skill;
- 2.9.4** ensure that, unless otherwise agreed in writing with Post Office Ltd, all Managers and Assistants shall wear career wear, when working in the Branch.. All such career wear required by the Operator from time to time during the Term shall be at the Operator's own cost. All career wear shall be obtainable by the Operator from Post Office Ltd or its nominated supplier;
- 2.9.5** ensure that all Managers and Assistants wear identification badges, as supplied by Post Office Ltd, when working in the Branch. Such identification badges shall be obtainable from Post Office Ltd or its nominated supplier at the Operator's cost;
- 2.9.6** itself provide, and procure from all its Personnel an undertaking, in the form specified or referred to in the Manual, not to use or disclose to any third party any Official Information or Personal Data which they may acquire. The Operator shall provide all Personnel with a copy of their undertaking as a reminder of the obligations contained in it. The Operator shall take such steps at its own expense as Post Office Ltd may require in order to enforce this undertaking and/or to restrain any breach of it;
- 2.9.7** immediately notify Post Office Ltd of any request made to the Operator, an Assistant or any other Personnel by any person for information which may be confidential (including any Official Information and/or Personal Data) or any request for information under the Freedom of Information Act 2000 relating to the Branch, Post Office Ltd, the Agreement or any related matter and shall not comply with such a request until it has obtained Post Office Ltd's written consent to the disclosure;
- 2.9.8** if there is any allegation or evidence of fraud or dishonest conduct or criminal activity on the part of the Operator, the Manager, the Assistants, any Customers or any other person, including any practice undertaken by the Operator (or any Assistant) with a view to artificially inflating the Fees (as referred to in clause 2.4 of Part 3), the Operator shall immediately notify Post Office Ltd and co-operate fully with any investigation which may be made by Post Office Ltd's Investigation Division, the police and/or any investigator appointed by any Client;
- 2.9.9** properly complete, and ensure that the Assistants properly complete, any Compliance Training required by Post Office Ltd by the deadline(s) notified by Post Office Ltd.
- 2.10** Where the Operator has failed to comply with clause 2.9.9 in respect of the completion of the Compliance Training by the relevant deadlines, Post Office Ltd may take such steps as it considers

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appropriate to ensure compliance with clause 2.9.9 by the Operator, including:

2.10.1 sending reminder letter(s) or other appropriate communications to the Operator, and/or the Branch/outreach service;

2.10.2 making a reminder phone call to the Operator, and/or the Branch/outreach service; and/or

2.10.3 after prior notice to the Operator, sending a Post Office Ltd representative to visit the Branch/outreach service to ensure that the training is properly completed.

2.11 Where Post Office Ltd considers it necessary, including where the Operator has persistently failed to comply with its obligations under the Agreement (whether in relation to the same obligation or not, and whether or not such failures are material in nature), it will send a Post Office Ltd representative to the Branch to deliver remedial training to the Manager and/or its Assistants. The Operator shall ensure that the Manager(s) and Assistants attend this training.

2.12 Post Office Ltd may require the Operator to pay Post Office Ltd's reasonable costs and expenses of carrying out the steps described in clauses 2.10 and 2.11, including the costs and expenses of travel, staff time and overnight accommodation where required. In all cases, these costs and expenses may either be deducted from the Fees due to the Operator under the Agreement or Post Office Ltd may invoice the Operator for them. Invoices must be paid within 14 days of receipt.

3 Operational Requirements

System

3.1 The Operator shall:

3.1.1 operate the Branch in accordance with the System from the Start Date;

3.1.2 act honestly at all times in the operation of the Branch. Any failure by the Operator to comply with this clause 3.1.2 shall be deemed to be a material breach of the Agreement which cannot be remedied;

3.1.3 not do anything, whether in the operation of the Branch or otherwise, which may bring the System or Post Office Ltd into disrepute or which may damage the interests of Post Office Ltd or the Network. Any failure by the Operator to comply with this clause 3.1.3 shall be deemed to be a material breach of the Agreement;

3.1.4 accept full responsibility for the proper running of the Branch and the efficient provision of the Products and Services (but where the Operator is an individual, there is no requirement for the Operator to attend the Branch personally and where the Operator is a partnership or a company, there will be no requirement for the partners and directors (as appropriate) to attend the Branch personally).

Standards and service delivery

3.2 The Operator shall:

3.2.1 maintain the highest standards in all matters connected with the Branch and Branch Premises, including implementing and maintaining the standards specified in the Manual;

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- 3.2.2** comply with all instructions given to it by Post Office Ltd with regard to standards and quality in the operation of the Branch;
- 3.2.3** give Post Office Ltd at least 6 weeks' written notice of any change to the opening hours of the Basic Business which are in excess of the Minimum Hours;
- 3.2.4** only change the opening hours of the Basic Business or of the relevant type of Counter Position to be less than the Minimum Hours with the prior written consent of Post Office Ltd. Post Office Ltd's consent may be subject to such conditions as Post Office Ltd may determine;
- 3.2.5** be aware of business opportunities presented by special events and seasonal demand and will consider any request by Post Office Ltd to temporarily increase the opening hours of the Combined Retail Counter Position(s) at the Branch. Post Office Ltd shall provide any request to the Operator in writing, using the method(s) deemed most appropriate by Post Office Ltd, at least 4 weeks' in advance;
- 3.2.6** clearly and prominently display in the window of and elsewhere in the Branch Premises, in the form approved (or provided) by Post Office Ltd, up to date notices indicating the opening hours of the Branch, the Products and Services available, the location of the Dedicated Post Office Counter Positions and the Combined Retail Counter Positions and any other relevant information required by Post Office Ltd;
- 3.2.7** in respect of the Counter Positions:
- (a) during the Minimum Hours for each type of Counter Position, the Operator must ensure that there are always sufficient Assistants at each type of Counter Position to ensure good Customer service, taking into account the maximum queuing times referred to in the Manual and any staffing plan or guidelines provided by Post Office Ltd;
 - (b) subject always to the Operator's obligations at clause 3.2.7(a), the Operator shall not be obliged to keep dedicated Assistant(s) at the Dedicated Post Office Counter after 12:30pm on Saturdays. However, the Dedicated Post Office Counter Position must in all circumstances and at all times be indicated to Customers as open. Customers must not be prevented from queuing at or being served at the Dedicated Post Office Counter by the Operator or any Personnel and all Products and Services offered at the Branch must be made available to Customers including any which can only be offered from the Dedicated Post Office Counter Position;
 - (c) not turn away any Customer from any Combined Retail Counter Position unless the relevant Transaction can only be undertaken at a Dedicated Post Office Counter Position due to the nature of the Product or Service which the Customer requires;
 - (d) only operate one queue at each Combined Retail Counter Position and will not ask Customers to queue separately;
- 3.2.8** ensure that Customers can pay for other goods and services at the same time as paying for Products and/or Services at the Combined Retail Counter Position. The Operator may treat such transactions

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separately but the Customer does not need to queue again and does not need to be dealt with by a different sales assistant;

3.2.9 permit Post Office Ltd to speak and/or write to Customers about the services being provided by the Operator so as to ensure that the standards associated with the System are being achieved and maintained;

3.2.10 use only such stationery and other documentation in its dealings with third parties in connection with the Branch as Post Office Ltd shall provide or approve.

Limit of Operator's Role

3.3 The Operator shall not:

3.3.1 involve Post Office Ltd in any debts;

3.3.2 represent itself as being Post Office Ltd or a partner of Post Office Ltd;

3.3.3 other than as required to provide the Products and Services, represent itself as being an agent of Post Office Ltd or permit any person connected with the Operator to represent the Operator in such a way that others dealing with the Operator may regard it as authorised to act on behalf of Post Office Ltd or Post Office Group;

3.3.4 make any representation or submission regarding any Product or Service and/or the Branch to HMRC or any Government authority or body, other than as may be required by law. The Operator shall notify Post Office Ltd in advance of any such requirement;

3.3.5 make any statements, representations or claims or give any warranties to any Customer or prospective Customer in respect of the Products, the Services or the System except such as have been specifically authorised by Post Office Ltd in writing or as provided in the Agreement.

Sale of Products and Services

3.4 The Operator shall:

3.4.1 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, but no more than those Products and Services which it is authorised to sell or provide at the Combined Retail Counter Position and the Dedicated Post Office Counter Position respectively. The Products and Services that the Operator is authorised to sell or provide shall be those for which a relevant icon is visible on the Horizon system in use at the relevant Counter Position;

3.4.2 offer the Products and Services on behalf of the Clients at their respective face values and/or the price prescribed by the Horizon system (or any replacement thereof), together with any additional specified charges or fees. The Operator's authority is strictly limited to the issue or sale of the Products and Services on the terms specified by the Clients or Post Office Ltd. The Operator has no authority in any way to vary such terms. A breach of this clause **3.4.2** shall be deemed to be a material breach of the Agreement which cannot be remedied;

3.4.3 order the Products in good time in accordance with the timescales and guidelines provided by Post Office Ltd (including as set out in the

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Manual) sufficient to meet Customer demands for those Products from the Branch only;

- 3.4.4** not transfer or sell (either to itself or to any third party) any Product for subsequent resale in any retail outlet belonging to or operated by either the Operator or by any business or company connected with the Operator or by any person on behalf of the Operator or such a business or company. Post Office Ltd will deduct from future payments to the Operator any fee or remuneration paid by Post Office Ltd in respect of such prohibited sales or transfers;
- 3.4.5** obtain supplies of the Products and other items (which the Operator is required to use in the conduct of the Branch) from Post Office Ltd upon Post Office Ltd's terms of business or Post Office Ltd's approved supplier on the terms of business of that approved supplier. All Products supplied by Post Office Ltd to the Operator shall remain the property of Post Office Ltd or, as the case may be, the Client, until dealt with by the Operator in accordance with the Agreement, and the Operator shall, on request, and at its own expense, return to Post Office Ltd (and/or to any supplier or Client) all stocks of the relevant Products in its possession. Alternatively, at Post Office Ltd's request, the Operator shall make the relevant Product(s) available for collection by Post Office Ltd;
- 3.4.6** notify Post Office Ltd, as soon as reasonably practicable, of any issue, event or circumstances that have, or may have an adverse impact on the Branch and/or the provision of Products and Services under the Agreement.

Compliance with laws

3.5 The Operator shall ensure that the Branch is operated, and the Operator's other obligations under the Agreement are performed, in accordance with all applicable laws and regulations. The Operator shall not do or permit to be done anything which might involve the Operator, Post Office Ltd or any member of the Post Office Group breaching any laws or regulations.

Recording, provision of information, accounting and settling

3.6 The Operator shall:

- 3.6.1** record such data and information relating to the Branch as Post Office Ltd may require;
- 3.6.2** at the request of Post Office Ltd, promptly provide either Post Office Ltd or any third party with such information and data as Post Office Ltd may reasonably require;
- 3.6.3** maintain an accounting system, prepare, sign and maintain financial statements and accounts, record Transactions and maintain all records in accordance with the provisions contained in the Manual, in particular paragraphs 13.1 to 13.3 (inclusive) and 14.4;
- 3.6.4** provide Post Office Ltd with the information regarding the Basic Business prescribed by the Manual, in particular paragraph 13.6;

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- 3.6.5** permit Post Office Ltd (or its nominee) at any time during business hours to inspect and take copies of all records (including any accounts) relating to the Branch;
- 3.6.6** account for and remit to Post Office Ltd all monies collected from Customers in connection with Transactions in accordance with the Manual. Any cash which Post Office Ltd provides to the Operator or which the Operator collects as a result of Transactions does not belong to the Operator and shall be held by the Operator (at the Operator's risk) on behalf of, and in trust for, Post Office Ltd and the Clients. Any such cash shall not form part of the assets of the Operator. The Operator acknowledges that it is expressly forbidden from making use of any such amount due to Post Office Ltd for any purpose other than the operation of the Branch and it must on no account apply to its own private use, for however short a period, any portion of funds belonging to Post Office Ltd entrusted to it. Any breach of this clause 3.6.6 and/or any misuse of Post Office Ltd cash by the Operator or its Personnel shall be deemed to be a material breach of the Agreement which cannot be remedied and may render the offender liable to prosecution;
- 3.6.7** immediately inform Post Office Ltd if the Operator:
- (a) at any time intends to apply for authorisation, or does become authorised, pursuant to the Financial Services and Markets Act 2000 (**FSMA**);
 - (b) to the extent that as of the Commencement Date it is authorised pursuant to FSMA, seeks to, or does, vary or cancel the permissions it holds pursuant to FSMA;
 - (c) at any time seeks appointment, or is appointed, as an appointed representative or introducer appointed representative pursuant to section 39 of FSMA; or
 - (d) at any time otherwise seeks to, or does, change its regulatory status.

Security of Post Office Cash and Stock

3.7 The Operator shall:

- 3.7.1** comply, as a minimum, with the standard of physical and procedural security required by Post Office Ltd in the Manual. The Operator shall permit Post Office Ltd to access the Branch Premises at any time to install, at its own cost, any additional security equipment which Post Office Ltd deems necessary;
- 3.7.2** comply with the Manual in respect of the preparation and acceptance of cash;
- 3.7.3** not hold any cash or currency at the Branch Premises (whether such cash or currency is a Product or otherwise) in excess of the limits notified to the Operator by Post Office Ltd from time to time;
- 3.7.4** immediately produce all Post Office Cash and Stock for inspection whenever requested by Post Office Ltd.

Political Activities

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

3.8.1 it must not engage in or allow its Personnel to engage in political activities (including wearing symbols or badges associated with a political party or cause) whilst operating or working in the Branch or the Basic Business, or whilst on or in the vicinity of the Branch Premises;

3.8.2 he must not allow any other person to engage in political activities whilst on the Branch Premises;

3.8.3 it must not exhibit any notice soliciting votes for any particular candidate or with any party or political object either in, on or in the vicinity of the Branch Premises, or on any vehicle under the control of Post Office Ltd or any member of the Post Office Group; and no leaflet or address with a party or political object may be placed or left by the Operator or anyone associated with it on, in or in the vicinity of the Branch Premises.

3.9 An Operator who is an individual and who intends to stand for Parliament must notify Post Office Ltd in writing at the earliest opportunity.

4 Liability for Post Office Cash and Stock

4.1 The Operator shall be fully liable for any loss of or damage to, any Post Office Cash and Stock (however this occurs and whether it occurs as a result of any negligence by the Operator, its Personnel or otherwise, or as a result of any breach of the Agreement by the Operator) except for losses arising from the criminal act of a third party (other than Personnel) which the Operator could not have prevented or mitigated by following Post Office Ltd's security procedures or by taking reasonable care. Any deficiencies in stocks of Products and/or any resulting shortfall in the money payable to Post Office Ltd must be made good by the Operator without delay so that, in the case of any shortfall, Post Office Ltd is paid the full amount when due in accordance with the Manual.

4.2 The Operator's responsibility for such items shall begin from the time at which the Post Office Cash and Stock are received by the Operator and shall end when the Post Office Cash and Stock are given to Customers in the proper conduct of the Branch or are returned to Post Office Ltd or, in the case of cash or financial instruments are collected by a cash in transit provider or are paid into a bank. Whilst the Post Office Cash and Stock are in the Operator's possession, it shall keep them in a place of security.

4.3 The Operator shall retain financial responsibility (in accordance with the Agreement) following the termination of the Agreement, and it will be required to make good any losses (including losses arising from Transaction corrections and stock losses) incurred during its operation of the Branch which may subsequently come to light.

5 Intellectual Property Licence

5.1 Subject to the terms of the Agreement, Post Office Ltd grants to the Operator a non-exclusive, non-transferable, revocable licence to:

- .1** operate the System; and

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- .2** use the Licensed Materials,
solely for the purposes of operating the Branch and advertising it in
accordance with clauses **6** and **7** of this Part 2.

6 The Licensed Materials

6.1 The Operator shall:

- 6.1.1** only use the Licensed Materials in connection with the operation of the Branch or provision of the Products and Services in accordance with the Manual. Post Office Ltd may remove or withdraw from the Operator any materials or other things whatsoever which are not Licensed Materials or are not being used in accordance with the Agreement or the Manual;
- 6.1.2** not reproduce any Licensed Materials or any Post Office Intellectual Property, unless expressly authorised in writing by Post Office Ltd;
- 6.1.3** not use any Licensed Materials in any way that is liable to mislead the public or which would otherwise be detrimental to or inconsistent with the good name, goodwill, reputation or image of Post Office Ltd;
- 6.1.4** not use any Licensed Materials in conjunction with any other marks or names without the prior written consent of Post Office Ltd;
- 6.1.5** on request by Post Office Ltd, promptly deliver up to Post Office Ltd or, at Post Office Ltd's discretion, destroy, all Licensed Materials or any specified Licensed Materials (including where the specified Licensed Materials relate to Products or Services that have been discontinued or where the Licensed Materials are out of date);
- 6.1.6** not seek to register as a trade mark or as a business name or corporate name or any domain name, any mark or name the same as or which includes or may be confused with any Post Office Intellectual Property or any other trade mark or name owned or used by Post Office Ltd or Post Office Group;
- 6.1.7** not make any representation or do any act which may be taken to indicate that the Operator has any right, title or interest in or to the ownership or use of the Post Office Intellectual Property other than as conferred by the Agreement;
- 6.1.8** not challenge the validity of any Post Office Intellectual Property or the title of Post Office Ltd or any other member of the Post Office Group to the Post Office Intellectual Property; and
- 6.1.9** when requested, give to Post Office Ltd all reasonable assistance in obtaining registrations of Post Office Ltd's rights in any trade marks or other Intellectual Property.

6.2 The Operator shall not use the Trade Marks or the Post Office Intellectual Property except:

- 6.2.1** as part of the Licensed Materials; and
- 6.2.2** where the Operator has obtained the specific prior written consent of Post Office Ltd in respect of the proposed use of the Trade Marks in the operation of the Branch (including on any website operated by the Operator).

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6.3 Post Office Ltd and Post Office Group or Clients are or will be the proprietors or licensees of all the Intellectual Property used in the operation of the Branch. All rights in the Post Office Intellectual Property (including Customer data reasonably required for the operation of the Branch) shall remain vested in Post Office Ltd or the relevant member of Post Office Group. The Operator shall not by virtue of the Agreement acquire any right, title or interest of any kind other than as specifically granted in the Agreement to any of the Post Office Intellectual Property. The Operator shall execute a written assignment of any such rights or interest on request by Post Office Ltd, and will provide copies of such data or other relevant materials on request.

6.4 Any accretion of goodwill derived by reason of the operation of the Branch and/or the use of the Post Office Intellectual Property shall accrue to Post Office Ltd whether arising at common law or otherwise. If requested by Post Office Ltd the Operator shall immediately, irrevocably and unconditionally assign to Post Office Ltd all such goodwill.

6.5 No warranty express or implied is given by Post Office Ltd with respect to the Post Office Intellectual Property or its validity.

6.6 The Operator has no right to sub-licence or assign the Licensed Materials or any Post Office Intellectual Property, without the express prior written consent of Post Office Ltd.

6.7 The Operator must promptly notify Post Office Ltd of any infringement, threatened infringement, passing-off or misuse of Post Office Intellectual Property. Post Office Ltd will conduct any claim or action and the Operator must provide such assistance in any action Post Office Ltd may take as Post Office Ltd reasonably requires. No other action should be taken by the Operator.

7 Installation and Display of Licensed Materials

7.1 The Operator shall (as appropriate) either install in the locations specified by Post Office Ltd, and/or prominently display in a position visible to the public, the Licensed Materials at the Branch Premises. This includes the display of materials bearing the Intellectual Property of Clients.

7.2 Subject to clause 7.4 of this Part 2, the Operator shall not conduct or carry on any advertising or promotion in relation to the Branch without the prior written consent of Post Office Ltd, other than by the installation and/or display of Licensed Materials at the Branch Premises in accordance with the Agreement.

7.3 Except where an item of Licensed Materials is also specified as an item of Post Office Ltd Funded Equipment in accordance with the Agreement, and subject to any obligations relating to the maintenance of such Post Office Ltd Funded Equipment pursuant to Part 4 of these Standard Conditions, all Licensed Materials shall be installed, displayed and maintained at the expense of the Operator. The Operator shall be responsible for obtaining any necessary planning, by-law or other consents in respect of the Licensed Materials, irrespective of whether they are also Post Office Ltd Funded Equipment.

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7.4 The Operator shall participate in all promotional or marketing activities proposed by Post Office Ltd or Clients in accordance with the reasonable instructions of Post Office Ltd. The Operator shall remove from display all Licensed Materials associated with such activities immediately on request by Post Office Ltd.

7.5 The Licensed Materials and Post Office Intellectual Property must not be used in connection with any private business, including the Basic Business, without the express prior written consent of Post Office Ltd (to which it may attach such conditions as it thinks fit), or in such a way as to imply that Post Office Ltd or Post Office Group is in any way connected with those activities.

8 Advertising

8.1 The Operator shall not use any title or carry out any advertising, marketing or promotion of any kind (including any advertising, marketing or promotion in newspapers, magazines, brochures or flyers, on television, radio or the internet or using any social media) of the Basic Business or any other business which:

8.1.1 shall be capable of being interpreted in any way as an endorsement by Post Office Ltd, Post Office Group or any Client of any element of the Basic Business or any other business; or

8.1.2 may imply that Post Office Ltd, Post Office Group or any Client is in any way connected or associated with any element of, or involved in the management of, the Basic Business (e.g. "Post Office Stores") or any other business.

8.2 The Operator shall not promote or advertise in, on or around the Branch Premises any political party or support in any manner any political causes in such a way that the Branch, the Network or the Branch Premises may in any way be associated with such political party or cause.

8.3 In addition to the obligations in clauses **8.1** and **8.2**, the Operator shall not display any advertising in or around the Branch Premises which relates to:

.1 any illegal business or matter;

8.3.2 any controversial matter, an advertisement for which might suggest that Post Office Ltd supported one side or the other;

8.3.3 any products or services of a kind offered by Post Office Ltd and of a type referred to in clause 1.6 of Part 6 of these Standard Conditions, or which:

8.3.4 does not comply with the DPA, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and/or the Advertising Standards Authority's British Code of Advertising Practice;

8.3.5 in the reasonable opinion of Post Office Ltd, is likely to cause offence to a substantial part of the general public or offend ethnic, religious or other groups; or

8.3.6 in the opinion of Post Office Ltd, might bring Post Office Ltd into disrepute.

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9 Technology Licence

9.1 Post Office Ltd licenses to the Operator on a non-exclusive, non-transferable, revocable basis the use of such technology, hardware, software and data as Post Office Ltd may determine, at its sole discretion, to be necessary (the **Technology**), solely for the proper operation by the Operator of the Branch under the Agreement.

9.2 The Operator agrees not to use the Technology for any purpose other than the operation of the Branch and strictly to adhere to all instructions and terms and conditions relating to the Technology which are communicated to the Operator by Post Office Ltd.

10 Data Protection

10.1 Terms and expressions used in this clause 10 shall have the meaning assigned to them in the DPA unless otherwise stated.

10.2 The Operator shall at all times comply (and shall ensure that all Personnel at all times comply) with the DPA, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any other relevant law and code of practice relating to data protection in the course of performing its obligations under the Agreement.

10.3 The Operator acknowledges and agrees that for the purposes of the DPA, Post Office Ltd and/or any Client is the data controller and the Operator is the data processor of any Personal Data.

10.4 The Operator shall:

10.4.1 not collect, process or disclose Personal Data under any circumstances except to the extent strictly necessary to perform the Transactions, to carry out the Operator's other obligations under the Agreement or otherwise to comply with instructions from Post Office Ltd;

10.4.2 promptly carry out any request from Post Office Ltd requiring it to amend, transfer or delete or securely dispose of Personal Data or any part of it;

10.4.3 take appropriate technical and organisational measures to protect Personal Data against unauthorised or unlawful processing, and against accidental loss or destruction of, or damage to, Personal Data. These measures must ensure a level of security appropriate to the nature of the Personal Data and the harm which might result from any authorised or unlawful processing, accidental loss, damage or destruction of that Personal Data, and must as a minimum include the measures set out in the Manual. The Operator shall provide Post Office Ltd upon request, with details and evidence of the measures taken by the Operator; and

10.4.4 at the request of Post Office Ltd deliver up the Personal Data or securely destroy it (and provide confirmation of destruction).

10.5 Post Office Ltd shall remain the sole owner of the Personal Data together with all Intellectual Property rights in the Personal Data and any compilation of the Personal Data.

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10.6 The Operator shall provide all reasonable assistance to Post Office Ltd in connection with any civil, administrative or criminal proceedings against Post Office Ltd resulting from a breach by the Operator or any Personnel of the obligations under this clause 10.

10.7 The Operator shall not transfer any Personal Data to, or permit any Personal Data to be accessed from, a location outside of the UK without the prior written consent of Post Office Ltd.

10.8 If the Operator receives any complaint, notice or communication which relates directly or indirectly to the processing of the Personal Data, or to either Party's compliance with the DPA, it shall immediately notify Post Office Ltd in writing and shall provide Post Office Ltd with full co-operation and assistance in relation to any such complaint, notice, communication or required investigation, within the timescales required by Post Office Ltd.

10.9 The Operator shall ensure that all of its Personnel having access to any Personal Data:

10.9.1 are informed of and understand the confidentiality of the Personal Data;

10.9.2 have undertaken appropriate training in the handling and protection of personal data, including as a minimum the data protection training specified in the Manual; and

10.9.3 are aware both of the Operator's duties and obligations and their personal duties and obligations under the DPA and the Agreement.

10.10 The Operator shall take all reasonable steps to ensure the reliability of all Personnel who have access to any Personal Data.

10.11 The Operator shall maintain proper records of all training undertaken by Personnel with regard to the DPA, and shall allow Post Office Ltd to inspect any such records on request.

10.12 Notwithstanding references to Personnel in this clause 10, the Operator shall not sub-contract the processing of Personal Data or allow any third party to process Personal Data.

10.13 The Operator shall not disclose Personal Data to any Customer or to a third party other than at the request of Post Office Ltd or to the extent authorised by the Agreement.

10.14 The Operator shall immediately notify Post Office Ltd in writing of any unlawful processing of any Personal Data or if any Personal Data is disclosed or accessed in breach of the Agreement or if any Personal Data is lost or destroyed or becomes damaged, corrupted, or unusable. The Operator will promptly restore such Personal Data at its own expense.

10.15 On termination of the Agreement for whatever reason, the Operator shall immediately cease to use or process any Personal Data and shall, at its own cost, at Post Office Ltd's sole discretion and in accordance with Post Office Ltd's instructions:

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10.15.1 return the Personal Data to Post Office Ltd, together with all copies of the Personal Data in its possession or control; and/or

10.15.2 provide the Personal Data to a third party (which may include a Client or a New Operator) as instructed by Post Office Ltd; and/or

10.15.3 carry out a certified destruction of the Personal Data.

10.16 The Operator shall not retain (and for the avoidance of doubt will ensure that its Personnel do not retain) any copy of any part of the Personal Data, in any form or media, and will provide to Post Office Ltd a certificate signed by the Operator, or a duly authorised officer of the Operator, confirming its exacting compliance with the requirements of this clause 10.16.

11 Equality Act 2010 (EA) and health and safety

11.1 The Operator shall not, and shall take all reasonable steps to ensure that Personnel shall not, breach the requirements of the EA or the Equality Policy in respect of the Branch or the Branch Premises.

11.2 The Operator shall be solely responsible on its own behalf and on behalf of Post Office Ltd, for ensuring that:

11.2.1 the Branch and the Branch Premises;

11.2.2 the Operator's management of the Branch Premises; and

11.2.3 the manner in which the Operator provides the Products and Services to the public under the terms of the Agreement, at all times comply with the requirements of the EA and the Equality Policy and failure to comply with the EA and/or the Equality Policy will constitute a material breach of the Agreement.

11.3 In order for the Operator to monitor its own compliance with the requirements of the EA and the Equality Policy, and demonstrate compliance to Post Office Ltd, the Operator shall:

11.3.1 carry out regular self-audits to assess compliance with the EA and the Equality Policy (at its own cost); and

11.3.2 provide a copy of the latest self-audit report to Post Office Ltd within 14 days of receiving a request from Post Office Ltd and be prepared to discuss it with Post Office Ltd if required; and

11.3.3 in any case, if the audit report shows that the requirements of the EA and/or the Equality Policy are not being met then the Operator shall immediately inform Post Office Ltd in writing; and shall comply with any instructions issued by Post Office Ltd as a result, including ceasing to provide certain Products or Services until compliance with its obligations under the EA and the Equality Policy has been achieved.

11.4 The Operator shall:

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11.4.1 co-operate fully with any and all monitoring and audit activities undertaken by or on behalf of Post Office Ltd in order to assess compliance by the Operator with the EA and the Equality Policy;

11.4.2 if such monitoring or audit activity shows that the requirements of the EA and/or the Equality Policy are not being met then the Operator shall comply with any instructions issued by Post Office Ltd as a result, including ceasing to provide certain Products or Services until compliance with its obligations under the EA and the Equality Policy has been achieved.

11.5 The Operator shall:

11.5.1 notify Post Office Ltd in writing as soon as possible if it believes that any of the Products and Services do not comply, or that there is a significant possibility that they do not comply, with any of the requirements of the EA or the Equality Policy or if it identifies any other breach of the EA or the Equality Policy in respect of the Branch or the Branch Premises or considers it likely that any such breach will occur; and

11.5.2 notify Post Office Ltd in writing as soon as possible and no later than 3 Working Days following receipt by the Operator of any enquiry, complaint or claim regarding accessibility of the Branch Premises or the Products or Services or the treatment of a particular Customer or group of Customers with a protected characteristic listed in section 4 of the EA. For the avoidance of doubt, this includes any alleged failure of the Operator and/or Post Office Ltd to comply with any requirement of the EA or the Equality Policy and any complaint regarding the content or adequacy of the Equality Policy. The Operator must provide such assistance with the response to or defence of any such enquiry, complaint or claim as may reasonably be required by Post Office Ltd and Post Office Ltd shall be entitled, but not obliged, to take over and defend any legal proceedings arising from such a claim on behalf of the Operator.

11.6 The Operator shall be solely responsible for ensuring that:

11.6.1 the Branch Premises; and

11.6.2 the manner in which the Operator operates the Branch (including the provision of the Products and Services to the public under the terms of the Agreement),

at all times comply with the requirements of the Health & Safety at Work Act 1974 including all regulations made pursuant to Section 15 of that Act, the Regulatory Reform (Fire Safety) Order 2005 and all other health and safety legislation and regulations and any failure to comply will constitute a material breach of the Agreement.

12 Confidentiality and contact with the media and public

12.1 The Operator shall keep confidential the System and the contents of the Agreement. The Operator shall also keep confidential all Confidential Information obtained in the course of performing its obligations under the Agreement and shall not disclose such information to

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any person (except where necessary for the purposes of the Agreement to its own employees), but this clause 12.1 shall not extend to information which:

12.1.1 was rightfully in the possession of the Operator before the Commencement Date and in respect of which the Operator is not subject to any other obligation of confidentiality to Post Office Ltd;

12.1.2 is already public knowledge or becomes so at a future date (otherwise than as a result of a breach of this clause 12.1); or

12.1.3 is required to be disclosed by law or any governmental or regulatory body.

The Operator shall ensure that its Personnel are aware of and comply with this clause 12.1. Post Office Ltd shall not be liable for loss or damage for disclosing any information of a confidential nature belonging to the Operator in accordance with the Freedom of Information Act 2000.

12.2 The Operator shall not disclose information relating to postal packets passing through the post except to the persons to whom such packets are addressed, other than where the relevant service permits this or where required to be disclosed by law.

12.3 The Operator shall not use any website in the operation of, or in relation to, the Branch without Post Office Ltd's prior written consent, such consent not to be unreasonably withheld. Immediately following a request from Post Office Ltd, the Operator shall remove from any website any content which relates to Post Office Ltd, any other member of the Post Office Group or the Branch and which was placed on such website by or on behalf of the Operator.

12.4 The Operator shall help Post Office Group, or other postal operators which are Clients, to ensure that all communications and items entrusted to them reach addressees promptly and safely, and that they do not reach those not entitled to receive them.

12.5 The Operator shall not make any unauthorised use of Official Information. The Operator shall not, unless with the permission of Post Office Ltd, make any document containing Official Information the subject of legal proceedings.

12.6 Any request made to the Operator by the police, any other authority or by any other person for Confidential Information shall be referred immediately to Post Office Ltd using the Network Business Support Centre helpline referred to in the Manual.

12.7 The Operator shall immediately report to Post Office Ltd any case in which there appears to have been a breach of clauses 12.1, 12.2 and 12.4 to 12.6 (inclusive).

12.8 All Confidential Information in any format must be returned by the Operator to Post Office Ltd on request or must be securely disposed of in accordance with instructions issued by Post Office Ltd.

12.9 The Operator shall not use any information available to it as a result of operating the Branch for the benefit of its private interests (including in relation to the Basic Business or any other business of the Operator).

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12.10 Post Office Ltd has a duty to safeguard its own interests and those of any person involved in its business (including any Client) in relation to material that is published in the media. The Public Relations department of Post Office Ltd is primarily responsible for:

12.10.1 deciding whether Post Office Ltd should enter into public correspondence, and

12.10.2 ensuring fair and accurate presentation of facts about Post Office Ltd and its business,

and no other person (including the Operator and any Assistant) is entitled to comment publicly on such matters. In particular, any untrue, ill-informed or reckless comment will be challenged by Post Office Ltd. While recognising the right of any person to comment publicly on matters of general interest, Post Office Ltd expects the Operator and any Assistants who may wish to comment publicly upon matters affecting Post Office Ltd to exercise this right in a responsible manner. The Operator must ensure that when communicating with the press or offering comment which may be published, or broadcast on radio or television, that its comments do not go beyond the accepted bounds of propriety and are not likely to cause embarrassment or to mislead the public. The Operator should seek the guidance of Post Office Ltd in the case of any doubt.

12.11 If the Operator wishes to communicate with the media it must comply with the following:

12.11.1 under no circumstances should any information or data:

- (a) relating to the processes, operational procedures and rules of Post Office Ltd;
- (b) relating to Clients and/or Customers and their transactions, including information relating to a named individual; and/ or
- (c) of a financial nature in relation to the Branch, Post Office Ltd, its business or Post Office Group or its business,

be disclosed. For the avoidance of doubt, this clause 12.11.1 shall not prevent the Operator from discussing operational matters relating to the Branch with a representative of the NFSP nor prevent any Operator, acting in his capacity as an officer of the NFSP, from discharging his duties, including by making reasonable and responsible statements to the media, provided that any such statements are in accordance with the requirements of clauses 12.11.2 and 12.11.3;

12.11.2 any views and opinions expressed publicly by the Operator must not bring Post Office Ltd, any Client or Customer or any other operator of a Post Office® branch or any employees of any such persons into disrepute; and

12.11.3 unless otherwise authorised by Post Office Ltd, the Operator must make it clear that any comments are made in the Operator's private capacity (which may be as an officer of the NFSP) and are not made on behalf of Post Office Ltd or any Client or Customer.

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12.12 The Operator shall exercise particular care if offering any spontaneous comment to the press, broadcasting reporters or interviewers.

12.13 The Operator shall not, in a manner which is damaging or hostile to Post Office Ltd, its business, the Branch or the Clients or which is in breach of the obligation of confidence contained in the Agreement:

- 12.13.1** publish any document, book, play or article;
- 12.13.2** broadcast or make any comment or statement on radio, television or the internet;
- 12.13.3** produce or exhibit a film or photographs;
- 12.13.4** give a talk or lecture;
- 12.13.5** publish a blog or post any comment using social media; or
- 12.13.6** take part in a public discussion by any means.

12.14 The Operator shall not, without the prior written permission of Post Office Ltd, write to or interview members of the public in relation to the Branch or any other matter relating to Post Office Ltd or any Clients or Customers other than for the purpose of correcting any error made by the Operator in the operation of the Branch.

13 Reimbursement

13.1 The Operator shall reimburse Post Office Ltd in full on demand for all losses, claims, demands, proceedings, liabilities, costs and expenses (including reasonable legal costs and expenses) incurred by Post Office Ltd as a result of:

- 13.1.1** any negligence or breach of the Agreement by the Operator or its Personnel;
- 13.1.2** any misuse or infringement of any Intellectual Property of any third party by the Operator or its Personnel; and/or
- 13.1.3** any claim brought under the EA and/or its regulations in respect of the Branch.

14 Insurance

14.1 In relation to the operation of the Branch and the Basic Business, the Operator shall take out and maintain, at its own expense, insurance with a reputable insurance company in relation to the risks and liabilities of operating the Branch and the Basic Business. Such insurance will cover as a minimum and for an appropriate amount:

- 14.1.1** all risks which the Operator is obliged by law to insure against in order to operate the Branch and the Basic Business, including employer's liability insurance;
- 14.1.2** liability in respect of claims brought by Customers and third parties (including third party contractors, third party suppliers and visitors to the Branch Premises) including public liability insurance; and

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14.1.3 damage to or destruction of the Branch Premises or the fixtures and fittings at the Branch Premises.

14.2 Where requested, the Operator shall provide Post Office Ltd, on demand, with such policy or policies taken out in accordance with clause 14.1 above, together with such evidence that the then current premiums have been paid.

14.3 Post Office Ltd shall bear no responsibility for insuring any of the Operator's obligations and liabilities under the Agreement, or for insuring the Branch, the Branch Premises or the Equipment and shall not make any financial contributions towards the payment of any insurance premiums.

14.4 Post Office Ltd requires the Operator to consider taking out insurance to cover the death, injury or illness of any key Personnel in the Branch.

15 Suspension

15.1 Post Office Ltd may suspend the Operator from operating the Branch (and/or, acting reasonably, require the Operator to suspend all or any of its Assistants engaged in the Branch from working in the Branch), where Post Office Ltd considers this to be necessary in the interests of Post Office Ltd as a result of:

15.1.1 the Operator and/or any Assistant being arrested, charged or investigated by the police or Post Office Ltd in connection with any offence or alleged offence;

15.1.2 civil proceedings being brought against the Operator and/or any Assistant; or

15.1.3 there being grounds to suspect that the Operator is insolvent, to suspect that the Operator has committed any material or persistent breach of the Agreement, or to suspect any irregularities or misconduct in the operation of the Branch, the Basic Business or any other Post Office® branches with which the Operator and/or any Assistant is connected (including any financial irregularities or misconduct).

15.2 During the period of any suspension, whether under clause 15.1 or otherwise, Post Office Ltd may:

15.2.1 suspend payment of all sums due to the Operator under the Agreement;

15.2.2 appoint a temporary substitute for the Operator to operate the Branch from the Branch Premises, in which case any Fees in relation to Transactions carried out at the Branch will be paid by Post Office Ltd direct to such temporary substitute; and

15.2.3 to the extent such costs have been agreed with the Operator deduct its costs incurred in appointing a temporary substitute together with any other costs and expenses incurred by Post Office Ltd as a result of the suspension from any payments due to the Operator under the Agreement.

Post Office Ltd shall initially meet the cost of appointing the temporary substitute but shall be entitled to recoup some or all of such cost from the

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Operator in accordance with clause 15.2.3 or otherwise. Following the end of the period of suspension, Post Office Ltd may, in its discretion, taking into account the relevant circumstances, agree to pay to the Operator all or part of such sums as have been suspended in accordance with clause 15.2.1.

15.3 Following the Operator's suspension, whether under clause 15.1 or otherwise, the Operator shall at its own cost and expense promptly take all steps to enable Post Office Ltd to appoint temporary substitutes as quickly as possible and to enable the temporary substitutes and their staff to operate the Branch (including by allowing the temporary substitutes and their staff access to the Branch Premises and the use of the facilities and equipment at the Branch Premises for the purpose of operating the Branch) during the period of suspension. Post Office Ltd shall pay a fee to the Operator for each day on which the temporary substitute operates the Branch (**Substitute Period**). The fee will be calculated by dividing the total Fees earned in the last 12 calendar months prior to the start of the Substitute Period by 365 days (or where the Agreement is less than 12 months old, by the number of days in the calendar months from the Start Date to the date immediately prior to the beginning of the Substitute Period) and by dividing the resulting amount by 5. This fee shall be paid by Post Office Ltd to the Operator monthly in arrears or by deduction from any amount owed by the Operator to Post Office Ltd. The Operator will not charge the temporary substitute appointed by Post Office Ltd, or his staff, any fee or cost in relation to the operation of the Branch pursuant to clauses 15.2 and 15.3.

16 Termination

16.1 Following the Commencement Date the Agreement will continue until:

16.1.1 either Party gives to the other not less than 12 months' written notice (unless otherwise agreed between the Parties in writing), which cannot be given so as to expire before the first anniversary of the Start Date; or

16.1.2 it is terminated at any time in accordance with its terms.

16.2 In addition to any other rights of termination contained in other Parts, Post Office Ltd may terminate the Agreement immediately on giving written notice to the Operator if the Operator:

16.2.1 commits any material breach of the provisions of the Agreement or any other contract or arrangement between the Parties and fails to remedy the breach (if capable of remedy) within 14 days of a written notice from Post Office Ltd specifying the breach and requiring the same to be remedied. Any references in these Standard Conditions to a breach of a particular obligation by the Operator being deemed to be material and/or irremediable are not intended to be exhaustive and shall not prevent Post Office Ltd from exercising its rights under this clause in respect of any other breach of the Agreement which is material and/or irremediable;

16.2.2 fails to provide the Products or Services to the standards required by Post Office Ltd as set out in the Manual and fails to remedy the failure (if capable of remedy) within 14 days of a written notice from Post Office Ltd specifying the failure and requiring the same to be remedied;

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- 16.2.3** ceases to operate the Basic Business;
- 16.2.4** prior to entering into the Agreement, provided Post Office Ltd with any false or misleading information or omits any material fact;
- 16.2.5** is a company and an Insolvency Event occurs in respect of the Operator or its Parent Company;
- 16.2.6** is a single director company and the director: dies; or by reason of illness or incapacity (whether mental or physical), becomes incapable of managing the Operator's affairs or becomes a patient under any mental health legislation;
- 16.2.7** is an individual and the Operator: becomes the subject of a bankruptcy petition or order; dies; or by reason of illness or incapacity (whether mental or physical), becomes incapable of managing his own affairs or becomes a patient under any mental health legislation;
- 16.2.8** is a partnership and the partnership is dissolved;
- 16.2.9** or its Parent Company (where the Operator is a company) makes any arrangement or composition with its creditors or shall have a receiver (including an administrative receiver) or administrator appointed over all or any part of its assets or if the Operator or its Parent Company takes any similar action in consequence of debt;
- 16.2.10** has failed to acquire or enter into a Valid Property Interest prior to taking up occupation of the Branch Premises;
- 16.2.11** changes the use of the Branch Premises in contravention of the terms of the Valid Property Interest;
- 16.2.12** commits any other breach of the terms of, or the requirement to have, a Valid Property Interest and/or commits any breach of the Operator's interest in the Branch Premises being a breach of any tenancy lease or freehold interest which could give rise to the termination of that interest or which could render the Operator unable to comply with all the terms of the Agreement;
- 16.2.13** itself, or any Manager or director of the Operator, is charged with any criminal offence (other than a Road Traffic Offence not involving imprisonment);
- 16.2.14** challenges the validity of any of the Post Office Intellectual Property or the title of Post Office Ltd or Post Office Group to the Post Office Intellectual Property;
- 16.2.15** fails to properly account for any money due to, or stock of, Post Office Ltd or the Clients;
- 16.2.16** fails to pay any sum due to Post Office Ltd under the Agreement by the due date;
- 16.2.17** fails to inform Post Office Ltd in accordance with its obligations to do so in clause 3.6.7 of this Part 2; or
- 16.2.18** notifies Post Office Ltd in accordance with clause 3.6.7 and within a reasonable period after receipt of such notification Post Office Ltd decides, at its absolute discretion, that any actual or proposed change in the Operator's regulatory status is not acceptable to it.

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16.3 If any Manager or Assistant does not at all times attain a standard acceptable to Post Office Ltd, and the Operator is unable or refuses to provide a substitute Manager or Assistant who does meet the standard, Post Office Ltd shall have the right upon notice in writing to the Operator to immediately terminate the Agreement.

16.4 If the Operator has come under the control of a person unacceptable to Post Office Ltd, Post Office Ltd may terminate the Agreement on such notice as it deems appropriate within 3 months of becoming aware of such change in control. For these purposes control means the ability to require, directly or indirectly, compliance in another person whether by the exercise of voting rights, contractual rights or otherwise.

16.5 The Operator shall promptly notify Post Office Ltd in writing of any circumstances which would give Post Office Ltd a right to suspend or terminate the Agreement.

17 Consequences of Termination

17.1 If notice to terminate the Agreement is provided by Post Office Ltd in accordance with clause 16.2, the Operator shall, if Post Office Ltd and the Operator agree in writing, continue to operate the Branch on behalf of Post Office Ltd for a period of up to three months, commencing on the date agreed between the Parties. The terms of the Agreement shall continue to apply during such period and, for the avoidance of doubt, Post Office Ltd shall continue to pay the Fees and any other amount which may be due in respect of the operation of the Branch.

17.2 As soon as possible following the date on which any notice to terminate the Agreement is given by either Party and until 6 months following the date of termination (or such other period as Post Office Ltd shall specify), the Operator shall prominently display at the location and in the form specified by Post Office Ltd a notice showing the address of the closest Post Office® outlets.

17.3 If the Operator stops operating the Branch in breach of the Agreement, the Operator shall (without prejudice to any other rights or remedies which Post Office Ltd may have under the Agreement or otherwise) reimburse Post Office Ltd in full on demand for any costs, liabilities, losses, claims, damages and expenses incurred by Post Office Ltd as a result of such breach, which may include any costs incurred in the appointment of an alternative operator to provide continuity of service to Customers in the area.

17.4 Immediately upon the termination of the Agreement, the Operator shall, subject to any agreement between Post Office Ltd and the Operator pursuant to clause 17.1:

17.4.1 stop operating the Branch;

17.4.2 stop using Post Office Intellectual Property and any signs and other display or advertising matter (including Licensed Materials) indicative of Post Office Ltd or of any association with Post Office Ltd and deliver up the Licensed Materials to Post Office Ltd;

17.4.3 at its own expense, deliver up to Post Office Ltd (and/or at Post Office Ltd's request, to any New Operator, Post Office Ltd's supplier or Client):

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- (a) all money due to or held in trust for Post Office Ltd and/or its Clients; and
- (b) all stocks of the Products; and
- (c) all such other property of Post Office Ltd as is in the Operator's possession (including, unless otherwise specified in writing by Post Office Ltd, any Post Office Ltd Funded Equipment and the Manual), free of any cost or charge to Post Office Ltd, together with any other items of Equipment marked in Appendix 2 of the Preface as being required to be returned to Post Office Ltd at the end of the Agreement. The Operator will be deemed to have transferred ownership of all such items to Post Office Ltd on the date of termination of the Agreement in consideration of the payment by Post Office Ltd of £1.00;

17.4.4 where requested by Post Office Ltd, and at the Parties' equally shared expense, join with Post Office Ltd in cancelling any permitted user of Post Office Intellectual Property. If the Operator fails to do this, Post Office Ltd is irrevocably appointed the agent of the Operator with full authority to give such notice to the Registrar of Trade Marks on behalf of the Operator;

17.4.5 at its own expense, make changes to signs and other display or advertising matter, at the Branch Premises as Post Office Ltd shall reasonably direct to ensure that the Branch Premises no longer indicates any connection with Post Office Ltd, the Products or Services or the Network. If within 14 days of such direction the Operator fails to make any such change then Post Office Ltd may enter into the Branch Premises (without incurring any liability to the Operator) and without the consent of the Operator, make any such change at the expense of the Operator. The Operator shall pay such expenses to Post Office Ltd on demand; and

17.4.6 pay to Post Office Ltd all sums of money owed by the Operator to Post Office Ltd.

17.5 Post Office Ltd shall make safe any physical damage to the Branch Premises caused by Post Office Ltd's exercise of its rights under this clause 17, in particular in relation to the removal of any branding, signage and Equipment. However, the Operator shall be responsible for the costs which Post Office Ltd incurs in so doing where the Agreement has been terminated by the Operator on 12 months' notice in accordance with clause 16.1 of this Part 2 or by Post Office Ltd in accordance with clause 16.2 of this Part 2.

17.6 On the termination of the Agreement, the Operator shall reimburse Post Office Ltd (or, as appropriate, any New Operator) on demand in relation to any:

17.6.1 Staff Liabilities incurred by Post Office Ltd (or, as appropriate, any New Operator) and resulting from or connected with the employment or engagement of any Personnel on or before the termination of the Agreement;

17.6.2 reasonable costs incurred by Post Office Ltd (or, as appropriate, any New Operator) in making redundant any Assistants whose contracts of employment transfer to Post Office Ltd

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(or, as appropriate, any New Operator) by reason of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

17.7 The Operator shall not during any notice period to terminate the Agreement, except with the prior written consent of Post Office Ltd:

17.7.1 alter in any material respect the terms and conditions of employment of any of the Assistants engaged wholly or mainly at that time in the operation of the Branch (the **Relevant Assistants**) (including any increase in salary, wages or other emoluments (whether pursuant to a general review or otherwise) where the effect of such increase would be to increase the annual salary, wages or other emoluments of any Relevant Assistants to an annual level above the market rate paid to such personnel across the industry);

17.7.2 assign any member of the Operator's staff (not already engaged in operating the Branch as an Assistant) to the operation of the Branch; or

17.7.3 engage new employees as Relevant Assistants except to directly replace Relevant Assistants who have left the Operator's employment.

17.8 The Operator agrees that that during any notice period to terminate the Agreement it shall, subject to any applicable data protection legislation and any other applicable laws, on Post Office Ltd's reasonable written request, provide to Post Office Ltd, or at Post Office Ltd's direction, a New Operator, within 2 weeks from the date such request, full written details of the identity and terms and conditions of employment of the Relevant Assistants (and any other person who is subsequently assigned to or engaged in the operation of the Branch).

17.9 The Operator shall co-operate (and use all reasonable endeavours to procure co-operation from its Personnel) in the orderly transfer of employment of any Personnel whose contracts of employment transfer to any new employer by virtue of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

17.10 The termination of the Agreement will not affect the coming into force or the continuation in force of any of its provisions which expressly or by implication are intended to come into force or continue in force on or after the termination.

17.11 The Operator acknowledges that it shall not be entitled to receive any compensation or other sums in the event of the termination or suspension of the Agreement.

18 Step-in

18.1 Upon termination of the Agreement by Post Office Ltd due to the Operator's default, Post Office Ltd and/or its agents and/or contractors shall, in order to provide continuity of services to Customers, have the right immediately and for a period (the **Step-in Period**) not exceeding twelve months from the date of termination, be permitted to occupy all parts of the Branch Premises as were at the time of termination used by the Operator for and/or are reasonably necessary for the purposes of

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operating the Branch. Post Office Ltd shall during the Step-in Period endeavour to find suitable alternative premises from which to operate a Post Office branch providing it is reasonable and practicable in the circumstances for it to do so. The Operator shall fully co-operate with Post Office Ltd and hereby irrevocably authorises Post Office Ltd to enter into possession of and use the Branch Premises and all of the facilities at the Branch Premises as were at the time of termination used by the Operator for and/or are reasonably necessary for the purposes of operating the Branch. The Operator will fully co-operate with Post Office Ltd and, subject to clause 18.2, will not levy any charges on (i) Post Office Ltd; (ii) any temporary substitute operator appointed by Post Office Ltd; (iii) any staff of such substitute operator, for any facilities or services of any nature whatsoever which it may provide or make available to Post Office Ltd under this clause or otherwise.

18.2 Post Office Ltd shall pay a fee to the Operator for each day of the Step-in Period. The fee will be calculated by dividing the total Fees earned in the last 12 calendar months prior to the start of the Step-in Period by 365 days (or where the Agreement is less than 12 months old, by the number of days in the calendar months from the Start Date to the date immediately prior to the beginning of the Step-in Period) and by dividing the resulting amount by 5. This fee shall be paid by Post Office Ltd to the Operator monthly in arrears. Payment may be made by Post Office Ltd deducting this fee from money due from the Operator, in accordance with clause 7.1 of Part 3 of these Standard Conditions.

19 Bribery Act 2010

19.1 Post Office Ltd requires all operators to be aware of their responsibilities under any applicable anti-bribery and anti-corruption legislation. The Operator shall, and shall procure that any associated person shall:

19.1.1 comply with all applicable laws and regulations relating to anti-bribery and anti-corruption including the Bribery Act 2010 and any codes of practice or policies issued by Post Office Ltd to the Operator from time to time during the Term;

19.1.2 not do anything which would constitute an offence under the Bribery Act 2010 if it had been done in the UK;

19.1.3 promptly report to Post Office Ltd any breach, or suspected breach of this clause, and any request or demand for any undue financial or other advantage of any kind received by the Operator in connection with the performance of the Agreement.

19.2 Any breach of this clause 19 by the Operator shall be deemed a material breach of the Agreement which cannot be remedied for the purposes of clause 16.2.1.

19.3 For the purpose of this clause 19, the meaning of associate persons and adequate procedures shall be determined in accordance with the Bribery Act 2010 (and any guidance issued under that Act) and associated persons shall include any Assistant or Personnel.

20 No transfer of the Agreement

20.1 The Operator shall not transfer, assign, charge, sub-contract or otherwise deal with the Agreement in any way. On termination of the Agreement, the appointment of any New Operator shall be

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entirely at the discretion of Post Office Ltd. Post Office Ltd may, but shall not be obliged to, consider any application for the operation of a Post Office branch at the Branch Premises made by a genuine prospective purchaser of the Basic Business and the property interest at the Branch Premises, but any such prospective purchaser shall not be given preferential treatment in the application or appointment process.

21 Entire agreement and Notices to Amend

21.1 The Agreement constitutes the entire agreement between the Parties with respect to its subject matter. No representations or agreements, oral or otherwise, between the Parties not included within the Agreement shall be of any force or effect.

21.2 In addition to any other rights in the Agreement, Post Office Ltd may amend the terms of the Agreement at any time providing it has given a Notice to Amend to the Operator. Notwithstanding the foregoing, Post Office Ltd reserves the right to amend the Agreement on a shorter period of notice to the Operator if such amendment is being made to comply with any statutory or regulatory requirement, and shorter notice is necessary to comply with that requirement. The Operator may, notwithstanding clause 16.1 of this Part 2, terminate the Agreement by giving 6 months' written notice to Post Office Ltd within 1 month of receipt of a Notice to Amend.

22 Notices

22.1 Unless otherwise specified in the Agreement, any notice to be given in respect of the Agreement shall be in writing and may be delivered personally by hand or posted by pre-paid special delivery post addressed to Post Office Ltd or the Operator as appropriate at:

22.1.1 in the case of Post Office Ltd, Contracts Admin Team, Post Office Ltd, 120 Bark Street, Bolton, BL1 2AX;

22.1.2 in the case of the Operator, the address for the Operator specified in the Preface,

or such other address as the relevant Party may have notified to the other in writing.

23 Choice of Law and Jurisdiction

23.1 The Agreement shall be governed and construed according to the law of England and the Parties agree to submit to the exclusive jurisdiction of the English Courts.

24 Miscellaneous

24.1 If any provision of the Agreement is invalid, illegal or incapable of being enforced by reason of any rule of law or public policy, that provision shall be severed; all other provisions of the Agreement shall remain in full force and effect.

24.2 No failure or delay by Post Office Ltd in requiring performance by the Operator of any provision of the Agreement shall in any way affect the right of Post Office Ltd to enforce such provision. The waiver by Post Office Ltd of any breach of any term of the Agreement shall not be taken or held to be a waiver of any further breach of the same or any other term.

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24.3 The rights and remedies provided by the Agreement are cumulative and (except as otherwise provided in the Agreement) are not exclusive of any rights or remedies provided by law.

24.4 If there is any inconsistency between the Conditions of Appointment, the Standard Conditions and the Manual (in its current form as at the date of the Agreement), then the following order of precedence shall apply:

24.4.1 the Conditions of Appointment;

24.4.2 the Standard Conditions; and

24.4.3 the Manual.

24.5 If there is any inconsistency between:

24.5.1 the Agreement; and

24.5.2 any amendment to the Manual after the Commencement Date,

then such amendment shall prevail.

24.6 Where in the Agreement there is reference to any matter to be specified by Post Office Ltd, notice of such specified requirements may be communicated by way of amendment or addition to the Manual. In any event, such notice shall be in writing but may be sent or published using electronic means.

24.7 If any one or more of the terms of the Agreement is held to be invalid or unenforceable by a Court of competent jurisdiction but would be valid if part of the wording was deleted then the term(s) shall apply with the minimum modifications necessary to make them valid and effective. It is intended and understood by the Parties that any invalidity or unenforceability will not affect the application of the remaining obligations in the Agreement.

25 Interpretation

25.1 In the Agreement unless the context requires otherwise:

25.1.1 words denoting the singular include the plural and vice versa and words denoting any gender include every gender;

25.1.2 references to a **person** include any corporate or unincorporated body;

25.1.3 the headings in the Agreement do not affect its interpretation;

25.1.4 the terms **including, include, in particular** or any similar expression shall be construed as illustrative and not limiting;

25.1.5 unless otherwise specified, a reference to a statutory provision is a reference to that provision as amended, consolidated, extended or re-enacted from time to time (whether before or after the date of the Agreement) and to any subordinate legislation made under it.

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PART 3 - FINANCIAL DETAILS**1 Works, Equipment and Funding**

1.1 The Operator shall be solely responsible for the cost of the Operator Funded Equipment and the Fit Out Works with no contribution or reimbursement from Post Office Ltd.

1.2 The Operator shall be responsible for arranging the Operator Arranged Equipment and the Operator Arranged Works and for ensuring that the Operator Arranged Works are carried out, and the Operator Funded Equipment is obtained and installed, in accordance with the Agreement, and in particular entering into contract with the relevant suppliers and contractors for the supply and installation of the Operator Arranged Equipment and the carrying out of the Operator Arranged Works and making payment directly to such suppliers and contractors.

1.3 Post Office Ltd shall be solely responsible for the cost of the Post Office Ltd Funded Equipment with no contribution or reimbursement from the Operator and for ensuring that the Post Office Ltd Funded Equipment is obtained and installed in the Branch Premises in accordance with the Agreement.

1.4 Post Office Ltd shall be responsible for arranging the Post Office Ltd Arranged Equipment and any Post Office Ltd Arranged Works and for ensuring that they are carried out or obtained in accordance with the Agreement, and in particular, entering into contracts with the relevant suppliers and contractors for the supply and installation of the Post Office Ltd Arranged Equipment and any Post Office Ltd Arranged Works and making payment directly to such suppliers and contractors engaged by Post Office Ltd.

1.5 In relation to the Operator Arranged Equipment and/or the Operator Arranged Works, the Operator will:

1.5.1 prior to the Commencement Date, have obtained, in accordance with the instructions and format prescribed by Post Office Ltd (including as to the number of quotes that the Operator is required to provide), quotes for each item or part of the Operator Arranged Equipment, for Post Office Ltd to review and approve. For the avoidance of doubt:

- (a) Post Office Ltd's approval of a quote is not an approval of the relevant supplier or contractor or its work;
- (b) the Operator shall only engage a contractor or contract with a supplier in relation to whom it has provided a quote to Post Office Ltd in accordance with this clause 1.5;

1.5.2 having received from Post Office Ltd, in writing, approval of the relevant quotes and/or confirmation of the amount which Post Office Ltd is willing to approve for the Operator Arranged Equipment, and subject to any obligations in relation to the start of the Operator Arranged Equipment in the Preface, enter into contracts with the relevant suppliers and contractors for the supply of the Operator Arranged Equipment;

1.5.3 ensure that the installation and set up of all of the Operator Arranged Equipment and all Operator Arranged Works are completed with

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reasonable care and skill by reputable, competent suppliers and contractors which hold all necessary qualifications, registrations, accreditations and certificates in order to be able to install the Operator Arranged Equipment and/or carry out the Operator Arranged Works, and which have in place insurance that, as a minimum, covers all risks which the contractor is obliged by law to insure against. If requested by Post Office Ltd the Operator shall provide reasonable evidence of any such qualifications etc. and insurances to Post Office Ltd;

1.5.4 notwithstanding any other provision of the Agreement including in either Appendix 1 or 2 of the Preface, at Post Office Ltd's request, the Operator shall engage Post Office Ltd's preferred suppliers or contractors to undertake any part of the supply and installation of the Operator Arranged Equipment and/or the Operator Arranged Works; and

1.5.5 pay the relevant suppliers and contractors directly for their work.

1.6 The Operator shall reimburse Post Office Ltd for the costs of obtaining and installing all Post Office Ltd Arranged Equipment. Such costs shall be notified to the Operator at the time of purchase and shall be payable by the Operator to Post Office Ltd within 7 days of receipt of an invoice.

1.7 Subject to the Operator complying with its obligations in clause 1.1 and to clause 1.6 of this Part 3, Post Office Ltd shall reimburse the costs actually incurred by the Operator in respect of the Operator Arranged Equipment (if any) provided that:

1.7.1 at the time of seeking reimbursement from Post Office Ltd, the Operator must provide Post Office Ltd with a valid VAT invoice from each of the Operator's contractors and suppliers, identifying a breakdown of the work or equipment, together with evidence acceptable to Post Office Ltd that the Operator has paid such invoices; and

1.7.2 Post Office Ltd is satisfied that the installation of the Operator Arranged Equipment has been carried out to the required standard, in accordance with the relevant specification and completed on time and the Operator shall allow Post Office Ltd or its agents access to the Branch Premises to enable it to make an inspection for this purpose.

2 Fees Booklet

2.1 The Fees Booklet (and the Products, Services and Fees referred to in it) may be varied by Post Office Ltd at any time by an amendment or addition to the Fees Booklet or otherwise by written notification by Post Office Ltd to the Operator. Any such amendment or addition to the Fees Booklet shall take effect on the date set out in the notification to the Operator, and it is acknowledged that any such change may take effect immediately.

2.2 The Operator acknowledges that it shall not be entitled to receive any compensation or other sums in the event of any

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variation to the Fees Booklet (and the Products, Services and Fees referred to in it).

2.3 Those Products and Services listed in the Fees Booklet and marked with an asterisk (*) (**Direct Sale Products and Services**) are those in respect of which either:

2.3.1 sales cannot be concluded in the Branch by the Operator and/or its Assistants but can only be concluded as a result of Customers subsequently contacting internet websites or call centres operated on behalf of Post Office Ltd; or

2.3.2 (where Post Office Ltd has specified this to the Operator in writing in respect of any Direct Sale Product or Service), sales can be concluded both in the Branch and as a result of Customers subsequently contacting internet websites or call centres operated on behalf of Post Office Ltd.

In relation to Direct Sale Products and Services, the references in the Fees Booklet to "per Transaction", "per policy", "per bond", "per £1 sales", "per loan" etc. are references to the actual conclusion of the sale of the relevant Direct Sale Product or Service, whether through such websites or call centres or (where Post Office Ltd has specified in accordance with clause 2.3.2 of this Part 3) in the Branch, and do not refer merely to any introduction of Customers to the Direct Sale Product or Service made by the Operator or its Assistants in the Branch.

2.4 Provided that the Operator complies with the Agreement, Post Office Ltd will pay the Operator the Fees as follows:

2.4.1 the Fees payable in respect of each Transaction (or series of Transactions) of Direct Sale Products and Services which is attributable to an introduction made by the Operator or its Assistants, shall be paid no later than 3 calendar months following the date on which the sale of the Direct Sale Product or Service is concluded;

2.4.2 the Fees payable in respect of each Transaction (or series of Transactions) of all Products and Services conducted using a Horizon, paystation™ or other terminal shall be paid by the end of the calendar month following the Accounting Period in which the relevant Transaction (or series of Transactions) took place.

For the avoidance of doubt, and without prejudice to any provision in the Fees Booklet, Post Office Ltd shall not pay any Fees to the Operator in respect of any Transaction which Post Office Ltd reasonably believes to have been undertaken by the Operator (or any Assistant) with a view to artificially inflating the Fees (and where such Fees have already been paid by Post Office Ltd, Post Office Ltd shall be entitled to deduct an equivalent amount from any future payment due to the Operator).

2.5 The amount of Fees payable for the first and second Accounting Periods (calculated with effect from the Accounting Period within which the Start Date falls) shall be the First Fees Payments specified in the Preface and thereafter a variable monthly payment shall be made, calculated on a "per Transaction" basis in accordance with clauses 2.4.1 to 2.4.2 of this Part 3 and in accordance with the Fees Booklet.

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2.6 The Operator shall not be entitled to receive Fees after the date of termination of the Agreement for Transactions carried out during the last one (1) Accounting Period of the Term. The Operator acknowledges that this is reasonable in view of the First Fees Payments made by Post Office Ltd to the Operator under clause 2.5 of this Part 3. The Operator may receive Fees in the last calendar month during the Term for Transactions carried out in preceding Accounting Periods.

2.7 If the Operator is an individual who is treated by HMRC as an "office holder" for tax purposes, the Fees and other payments due to the Operator shall be subject to PAYE, national insurance contributions and any other applicable taxes (together the **Taxes**), which Post Office Ltd shall deduct as required by law. Post Office Ltd shall periodically provide the Operator with the details of the Fees and other payments due to the Operator and the Taxes deducted by Post Office Ltd.

2.8 If the Operator is not registered for VAT on the Commencement Date and is subsequently required to register for VAT he shall do so and shall notify Post Office Ltd of the registration in a timely manner. If the Operator fails to register for VAT when required to do so or fails to promptly notify Post Office Ltd of his VAT registration, the Operator, and not Post Office Ltd, shall be responsible for the value of any claim from HMRC for VAT on the payments made to the Operator under the Agreement and the Operator shall reimburse Post Office Ltd on demand and in full in respect of any such claim.

2.9 Where the Operator is registered for VAT, the Fees are exclusive of any VAT (which shall be payable by Post Office Ltd in addition where applicable).

2.10 Unless the Fees are subject to the Taxes, Post Office Ltd and the Operator agree that a self-billing arrangement will operate in respect of the Fees due under the Agreement. Therefore, the Parties agree that:

2.10.1 Post Office Ltd will issue self-billing invoices showing the Operator's name, address and VAT registration number (where applicable), together with all other details which constitute a full VAT invoice, for the Fees due to the Operator;

2.10.2 the Operator will accept each self-billing invoice raised by Post Office Ltd and agrees not to raise VAT invoices for Fees due to it under the Agreement;

2.10.3 the Operator shall promptly notify Post Office Ltd if it becomes aware of any error in the amount of VAT (if any) shown on any self-billing invoice produced by Post Office Ltd;

2.10.4 the self-billing arrangement will continue until the termination of the Agreement;

2.10.5 Post Office Ltd will inform the Operator if the issue of self-billing invoices is to be outsourced to a third party;

2.10.6 the Operator will provide Post Office Ltd with its VAT registration number and will notify Post Office Ltd immediately if it changes its bank details, changes its VAT registration number,

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becomes VAT registered, ceases to be VAT registered, or sells the Basic Business or part of the Basic Business;

2.10.7 the Operator is responsible for accounting to HMRC for the output VAT (if applicable) shown on each self-billing invoice produced by Post Office Ltd.

3 Training costs

3.1 The cost of the initial training referred to in clauses 2.3 and 2.5 of Part 2 shall be met by Post Office Ltd in accordance with those clauses. The cost of all other training provided by or on behalf of Post Office Ltd in respect of the Branch shall be met by the Operator. Such cost shall be as notified to the Operator at the time and shall be payable by the Operator to Post Office Ltd within 7 days of receipt of an invoice.

4 [Not used]

5 Repayment of Set Up Costs

5.1 If the Agreement is terminated at any time prior to, or within three years of the Start Date, then unless:

5.1.1 the termination of the Agreement was by Post Office Ltd in accordance with clause 16.1.1 of Part 2; or

5.1.2 a New Operator is appointed by Post Office Ltd at the Branch Premises, the Operator shall, on demand, pay to Post Office Ltd a proportion of the Set Up Costs incurred by Post Office Ltd in respect of the Agreement.

5.2 For the purposes of this clause 5, **Set Up Costs** means the costs of obtaining and installing the Post Office Ltd Funded Equipment, the Operator Arranged Equipment (if any) and any other investment made by Post Office Ltd in the Branch and Equipment and any other costs incurred by Post Office Ltd in respect of the Operator, the Branch and the Branch Premises pursuant to the Agreement prior to the Start Date.

5.3 The amount to be paid under clause 5.1 shall be calculated by pro-rating the total Set Up Costs in the same proportion as the number of days from the date of termination to the third anniversary of the Start Date bears to 1095 days, but in any event the pro-rated amount to be paid by the Operator shall not be more than £2,000 plus the costs of obtaining and installing the Post Office Ltd Funded Equipment. Post Office Ltd will notify the Operator in writing of the pro-rated amount owed and provide a breakdown of the relevant Set Up Costs. For the avoidance of doubt, where the Agreement is terminated prior to the Start Date, or prior to Post Office Ltd notifying the Operator of the Start Date in accordance with the Preface, the Operator shall repay any Set Up Costs to Post Office Ltd in full.

6 Restriction on requesting a model review

6.1 The Operator may not request a model review of the Branch to assess the potential for conversion to a Local Post Office Branch within 1 year of the Start Date.

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7 Recovery of sums due

7.1 If the Operator at any time owes any money to Post Office Ltd under the Agreement or any other contract or agreement, Post Office Ltd may deduct such money from any amount due to the Operator under the Agreement or any other contract or agreement between Post Office Ltd and the Operator, including from the Fees.

PART 4 - EQUIPMENT FOR A MAIN BRANCH

- 1.** Post Office Ltd will loan to the Operator the Post Office Ltd Funded Equipment for the Term for use in the Branch, subject to the Operator complying with its obligations in this Part 4.
- 2.** The responsibility of each of the Parties for procuring and maintaining each item of Equipment and whether (in the absence of a written notice from Post Office Ltd to the contrary) an item of Equipment is to be returned or delivered up to Post Office Ltd or at its direction to a New Operator or Post Office Ltd's supplier on the termination of the Agreement is summarised in Appendix 2 to the Preface.
- 3.** Post Office Ltd may from time to time after the Commencement Date add or remove items of Equipment for use in the Branch in Appendix 2 of the Preface by issuing a Notice to Amend but the obligations to maintain and/or repair any item of Equipment in Appendix 2 as at the Commencement Date shall not be varied. Post Office Ltd shall be responsible for the cost of supplying and maintaining any such additional items of Equipment.
- 4.** The Post Office Ltd Funded Equipment shall at all times remain owned or controlled by Post Office Ltd. The Operator shall safeguard all Equipment and keep it in good condition (fair wear and tear excepted) in accordance with the Manual (including any ancillary items supplied with the Equipment, for example keys to the safe). The Operator shall be liable for any loss of, or damage to, any Equipment where Post Office Ltd reasonably believes such loss or damage is the result of any negligence by the Operator, his Personnel or otherwise or any breach of the Agreement, wilful default, error or criminal act of the Operator or any Personnel.
- 5.** Where Appendix 2 of the Preface so specifies, the Operator shall be responsible for arranging and ensuring all repairs and maintenance of, and shall observe all statutory obligations and regulations in respect of the operation of, the relevant item of Equipment. Post Office Ltd will maintain the Horizon equipment and Post Office Ltd shall be responsible, at its cost, for repairing inherent defects in any other item of the Post Office Ltd Funded Equipment which are not caused by the act or omission of the Operator or its Personnel.
- 6.** The Operator shall:
 - 6.1** unless otherwise agreed by Post Office Ltd in writing, ensure that all Post Office Ltd Funded Equipment is used exclusively for the operation of the Branch but the Operator may use the bidi safe for the Basic Business as well as the Branch but only in relation to small amounts of cash, on a short term basis and at the risk of the Operator;
 - 6.2** not move any item of Post Office Ltd Funded Equipment (other than items which are intended to be moved as part of their day to day use or for the purposes of maintenance and repair) without the prior written permission of

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Post Office Ltd. The Operator shall be responsible for the cost of moving any Equipment where such move is at the Operator's request or is necessary to comply with legislation or regulatory requirements, unless Post Office Ltd agrees in writing, at its sole discretion, to contribute to such costs. Post Office Ltd shall be responsible for the cost of moving the Equipment where such move is at Post Office Ltd's request;

- 6.3 be responsible for the continued operation of all Equipment throughout the Term and shall ensure that any Assistants are trained in basic operations, replenishment of consumables and follow security procedures. The Operator is responsible for reporting system faults and failures to the appropriate helpline promptly and for ensuring resolution of such faults.
7. As part of the Post Office Ltd Funded Equipment, in addition to the Horizon equipment, Post Office Ltd may from time to time loan the Operator (and the Operator shall accept) one or more paystation™ terminals for use in conducting Transactions, and/or additional terminals or self-service equipment (together referred to as **the PO Terminals**). Post Office Ltd will discuss with the Operator the position within the Branch Premises where the PO Terminals are to be located, but, in the absence of agreement, Post Office Ltd (acting reasonably) will determine such location. Where Post Office Ltd does provide PO Terminals, the Operator shall ensure that they are used solely to conduct Transactions. Post Office Ltd will arrange (whether directly or through the Operator) for the PO Terminals to be installed at the specified location.
8. The Operator grants to Post Office Ltd, its agents and employees an irrevocable licence at any time during the opening hours of the Branch Premises, or at any time in the case of an emergency, during the Term or any time following the termination of the Agreement, to enter any premises or vehicle where the Post Office Ltd Funded Equipment is or may be kept for the purpose of inspecting it or recovering it.
9. Post Office Ltd will supply certain consumables (being those which can be ordered via Horizon for use in the Branch) in reasonable quantities free of charge to the Operator. Any such supply shall be subject to such conditions as Post Office Ltd may determine and Post Office Ltd may limit or withdraw such supply at its discretion.
10. Any consumables which are supplied to the Operator free of charge by Post Office Ltd or on Post Office Ltd's behalf must only be used in the operation of the Branch and must not be resold or transferred to a third party. Where the Operator has surplus consumables it should advise Post Office Ltd of this fact and, as appropriate, arrange with Post Office Ltd for the return of the excess quantity.
11. Where there is a dedicated official telephone line at the Branch Premises, which is used in the operation of the Branch, the Post Office Ltd split billing policy (as contained in the Manual or otherwise notified to the Operator from time to time) shall apply in respect of such official telephone line. If Post Office Ltd determines that a second telephone line (which is in addition to the one provided by Post Office Ltd) is required in order to operate the Branch, such second telephone line shall be arranged by the Operator but will be paid for by Post Office Ltd unless Post Office Ltd determines that such second telephone line is only needed because the Operator is using unnecessary equipment on the first telephone line which has not been approved by Post Office Ltd.
12. Approval of fixtures and fittings and equipment

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- 12.1 The Operator shall use only fixtures and fittings in the operation of the Branch as shall have been previously approved in writing by Post Office Ltd.
- 12.2 The Operator shall use only the Equipment or such other equipment as Post Office Ltd may approve in writing in the operation of the Branch.

13. Signage and point of sale equipment

- 13.1 The Operator shall display in such manner and upon such external part or parts of the Branch Premises as Post Office Ltd may reasonably direct, a sign or signs bearing the title of the Branch (in the format "[blank] Post Office®") (or such other words to similar effect as may from time to time be specified by Post Office Ltd) and if the Branch Premises are in the principality of Wales a bilingual sign (in the format "[blank] Syddfa'r Post®/Post Office®").
- 13.2 Post Office Ltd will, at its discretion, provide the Operator with Post Office internal and external branding and point of sale equipment (including display units and leaflet dispensers) for use at the Branch Premises. Post Office Ltd may require the Operator to renew or replace internal and external Post Office signage and the point of sale equipment at the Branch Premises at the Operator's cost but shall not impose such a requirement more frequently than once every 5 years.
- 13.3 Post Office Ltd may require the Operator to renew the internal and external Post Office signage and point of sale equipment at the Branch Premises more frequently than once every 5 years but Post Office Ltd will pay for such renewal.

14. Liens etc.

The Operator waives all or any liens, encumbrances or rights which it might have or acquire at any time for any reason over any Post Office Ltd Funded Equipment. The Operator shall ensure that, except as may be expressly authorised by Post Office Ltd in writing, no third party claims any liens, encumbrances or other rights over the Post Office Ltd Funded Equipment.

PART 5 - MANUAL FOR A MAIN BRANCH

- 1.1** The following list includes the manuals, guidelines and instructions which currently come under the definition of "**Manual**":

- Main Post Office Operations Manual
- Horizon online administration and equipment operations manual
- National lottery operations manual (where branch offers this product)
- Ordering stock and stores operations manual
- Post Office outreach services operations manual (where applicable)
- Post Office paystation operations manual
- Security operations manual
- Horizon system user guide (online)
- Horizon online help (online)
- Branch Focus
- Post Office branch standards
- Post Office Ltd's Accessibility Guide

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- Branch Conformance Standards
 - Post Office cash and secure stock remittance services manual (online)
 - FOS project operations manual
 - FOS project training workbook (x2)
 - Mailwork specification (where applicable)
 - Any other instructions to operators or updates to such instructions issued by Post Office Ltd from time to time
- 1.2** Post Office Ltd shall provide the Operator with a copy of the Manual (which may include a DVD, CD ROM or other electronic media) or, at its discretion, provide the Operator with instructions as to how the Manual may be accessed electronically and with details of any alterations and/or improvements in or to the System or the Services to enable the Operator to keep the Manual up to date. If there is any dispute, the authentic text of the Manual shall be the copy or copies kept by Post Office Ltd at its head office. The Manual shall at all times remain the property of Post Office Ltd.
- 1.3** Post Office Ltd may amend the list of documents set out in this Part 5 and amend the contents of any manual or documents on that list by giving written notification (which may be by electronic means) to the Operator. In the Agreement, unless otherwise specified, a reference to the Manual is a reference to it as amended, consolidated or extended by Post Office Ltd from time to time.
- 1.4** The Operator shall operate the System properly so as to achieve the performance standards in accordance with the provisions of the Manual current from time to time. The Operator shall not make use of the Manual for any purpose other than for the operation of the Branch. The Operator shall ensure that its copy of the Manual is kept up to date at all times, subject to Post Office Ltd complying with its obligations in clause 1.2 of this Part 5.
- 1.5** In addition to the Manual, Post Office Ltd may issue to the Operator instructions which deal with various classes of Products and Services to be transacted at the Branch and the design and operational standards required to run the Branch.
- 1.6** All such instructions must be complied with immediately (unless otherwise notified by Post Office Ltd) and must be kept up to date by incorporation of updates issued by Post Office Ltd. They must be carefully studied by the Operator, its Manager and Assistants. No breach of instructions will be excused on the grounds of ignorance.

PART 6 - NON-COMPETE RESTRICTIONS AND HOW THEY AFFECT BRANCH PREMISES

A. During the Term of the Agreement, the following provisions shall apply.

- 1.1** The appointment of the Operator gives the Operator 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 in relation to the Branch Premises as are fundamental and necessary to ensure the continued viability of the Network.

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- 1.2 It is important to the future of the Network that all operators support Post Office® products and services. An operator who offers products or services in its private retail business from the Branch Premises which compete with Post Office® products and services can reduce the revenue generated by the Branch and the Network. This revenue is essential to provide a contribution to Post Office Ltd's fixed costs of maintaining the Network. Without this contribution, Post Office Ltd might not be able to sustain the 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 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 Network as a whole.
- 1.4 Operators benefit from being part of the 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 and services meet regulatory requirements and it provides customer and business services such as helplines to support operators.
- 1.5 Accordingly, except as permitted by and in compliance with any waiver granted by Post Office Ltd in accordance with clause 1.11 of this Part 6, the Operator must not undertake in a private capacity, or allow anyone else to undertake in relation to the Branch Premises, the types of business listed in clause 1.6 of this Part 6, as amended by Post Office Ltd from time to time in accordance with clause 1.8 of this Part 6.
- 1.6 The non-compete restrictions on private business activities in relation to the Branch Premises 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 clause) 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

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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 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 clause 1.6 of this Part 6 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. 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 clause 1.9 of this Part 6.

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.

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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 the Operator is considering taking up a new private retail business opportunity which may fall within the scope of the non-compete restrictions specified in clause 1.6 of this Part 6, it should, before taking 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 The Operator may apply for a waiver from the non-compete restrictions in clause 1.6 of this **Part 6**. Post Office Ltd's waiver policy is available on request from Post Office Ltd. The waiver policy 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, the 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 The 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 the 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 The Operator must not engage Post Office Group 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 or Post Office Group duties.
- 1.14 The Operator shall promptly inform Post Office Ltd of any approach or enquiry made directly by a third party (including any Client or supplier of Post Office Ltd) concerning the Products or Services or any similar products and services.
- B. For the period of 12 months following the date of termination of the Agreement the Parties shall continue to be bound by the provisions of clauses 1.5 to 1.7 (inclusive) of section A of this Part 6.

C. The Operator warrants and represents that on and from the Commencement Date, it shall have no contractual or other obligations to any third party which would or may be breached by entering into and/or performing any of its obligations under this Part 6. As a condition of this Agreement, the Operator undertakes to ensure that the warranties and representations in this section C are and shall remain true throughout the Term.

PART 7 - FIT OUT WORKS AND BRANCH PREMISES

The following clauses shall apply in respect of the Branch Premises.

1 Fit Out Works Obligations

- 1.1** The Operator shall ensure that the Operator Arranged Equipment (if any) and the Operator Arranged Works shall be:

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1.1.1 synchronised in accordance with the timetable for all of the Post Office Ltd Arranged Works (if any) and the installation of the Post Office Ltd Funded Equipment and any Post Office Ltd Arranged Equipment at the Branch Premises agreed between the Parties; and

1.1.2 completed in accordance with the requirements of Appendix 1 and Appendix 2 of the Preface and any other specification and/or requirements issued by Post Office Ltd or notified to the Operator, at least 24 hours before the Start Date so that the Operator can fully use the Branch Premises for the purposes of operating the Branch from the Start Date and throughout the Term.

If the Operator or its contractors fail to comply with the requirements of this clause **1.1** and Post Office Ltd incurs additional costs as a result, the Operator shall reimburse Post Office Ltd on demand for those additional costs.

1.2 In respect of any Fit Out Works carried out at the Branch Premises (whether arranged by Post Office Ltd or the Operator) and the installation of any Equipment, the Operator shall:

1.2.1 be responsible for obtaining any necessary planning, by-law or other consents, such as planning permission, building regulations consent or other building or planning consent, or the landlord's or owner's consent;

1.2.2 permit access to any contractors appointed by Post Office Ltd or the Operator for the purposes of carrying out the Fit Out Works and/or the installation and set up of any Equipment and to enable such Fit Out Works and/or the installation and set up of any Equipment to be completed in time before the Start Date;

1.2.3 ensure that, at the time Post Office Ltd's contractors attend the Branch Premises to install and set up any Post Office Ltd Funded Equipment and Post Office Ltd Arranged Equipment and/or carry out any Post Office Ltd Arranged Works and thereafter, the Branch Premises are safe, compliant with all applicable laws and regulations (in particular in respect of power supply and all electrical wiring) and free from hazardous materials (including asbestos);

1.2.4 without limiting the generality of clause **1.2.3** of this Part 7, ensure that such Fit Out Works and/or the installation and set up of any Equipment comply with applicable obligations under the EA and the Equality Policy; and

1.2.5 check the Fit Out Works whilst they are being performed and once they are completed and the installation and set up of any Equipment for any defects which are obvious from a reasonable inspection. If the Operator identifies defects in the Fit Out Works and/or in the installation and set up of any Equipment which were carried out by:

- (a) Post Office Ltd's supplier or contractor, the Operator shall promptly notify Post Office Ltd or its nominated representative and will provide details of the defect; or

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(b) the Operator's supplier or contractor, the Operator shall notify its supplier or contractor and arrange for the defect to be rectified.

1.3 The Operator shall not and shall use its best endeavours to ensure that its contractors shall not cause any delay to Post Office Ltd or its contractors in completing any Post Office Ltd Arranged Works and/or the installation and set up of any Post Office Ltd Funded Equipment and/or Post Office Ltd Arranged Equipment at the Branch Premises.

1.4 If either Party or its contractors causes any delay to the other Party or its contractors which results in that other Party incurring any costs or liabilities, then the first Party shall reimburse the other Party for such costs or liabilities up to an aggregate limit of £1,000. The first Party shall not be liable to reimburse the other Party in accordance with this clause **1.4** where the other Party or its contractors, employees or agents was the cause of the delay.

1.5 Post Office Ltd shall not be liable for the acts or omissions (including negligence) of:

1.5.1 the contractors engaged by the Operator (including any contractors suggested or approved by Post Office Ltd); nor

1.5.2 the contractors engaged by Post Office Ltd in respect of works which, at the Operator's request, such contractors undertake and which are in addition to the works for which Post Office Ltd is responsible, as identified in Appendix 1 to the Preface or as otherwise agreed by Post Office Ltd.

1.6 Where the Operator engages contractors it shall do so as principal and not as agent for Post Office Ltd.

2 Obligations relating to the Branch Premises

2.1 The Operator shall at its own cost and expense:

2.1.1 operate the Branch from the Counter Positions and such other area(s) within the Branch Premises in the locations shown on the plan in Appendix 1 of the Preface including but not limited to the Dedicated Post Office Area or in the absence of a plan as described in Appendix 1 of the Preface;

2.1.2 without prejudice to the Operator's obligations to comply with the EA and other applicable legislation, provide and maintain a Dedicated Post Office Area together with such additional space and accommodation at the Branch Premises for the operation of the Branch as is necessary to ensure a high standard of customer service (including allowing sufficient space for Customers to queue and be served comfortably, sufficient space for shelving and leaflet dispensers to enable materials relevant to the Branch to be held and/or displayed both behind and in front of the area of the counter used for the Branch) or as may be required by Post Office Ltd;

2.1.3 allow Customers to use all appropriate and available facilities of the Branch Premises, including means of access and any parking spaces made available to the Operator's customers of the Basic Business;

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- 2.1.4** if required by Post Office Ltd, provide reasonable space at the Branch Premises suitable for a post box;
- 2.1.5** at all times maintain the interior and exterior of the Branch Premises and all parts thereof in a good state of maintenance, repair and cleanliness and properly decorated;
- 2.1.6** promptly carry out any works of redecoration, maintenance and/or repair that (i) Post Office Ltd may reasonably require in order to bring the Branch Premises up to Post Office Ltd's standards at any time for Main Post Office branches as specified in the Manual, or (ii) that in Post Office Ltd's reasonable opinion are or may be required at any time to ensure the Branch Premises are compliant with any applicable legislation;
- 2.1.7** at all times provide adequate and appropriate lighting and heating at the Branch Premises;
- 2.1.8** keep the Basic Business in a clean and tidy condition and adequately stocked and shall generally ensure that its appearance complements and does not in Post Office Ltd's opinion have an adverse effect on the Branch. The Operator shall further ensure that the Basic Business is not closed for business at any time when the Branch is open for business and that the Combined Retail Counter Position is not closed at any time when the Basic Business is open;
- 2.1.9** allow Post Office Ltd access at all times during normal working hours to the Branch Premises and at any time in respect of an emergency.
- 2.2** The Operator shall not alter or convert the Branch Premises or the Branch in any way without the prior written consent of Post Office Ltd (such consent not to be unreasonably withheld or delayed) and any necessary planning, by-law or other consents, such as planning permission, building regulations consent or other building or planning consent. Each such alteration or conversion shall be carried out only in accordance with plans, drawings and specifications previously submitted to and approved by Post Office Ltd (such approval shall not be unreasonably withheld or delayed). The detailed preparation of such plans, drawings and specifications and the day to day or immediate supervision by an architect or surveyor shall be the responsibility and at the expense of the Operator.
- 2.3** If any part of the Branch Premises contains residential accommodation (whether as at the Commencement Date or at any later time), the Operator shall notify Post Office Ltd, together with details of the occupier (where this is not the Operator). If the Operator ceases to occupy the residential accommodation or if at any time it becomes vacant, the Operator shall immediately notify Post Office Ltd in writing.
- 2.4** Where the Preface contains the Precondition the Operator must, from the date specified in clause 1.1 of that Precondition, and for the duration of the Term, maintain a Valid Property Interest in the Branch Premises. Where the Preface does not contain the Precondition, the obligation on the Operator to maintain the Valid Property Interest shall be with effect from the Commencement Date and for the duration of the Term. Any breach of this obligation shall be a material breach of the Agreement for the purposes of clause 16.2.1 of Part 2 of these Standard Conditions.