

IN THE HIGH COURT OF JUSTICE  
QUEEN'S BENCH DIVISION

Claim No. HQ16XO1238

**BETWEEN:**

**ALAN BATES & OTHERS**

Claimants

**- and -**

**POST OFFICE LIMITED**

Defendants

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**APPENDIX A – SUBPOSTMASTER CONTRACT**  
**(note: pages 7 – 15 inclusive non-existent in original**  
**Subpostmaster Contract)**

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**SUBPOSTMASTERS  
CONTRACT**

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POST OFFICE COUNTERS LTD

SECTION 1

SUBPOSTMASTERS' CONTRACT AND STATUS

**CONTRACT**

1. The contract is a contract for services and consequently the Subpostmaster is an agent and not an employee of Post Office Counters Ltd.
2. All references to Subpostmasters are to be construed as including Subpostmistresses unless otherwise stated or implied from the context.
3. The Subpostmaster must provide and maintain, at his own expense, reasonable office accommodation required by Post Office Counters Ltd, and pay also at his own expense, any assistants he may need to carry on Post Office Counters business.
4. The hours of attendance (liable to variation) are:-

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

5. The Subpostmaster is not obliged to attend the sub-office personally but he is required, whether he is there or not, to accept full responsibility for the proper running of his sub-office and the efficient provision of those Post Office services which are required to be provided there. Retention of the appointment as Subpostmaster is dependent on the sub-office being well managed and the work performed properly to the satisfaction of Post Office Counters Ltd.

6. The Subpostmaster is informed at the time of his appointment of the classes of business he is required to provide. He must also undertake, if called upon to do so later, any other class of business not required at the time of his appointment but which Post Office Counters Ltd may subsequently and reasonably require him to do, except that Post Office Counters Ltd may not require him to undertake Mailwork where the Subpostmaster did not undertake to do so as part of the terms of his appointment.
7. If Post Office Counters Ltd alters the services to be provided or withdraws a service the Subpostmaster has no claim to compensation for any disappointment which may result from the change.
8. The terms of the appointment of Subpostmaster do not entitle the holder to be paid sick or annual leave, pension or to compensation for loss of office.
9. If on resignation of his appointment the Subpostmaster disposes of his private business and/or premises in which the sub-office is situated, the person acquiring the private business and/or the premises or exchanging contracts in connection with the purchase of the private business and/or premises will not be entitled to preferential consideration for appointment as Subpostmaster.
10. Should the Subpostmaster desire to resign his office he must give three calendar months notice in writing failing which he shall be liable to bear any expense incurred by Post Office Counters Ltd in consequence. The Agreement may be determined by Post Office Counters Ltd at any time in case of Breach of Condition by him, or non-performance of his obligation or non-provision of Post Office Services, but otherwise may be determined by Post Office Counters Ltd on not less than three months notice.
11. The Subpostmaster will display a vacancy notice in the Sub-Post Office window at the time of his resignation if so required by the Regional General Manager.
12. The Subpostmasters' initial remuneration will be in accordance with the official figures of business found to be warranted at the last revision.

## PO RULES & POSTAL INSTRUCTIONS

13. SECTIONS 1-23 contain the general terms of a Subpostmasters' appointment. Post Office Counters Ltd issues the Subpostmaster with rules and Postal Instructions which deal with the various classes of Post Office Business to be transacted at his sub-office.
14. The rules provided for the instruction and guidance of Subpostmasters must be kept up to date. They must be carefully studied and applied. No breach of rules will be excused on the grounds of ignorance.
15. Operational rules are intended for the instruction and guidance of both the Subpostmaster and the staff which he employs at his sub-office. The Subpostmaster must ensure that his Sub-Office Assistants carry out their duties in accordance with the rules and instructions affecting their respective duties.
16. Certain Postal Instructions are supplied to Mailwork offices for the use of the postmen employed there and should be kept in a position where they are readily available for reference. These particular instructions and rules do not apply to Subpostmasters.
17. Duties - The principal duties at present required have been marked on the following list:-

Sale of Postage Stamps. Filling and clearing of Stamp-Selling Machines. Treatment of Postal Packets, including Overseas Parcels, Despatch and receipt of Mails.

Business connected with:

Postal Orders	Telephone Accounts
Pension Allowances	Telephone Saving Stamps
Saving Certificates	National Insurance
Savings Bank, Government Stock and Annuities	Premium Savings Bonds
Television Licences	Local Taxation Licences
Television Licence Savings Stamps	Girobank
Motor Vehicle Licence Saving Stamps	Community Charge.

**CONTRACT - CHANGES AND AMENDMENTS**

18. Changes in conditions of service and operational instructions, including those which are agreed with the National Federation of Sub-Postmasters, will appear from time to time in Counter News or by amendment to the Contract. Such changes and instructions are deemed to form part of the Subpostmaster's contract.

**REGIONAL GENERAL MANAGER**

19. All instructions received from the Regional General Manager should be carried out as promptly as possible.

END

## **SUBPOSTMASTER'S CONTRACT VARIATION OCT 2004**

**Post Office Ltd**

**Section 2 of the Subpostmaster's Contract**

### **REMUNERATION**

#### **GENERAL**

1. A Subpostmaster is paid according to the amount of work which is transacted at his sub Post Office® branch. All remuneration is in respect of the provision of Post Office® services.

#### **FREQUENCY OF PAYMENT**

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

#### **COMMERCIAL BRANCHES AND SMALL BRANCHES**

3.1 The method of calculating a Subpostmaster's remuneration will depend on whether his sub Post Office® branch is designated by Post Office Ltd from time to time as either a Commercial Post Office® branch or a Small Post Office® branch in accordance with the provisions of the remuneration booklets issued by Post Office Ltd from time to time for each category of branch.

3.2 The remuneration system applicable to Subpostmasters of each category of branch are set out in these remuneration booklets. The remuneration booklets also contain the rates of remuneration applicable to each category of branch.

3.3 Post Office Ltd may revise the remuneration rates set out in the remuneration booklets (in whole or in part) from time to time following [consultation with the National Federation of Subpostmasters. Any such revisions will be communicated to Subpostmasters.

3.4 Post Office Ltd may also revise other parts of the remuneration booklets (including the definitions of Commercial and Small Post Office® branches and the remuneration system applicable to them) from time to time, following negotiation with the National Federation of Subpostmasters. Any such revisions will be communicated to Subpostmasters. Where appropriate, revised versions of the booklets will be distributed to Subpostmasters.

3.5 The remuneration booklets (and any revisions to them) form part of the Subpostmaster's Contract.

#### **SEASONAL SUB POST OFFICE @ BRANCHES**

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

#### **SUBPOSTMASTER'S PERSONAL BUSINESS**

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

#### **PROHIBITIONS**

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

#### **QUESTIONS ABOUT REMUNERATION**

7. If a Subpostmaster considers that the provisions of this Section have not been correctly applied in the case of his branch he should contact the People and Organisation Service Centre on 0845 601 6260

END

POST OFFICE COUNTERS LTD

SECTION 3

SUBPOSTMASTERS' ABSENCE FROM OFFICE

GENERAL

A Subpostmaster, under the terms of his contract, is not obliged to render personal service and is therefore free to absent himself from the office, provided he makes suitable arrangements for the conduct of the office during his absence.

He should notify the Regional General Manager on form P2593 when he will be away for a period of more than 3 days and give the name of the person substituting for him.

A Subpostmaster's responsibility for the proper conduct of the office, or for any losses occurring during his absence, is in no way diminished by his absence from the Sub-Office. He must make proper provision, at his own expense, for the conduct of the office while he is away, but assistance towards the cost of his own substitution is provided, in respect of certain absences, under the terms outlined in other relative sections listed below:-

SECTION 4    Absence on holiday

SECTION 5    Absence on Territorial Training

SECTION 6    Absence for Jury Service

SECTION 7    Sick Absence Scheme

END

POST OFFICE COUNTERS LTD

SECTION 4

ABSENCE ON HOLIDAY - HOLIDAY SUBSTITUTION ALLOWANCE

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

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

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

#### CLAIMS FOR REIMBURSEMENT

9. The Subpostmaster must submit a formal claim for reimbursement of the holiday substitution allowance on forms P2340 and P2340(A) (obtainable from the Regional General Manager) within three months of the end of the period of substitution to which the claim relates, except in the cases as in paragraph 10 where claims should be submitted quarterly. He must certify:-
  - 9.1 that he has taken a holiday both from the Sub Post Office and from his private business during the whole period covered by the claim; and
  - 9.2 that in respect of the services he provided as subpostmaster, he has actually and necessarily incurred additional expenditure equating to the amount claimed, in respect of a paid substitute or substitutes, payment will not be made in respect of substitution by family members who work in the Sub-Post Office unless their involvement is occasional or, if regular, minimal.

10. Claims for refundment of substitution costs for absences of less than 3 days (see Note at paragraph 5) should be submitted on form P2340 and P2340(A) at the quarter end, showing the separate dates of absence and the costs of substitution incurred.  
In addition to the arrangement quoted above, with effect from January 1990 all claims for reimbursement of the cost of employing a substitute for periods longer than 2 days in the event of holiday or sickness, should be submitted for payment to the Regional Office no later than six months following the date the claim is made.
11. Where a Subpostmaster is employed by the Post Office either on a full or part-time basis, e.g. Auxiliary Postman, it is essential, in view of the terms of the certificate required as a condition of refundment of the cost of his substitution as Subpostmaster, that he should be absent from all Post Office work during his holiday as Subpostmaster.
12. A Subpostmaster who holds more than one sub-office appointment and who satisfies the general conditions entitling him to claim reimbursement must also satisfy the further condition that he is absent from all his sub-offices at the same time, i.e. irrespective of the number of sub-office appointments held, he shall only be entitled to claim reimbursement for a total period of:-
  - 12.1 not more than 7 weeks in the 24 months beginning 1 April in every odd year, if he has less than 10 years service;
  - 12.2 not more than 8 weeks in the 24 months beginning 1 April in every odd year, if he has 10 years or more aggregated service.
13. Only one claim for reimbursement is admissible and not one claim per office held.
14. Reimbursement of the cost of annual holiday warranted under the foregoing rules will be suitable restricted in respect of a Subpostmaster's first and last 2 years of appointment to amounts proportionate to the actual periods of appointment during those years; any overpayments which may thus occur will be recovered subsequently.

#### 4.2.PREPARATION OF CASH ACCOUNTS DURING ABSENCE ON HOLIDAY

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

END

POST OFFICE COUNTERS LTD

SECTION 5

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

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

**ARMY**

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

## 5.2.ROYAL NAVY

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

## ROYAL AIR FORCE

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

END

POST OFFICE COUNTERS LTD

SECTION 6

ABSENCE FOR JURY SERVICE

1. A Subpostmaster who receives a summons to serve on a jury should notify his Regional General Manager immediately, and should inform him of the arrangements which he proposes to make for the conduct of the work of the sub-office in his absence.
2. Where exceptionally the Subpostmaster is unable to find a substitute and the Sub-Office is temporarily closed on account of the absence of the Subpostmaster on jury service, the scale payment for the period of the closure will be withheld.
3. Subpostmasters attending for jury service should claim from the court any allowances for which they are eligible in respect of travelling and subsistence and, where appropriate, compensation for loss of remuneration. If a Subpostmaster is in need of advice of the allowances to which he will be entitled, he should seek it from the official responsible for the issue of the summons.

END

POST OFFICE COUNTERS LTD

SECTION 7

SUBPOSTMASTER'S SICK ABSENCE SCHEME - SUBSTITUTION ALLOWANCE

1. A Subpostmaster is not required to give personal service and is not entitled to sick leave as such. However, subject to certain conditions and limitations described below, he is entitled to claim sick absence substitution allowance, in respect of the costs of substitution necessarily incurred, when he is absent from his sub-office through illness.

**CONDITIONS AND LIMITATIONS**

2. With the exception of women over 65 and men over 70 years of age, all Subpostmasters who give 18 hours or more personal service a week, who are absent from their sub-office through illness, are eligible to claim Sick Absence Substitution Allowance. The maxima rates payable are published from time to time in Counter News. The allowance is payable subject to, and in accordance with, the following conditions:-
3. The allowance will be payable when the period of any continuous sick absence amounts to three weeks (21 days including Sundays) or more and it will be paid retrospectively for all but the first week (seven days including Sunday) of absence.
4. Payment of the allowance will be limited to an aggregated period of 13 weeks (91 days including not more than 13 associated Sundays) in any consecutive period of 12 months.
5. Where a Subpostmaster is incapacitated by an accident or illness which results, or is likely to result, in a continuous absence beyond 13 weeks, Regional General Managers may authorise payment of the allowance to be extended up to a maximum period of 26 weeks (182 days including not more than 26 associated Sundays) in any one period of 12 months. Where a Subpostmaster has already received up to 12 weeks of the Sick Absence Substitution Allowance entitlement in the previous 12 months he may, because of an absence resulting from an extended illness, be entitled to an allowance up to a maximum of 26 weeks in any one period of 12 months.

6. Where a Subpostmaster's period of reimbursement of sick absence substitution costs is extended beyond 13 continuous weeks, such extension will be reviewed periodically. Under no circumstances will a Subpostmaster be allowed to aggregate separate periods of sick absence beyond 13 weeks in any one period of 12 months.
7. The maximum allowance payable will be the total amount calculated by applying the Subpostmaster's appropriate Holiday Substitution Allowance rate for the period for which sick absence allowance is payable, or the actual additional costs of substitution incurred for the same period, whichever is less.
8. The maximum amount of the allowance for the period of absence for which an allowance is payable will be abated, where applicable, by the statutory national insurance sickness benefit or maternity allowance and earnings related supplement received by the claimant in respect of the same period. Details of these are recorded on DSS forms BS12 and BF168 which should accompany the Subpostmaster's claim for the substitution allowance (see paragraph 10). Where however, a Subpostmistress receives a NHS Maternity Grant, the substitution allowance should not be reduced by the amount of that grant.  
  
(NOTE: Statutory national insurance sickness benefit means that benefit which is payable to a person otherwise than in respect of another person who is a child or an adult dependent.) Where a Subpostmaster is not eligible for DSS benefits, a medical certificate should accompany the claim for payment of the substitution allowance.
9. Subpostmasters holding more than one Sub-Office appointment will be entitled to claim the allowance in respect of only one appointment.
10. Any Subpostmaster who qualifies for the sick absence substitution allowance and can produce evidence to show that substitution costs were incurred should submit a claim to the Regional General Manager after he has been absent for three weeks. Thereafter he should claim the allowance at the end of each subsequent period of absence of four weeks (or at the end of the period of absence if that is reached earlier). Claim forms will be supplied by the Regional General Manager on request.

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

11. Where an eligible Subpostmaster as defined above is absent sick for a period of less than three weeks, and does not qualify for payment of the sick absence substitution allowance, he will be free to claim, in respect of any substitute for him, Holiday Substitution Allowance for the period of absence up to the limit of any outstanding balance of his HSA entitlement. Form P2340 and P2340(A) should be used by Subpostmasters when making these claims. The amounts payable will not be the subject to abatement of any national insurance sickness benefit received. Any period of sick absence for which HSA (as distinct from Sick Absence Substitution Allowance) is paid will count against HSA entitlement.

END

POST OFFICE COUNTERS LTD

SECTION 8

STATUTORY SICK PAY SCHEME

**INTRODUCTION**

1. Under the terms of the Social Security and Housing Benefits Act 1982 employers are responsible for statutory sick pay arrangements in respect of their employees. An employee is interpreted as including office holders who receive emoluments liable for income tax under Schedule E. Subpostmasters come within this category and consequently Post Office Counters Ltd is obliged to comply with the conditions of the Act.
2. The use of the words "employee" and "employer" are used in the context of this particular piece of legislation and do not in any way alter the Subpostmaster's status as an independent contractor.

**GENERAL**

3. Under the terms of the Scheme most Subpostmasters will not get State sickness benefit for their first twenty eight weeks of sickness in each tax year. Instead they will get Statutory Sick Pay, known as SSP, from Post Office Counters Ltd. SSP is paid at a flat rate. There are 2 weekly rates and eligibility depends on an employee's average earnings over a specified period. There are no allowances for dependants. SSP is taxable and subject to NI contributions.

## EXCLUSIONS

4. A Subpostmaster will not get statutory sick pay if he comes within one of the following groups. If a Subpostmaster falls within one of these groups he should still notify his Regional General Manager about his sickness.

A Subpostmaster reaches the end of his entitlement to SSP from Post Office Counters when:

- (a) Subpostmasters who already had twenty eight weeks of SSP from Post Office Counters Ltd in a tax year in any one period of incapacity for work (referred to as PIW)(linked or unlinked);
- (b) his linked PIW with Post Office Counters Ltd has run for 3 years;
- (c) she is pregnant and reaches the "disqualifying period";
- (d) his contract for service ends;
- (e) Subpostmasters who fall sick in a country outside the EEC;
- (f) he is no longer incapable of work, i.e. he returns to work or stops sending certificates of incapacity;
- (g) he is taken into legal custody.

## QUALIFYING CONDITIONS

5. Statutory Sick Pay can only be paid for qualifying days. It has been agreed with the National Federation of Sub-Postmasters that qualifying days for Subpostmasters will be those days they are normally required to provide the services detailed in Section 1 of this contract. Where Subpostmasters are required to give services for only part of the day, that day will count in full for statutory sick pay purposes. For the majority of Subpostmasters there will be six qualifying days in each week (Monday to Saturday). If a Subpostmaster is in doubt about which days are regarded as qualifying days he should seek confirmation from his Regional General Manager.

6. The entitlement of a Subpostmaster to SSP, rests on 6 qualifying conditions, all of which must be fulfilled.
- (a) The Subpostmaster must have notified his Regional General Manager of his absence;
  - (b) Days sickness must be days of incapacity;
  - (c) The Subpostmaster must provide evidence of incapacity;
  - (d) Period of incapacity for work (PIW) must be formed and PIW consist of 4 or more consecutive days, including Saturdays, Sundays and Public Holidays, when a Subpostmaster is incapacitated for work. It is immaterial for this purpose whether or not the Subpostmaster would normally have worked on those days. PIW's which are separated by 8 weeks (56 calendar days) or less are linked and count together as a single PIW;
  - (e) When a Subpostmaster falls into one or more of the categories listed below he will be excluded from receiving SSP;
    - (i) he is excluded from receiving SSP. A Subpostmaster who has been excluded cannot return to SSP entitlement during the course of a PIW, nor at the start of a PIW which links with a previous one during which he was excluded even though he ceases to be a member of an excluded group.
    - (ii) Over State pension age;

A Subpostmaster who is over State pension age (65 for a man, 60 for a woman) is excluded from SSP. However, if when a Subpostmaster reaches State pension age he has a PIW which links with a previous one, he will be entitled to SSP for as long as his PIW's continue to link.

(iii) Short contract workers;

A Subpostmaster whose contract of employment is for a specified period of 3 calendar months or less is excluded from SSP. However, if the contract does not at first exceed 3 months, but a Subpostmaster works past the time stated in the contract so that the total period worked becomes more than 3 calendar months the employee becomes entitled to SSP as soon as it is known that the total period will be more than 3 calendar months.

(iv) Low average earnings;

A Subpostmaster whose average earnings are less than the lower earnings limit for NI contribution liability is not entitled to SSP. When one PIW links with a previous one, the first day in the earlier PIW is used for calculating an employee's average earnings.

(v) Recent State benefit entitlement;

A Subpostmaster who has received, or in some cases claimed but not received, certain State benefits within the 8 weeks period before the first day of a PIW is not entitled to SSP. The benefits are:

- Sickness Benefit;
- Invalidity Benefit;
- Severe Disablement Allowance;
- State Maternity Allowance (but not Statutory Maternity Pay);
- Unemployment Benefit, but only in very limited circumstances.

(vi) No work done;

A Subpostmaster how has done no work under a contract of employment is not entitled to SSP under that contract. If he is a new employee and he reports sick before he takes up duty, he is not entitled to SSP. However, if he reports for work on his first day of service, but goes sick on the second, he is entitled to SSP if he fulfils the other qualifying conditions.

(vii) Trade dispute;

If a Subpostmaster is participating in a stoppage of work due to a trade dispute, he may be excluded from SSP.

(viii) Pregnancy;

There is a "disqualifying period" during which the Subpostmistress is not entitled to SSP. The "disqualifying period" begins with the 11th week before the expected week of confinement and runs for 18 weeks. This is the same as the period for entitlement to state or statutory maternity pay to which the Subpostmistress is entitled provided she fulfils the appropriate conditions.

(ix) Already been due 28 weeks SSP from former employer(s);

A Subpostmaster is excluded from SSP if he gives his Regional General Manager a leaver's statement (SSP 1(L)) showing that he has been due 28 weeks SSP from his former employer(s) and the gap between the first day of the PIW (with the new employer) and the last day of SSP shown on the leaver's statement is 8 weeks or less.

(x) Abroad outside the EEC;

A Subpostmaster who is abroad outside the EEC at the start of a PIW is not entitled to SSP. He is excluded even if the PIW links with a previous one when he was in the UK.

(xi) Legal custody.

A Subpostmaster who is in legal custody on the first day of a PIW is not entitled to SSP. "Legal custody" means that the person concerned is detained, usually arrested and/or in prison. A person who is voluntarily helping Police with their enquiries is not excluded. A Subpostmaster in legal custody is not entitled to SSP even if his PIW links with a previous one when he was not in legal custody.

- (f) Days of incapacity to be a qualifying day.

If a Subpostmaster becomes incapable of work part way through a day, that day cannot count as a qualifying day unless he has not commenced work on that day.

#### NOTIFICATION OF SICKNESS

7. A Subpostmaster or his representative must inform his Regional General Manager by telephone of his incapacity for work on or before his first working day of sickness irrespective of whether he is entitled to statutory sick pay.
8. Subpostmasters, including those nominated by limited companies, who hold more than one appointment, must notify the appropriate Regional General Manager who is responsible for the collection of primary National Insurance contributions in respect of his appointments. (See section 10, paragraph 1)
9. If a Subpostmaster is late in giving notification of sickness, he should advise the Regional General Manager of the reason for the delay. If the Regional General Manager is not satisfied with the reason given for the delay, any period of sickness prior to the date of notification will not count for the purposes of statutory sick pay. If a Subpostmaster is not satisfied with the Regional General Manager's decision on this matter he may apply to the Department of Social Security for a ruling. If a Subpostmaster does not qualify for statutory sick pay, he will on notification of sickness be sent a form SSP1 (E) by his Regional General Manager.

#### EVIDENCE OF SICKNESS

10. Subpostmasters must provide Post Office Counters Ltd with evidence of incapacity for work by means of either a doctor's medical certificate or by a self certificate if the incapacity is less than eight days. A proforma to be used for self certification can be obtained from the Regional General Manager.
11. Subpostmasters must notify their Regional General Manager when they cease to be sick.

#### END OF ENTITLEMENT TO STATUTORY SICK PAY

12. When a Subpostmaster has exhausted his entitlement to statutory sick pay he will be sent a form SSP1(T), on which, if he is still sick, he can claim state sickness benefit from the Department of Social Security.

#### RULES OF PAYMENT

13. In accordance with the Act, Post Office Counters Ltd is obliged to abate any remuneration due by the appropriate amount of statutory sick pay. The effect of this will mean that for the first eight weeks of sickness, remuneration will be paid in full and that statutory sick pay will be regarded as "notional". Consequently although statutory sick pay will be regarded as "notional" the total remuneration paid the Subpostmaster will continue to attract income tax and National Insurance contributions in full.

#### DUAL EMPLOYMENT

14. If a Subpostmaster who is sick is also employed either by the Post Office (e.g. as an Auxiliary Postman) or another employer, and provided National Insurance contributions are paid separately for each employment and all other conditions are met, he must claim statutory sick pay in respect of both his Subpostmaster services and other employment(s).

#### SICK ABSENCE SUBSTITUTION SCHEME

15. The provisions of this Scheme, which are set out in Section 5, remain except that no claim will be entertained unless the Regional General Manager has been properly notified of the Subpostmaster's sickness. Claims for reimbursement for up to 28 weeks' sick absence will not be subject to abatement in respect of Statutory Sick Pay. Claims for reimbursement for a period of sickness which does not attract statutory sick pay will continue to be subject to abatement.

END

POST OFFICE COUNTERS LTD

SECTION 9

RESIGNATION AND RETIREMENT

**RESIGNATION**

1. A Subpostmaster who wishes to resign his appointment must give 3 calendar month's notice in writing. If he does not give such notice Post Office Counters Ltd may require him to pay any expense which it incurs in providing temporary arrangements to cater for the business which would normally be expected to be transacted at the sub-office during any part of the 3 month notice period.

**RETIREMENT**

2. There is no specific age limit for the retirement of a Subpostmaster.
3. Unless indicated otherwise by the Regional General Manager, a vacancy will be advertised at the existing sub-office premises.
4. Subpostmasters at offices earning 125,050 units or more are required to make an introductory payment to Post Office Counters Ltd as a condition of appointment.

END

POST OFFICE COUNTERS LTD

SECTION 10

NATIONAL INSURANCE

**CLASSIFICATION**

1. For National Insurance purposes, a Subpostmaster is regarded as an office holder with emoluments chargeable to Income Tax under Schedule E. As such, all Subpostmasters are liable to make National Insurance contributions in accordance with the provisions of Class 1.

Class 1 contributions comprise 2 parts:-

- (a) the Primary contribution which is generally known as the employee's contribution;
- (b) the Secondary contribution which is generally known as the employer's contribution.

**PERSONS TAKING UP APPOINTMENT AS A SUBPOSTMASTER**

2. All persons taking up an appointment as a Subpostmaster should supply the Regional General Manager with their National Insurance number by means of a NI number card, form P45 and/or P60 (see leaflet NI217) and also any current certificate of Earner's non/reduced rate liability that they have. Where for one reason or another a new Subpostmaster does not supply a NI number the action outlined in the Employer's Guide to National Insurance Contributions (NP15) will be followed.

### CONTRACTING OUT

3. Under the Social Security Act 1975, pensions for retirement, widowhood and invalidity consist of 2 parts:-
  - (a) basic pension;
  - (b) and additional pension related to an employee's reckonable earnings between the lower earnings limit and the upper earnings limit.
  
4. An employer may contract his employees out of that part of the State Scheme which provides an additional pension if the Occupational Pensions Board is satisfied that his occupational pensions scheme meets the conditions required by the Act. As Subpostmasters are not employees of Post Office Counters Ltd they are ineligible to belong to the Post Office Staff Superannuation Scheme and therefore are not contracted out of the State Scheme.

### CONTRIBUTIONS

5. DSS leaflet NP15 "Employer's Guide to National Insurance Contributions" gives a guide to the contribution arrangements.
  
6. Provided that earnings reach or exceed the lower earnings limit, a Subpostmaster will be liable to pay primary contributions on all earnings up to the upper earnings limit at:-
  - (a) the standard rate; or
  - (b) the reduced rate (see paragraph 8); or
  - (c) is not liable for contributions because he/she is over pension age or has made other arrangements (see paragraph 9).

#### MARRIED WOMEN AND WIDOWS

7. There is no longer a right to choose to pay reduced rate contributions. However, a woman entitled to pay at the reduced rate for the 1977-78 tax year continues to be able to do so for subsequent years unless:-
- (a) she revokes her election;
  - (b) as a married woman her marriage ends in divorce or annulment;
  - (c) she becomes a widow and after the initial period becomes entitled to widow's benefit;
  - (d) during 2 consecutive tax years which fall after 5 April 1978 she was neither liable to pay a Class 1 contribution nor was self-employed.

DSS will provide a certificate authorising deductions of a Class 1 contributor's contribution at the reduced rate. As Post Office Counters Ltd will be held responsible for any deficiencies in contribution, deductions will be made at the standard rate unless the Subpostmistress produces a valid certificate.

#### NON LIABLE SUBPOSTMASTERS

8. No contributions are payable by men over 65 or women over 60 and in such circumstances DSS will normally issue a certificate of age contribution. However, if some other definite evidence is being held to show that a Subpostmaster has reached age 65 (60 for a woman) his/her deductions may be ceased even though a certificate of age exception has not been produced.
9. The Secondary contribution (see paragraph 2) is due at the same rate regardless of the Subpostmaster's rate of contribution or even where he is non liable.

#### ARREARS OF REMUNERATION

10. Arrears of remuneration resulting from a revision or other payments made to adjust remuneration paid in an earlier month, will be treated as part of the total remuneration in the month in which the payment is made, regardless of the period for which they are proper to. This applies whether or not the additional payments are made regularly.
11. Where arrears of remuneration are due to a former Subpostmaster national insurance contributions will be calculated from the weekly contributions table published by DSS.

#### DEATH OF SUBPOSTMASTERS

12. Contributions are not payable on any remuneration that might be due to a Subpostmaster's estate after his death.

#### HOLIDAY AND SICK ABSENCE PAYMENTS

13. Contributions are not due on any payments made under the holiday substitution or Sick Absence Substitution schemes because all payments are made in respect of specific costs incurred.

#### SICKNESS BENEFITS

14. NI Contributions continue to be payable when a Subpostmaster who is sick continues to receive his scale payment. NI sickness/industrial injury benefits received are not assessable for NI contribution.

#### SUBPOSTMASTERS WITH MORE THAN ONE EMPLOYMENT

15. Primary Class 1 contributions are normally payable in respect of each job including other Sub-Office appointments for which earnings exceed the lower earnings limit, unless a current form RD950 has been received from DSS. Even where a form RD950 is held, POCL is obliged to collect Secondary Class contributions.

**SUBPOSTMASTERS SUSPENDED FROM OFFICE AND THEIR SUBSEQUENT REINSTATEMENT**

16. Any payment withheld during suspension and subsequently paid upon reinstatement should be treated as part of the total remuneration in the earnings period in which it is paid regardless of the periods to which it relates. The NI contribution rate current at the time of payment should be applied.

**CHANGES IN NATIONAL INSURANCE STATUS**

17. In the event of a change or impending change in national insurance status, a Subpostmaster should consult his local DSS office as soon as possible.
18. The following are regarded as changes in status:

(  
**(a) WOMEN:**

Divorce	In these circumstances the Subpostmistress must advise
Annulment	DSS and Post Office Counters Ltd
Marriage	
Widowhood	See paragraph 8
Re-marriage	
Retirement age	Towards the beginning of the tax year in which a woman reaches age 60 and again at the approach of the 60th birthday, a Subpostmistress will be asked to consult DSS so that a certificate of age exception may be issued if appropriate (see also paragraph 9).

(  
**(a) MEN:**

Retirement age	At the approach of the 65th birthday the Subpostmaster will be asked to consult DSS so that a certificate of age exception may be issued if necessary (see also paragraph 9).
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#### DEFERMENT OF NORMAL RETIREMENT DATE

19. In all cases where a Subpostmaster seeks to enhance his retirement pension by a deferment of NI retirement date (normally the 60th birthday for women, the 65th birthday for men) see DSS leaflet NI92 - or where he wishes to cancel his deferment, the Subpostmaster should be asked to consult his local DSS office so that the necessary arrangements can be made and certificates of age exception obtained.

#### RESIGNATION/TERMINATION OF APPOINTMENT

20. When a Subpostmaster resigns or has his contract terminated the Guaranteed Minimum Pension will be preserved by DSS.

#### MARRIED WOMEN AND WIDOWS

21. There will be no Guaranteed Minimum Pension (GMP) for a married woman or a widow who has retained the right to pay the reduced rate of NI contribution.

#### CANCELLATION OF ELECTION TO PAY AT REDUCED RATE

22. When a married woman or widow revokes her election to pay NI contributions at the reduced rate the GMP will accrue only on the contributions she pays after revoking her election.

#### ACTUAL EXPENSES INCURRED

23. Subpostmasters who are asked by their Regional General Manager to give details of the expenditure which they incur in providing Post Office services should do so with all haste. Such information will be restricted to Post Office Counters Ltd and Department of Social Security.

END

POST OFFICE COUNTERS LTD

SECTION 11

INJURY RESULTING FROM CRIMINAL ATTACK

REPORTS

1. If a Subpostmaster or one of his Assistants is injured in an attempted robbery of Post Office property a report should be made at once to the Regional General Manager however slight these injuries may appear to be. In addition, in order that entitlement to National Insurance (Industrial Injury) benefit may be preserved it is important that the DSS should be informed without delay.,

POST OFFICE COUNTERS LTD PERSONNEL CRIMINAL INJURY COMPENSATION SCHEME

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

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

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

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

#### EXCLUSIONS

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

#### CONDITIONS

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

- 5.1 Any benefits payable under Parts 2 and 3 of the Schedule of Benefits, will only be paid on receipt of a DSS Medical Assessment, confirming permanent disablement Data to be supplied to Post Office Group Treasury, Risk Management at the address shown in part 6. Payment under Part 2 will not be made before the expiry of 90 consecutive days of disablement. Fifty percent of the value of the medical assessment of benefit may be paid on receipt of a 2 year provisional assessment. Any balance will be paid if a life assessment is given. Benefits payable are subject to the overriding maximum of £60,000.
- 5.2 Benefits may be paid for more than one disability listed in Part 3 of the schedule of benefits, provided that the total amount received does not exceed the maximum benefit of £60,000.

- 5.3 Any benefit Payable under Part 3 and/or 4 of the Schedule of Benefits will be deducted from the maximum benefit (£60,000), if the individual concerned subsequently dies, or suffers permanent total disablement as a result of the injuries received in the incident(s).
- 5.4 Any payment made under Part 4 of the Schedule of Benefits, can be made in advance of the settlement of a claim under Parts 1, 2 or 3 of the schedule but is subject to an overriding maximum benefit of (£60,000).

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

Payments may be made:-

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

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

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

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

#### CLAIMS PROCEDURE

6. Claims must be made by the injured person (or his personal representative) within 3 months of the date of the incident(s) direct to the insurer, Post Office Counters' Ltd Agent, (Group Treasury) Chetwynd House, Chesterfield, S49 1PF. Claim forms are available from the Regional General Manager or the Headquarters of the National Federation of Sub-Postmasters, Evelyn House, 22 Windlesham Gardens, SHOREHAM BY SEA, West Sussex, BN34 5AZ.

#### EVIDENCE

7. All certificates and information shall be sent to POCL's agent (Group Treasury) as and when requested. If a Second opinion is required, an appointment will be made at a time and date mutually acceptable. the cost will be met by the scheme. The injured person will as often as required, submit to medical examination in respect of any alleged bodily injury.
8. In the event of any dispute, POCL reserves the right to take such disputes to an independent insurance broker for arbitration.
9. Income Tax is not payable on any benefits under the scheme.

#### THE GOVERNMENT'S SCHEME

10. Compensating victims for crimes of violence is administered by the Criminal Injuries Compensation Board, whose address for ENGLAND and WALES is Whittington House, 19 Alfred Place, LONDON WC1E 7EA, and for SCOTLAND is Blythswood House, 200 West Regent Street, GLASGOW G2 4SW Details of scheme can be obtained from the Board, Office of the Department of Social Security, Department of Employment and Productivity and Citizens Advice Bureaux. Injuries which occur in Northern Ireland, the Channel Islands and the Isle of Man are outside the scope of the government scheme.

(APPENDIX 1 FOLLOWS)

## APPENDIX 1

SCHEDULE OF BENEFITS

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

## PERMANENT TOTAL DISABLEMENT

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

Loss of one eye	30-40%
Complete Deafness of one ear	20%

## UPPER LIMBS

## LEFT/RIGHT

Loss of one arm or hand	60%
Total loss of thumb	30%
Partial loss of thumb (ungual phalanx)	10%

## APPENDIX 1

Total amputation of forefinger	14%
Amputation of two phalanges of forefinger	11%
Amputation of ungual phalanx of forefinger	9%
Simultaneous amputation of thumb and forefinger	35%
Amputation of thumb and finger other than thumb and forefinger	30%
Amputation of two fingers other than thumb and forefinger	12%
Amputation of three fingers other than thumb and forefinger	30%
Amputation of three fingers and thumb	45%
Amputation of four fingers excluding thumb	50%
Amputation of the median finger	12%
Amputation of a finger other than thumb, forefinger and median	7%
<b>LOWER LIMBS</b>	<b>expressed as a percentage of £60,000</b>
Amputation of thigh (upper half)	80%
Amputation of thigh (lower half) and leg	70%
Total loss of foot (tibio-tarsal disarticulation)	30%
Partial loss of foot (sub-ankle-bone disarticulation)	30%
Partial loss of foot (medio-tarsal disarticulation)	30%

## APPENDIX 1

Partial loss of foot) (tarso-metatarsal disarticulation)	20%
Shortening of the lower limb by at least 5cm	40%
Shortening of the lower limb by at least 3 to 5cm	40%
Shortening of the lower limb by 1 to 3cm	40%
Total amputation of all toes	20%
Amputation of four toes including big toe	14%
Amputation of four toes	9%
Amputation of big toe	14%
Amputation of two toes	5%
Amputation of one toe other than the big toe	3%

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

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

END

POST OFFICE COUNTERS LTD

SECTION 12

RESPONSIBILITY FOR POST OFFICE STOCK AND CASH

**CREDIT STOCK OF STAMPS ETC.**

1. The Subpostmaster on taking up his appointment is supplied with suitable Post Office stock, the amount of which is fixed by the Regional General Manager.

**CASH BALANCE**

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

**ACCOUNTS**

4. The Subpostmaster must ensure that accounts of all stock and cash entrusted to him by Post Office Counters Ltd are kept in the form prescribed by Post Office Counters Ltd. He must immediately produce these accounts, and the whole of his sub-office cash and stock for inspection whenever so requested by a person duly authorised by the Regional General Manager.

#### SECURITY OF CASH, STAMPS ETC.

5. The Subpostmaster is held strictly responsible for the safe custody of cash, stock of all kinds and other Post Office Counters Ltd property, papers and documents, whether held by himself or by his Assistants, and should keep them in a place of security, especially at night.
6. The Subpostmaster is responsible for maintaining a standard of security sufficient to enable him to meet the obligations laid on him by paragraph 5 for the safe keeping of Post Office Counters Ltd cash and stock placed in his care. If any circumstances arise which lead him to doubt whether he can do so he should immediately consult the Regional General Manager.
7. In deciding the standard of security which it would be reasonable to require under paragraph 6 Post Office Counters Ltd will have regard to (a) the circumstances in which the Subpostmaster was appointed, and in particular the standard of security then accepted; (b) the length of time since his appointment; and (c) any particular circumstances affecting the sub-office which appear to be relevant.
8. All vouchers for payments e.g. Postal Orders, Allowance Dockets etc., should be placed in a suitable receptacle (cardboard box or strong envelope), labelled "Paid Vouchers" and at the close of business kept separately from cash and stock in another secure place, such as a locked drawer or cupboard.
9. The Subpostmaster must be careful to keep his stocks of all kinds in such a manner that they remain in good condition. The stocks must be protected against damp and dust.
10. Datestamps used for authenticating documents (e.g. Postal Orders) or stamping correspondence must be kept in a position on the counter where they are out of reach of members of the public. When not needed for work they must be locked away.
11. Precautions should be taken to guard against the risk of fire.

#### LOSSES

12. The Subpostmaster is responsible for all losses caused through his own negligence, carelessness or error, and also for losses of all kinds caused by his Assistants. Deficiencies due to such losses must be made good without delay.
13. The financial responsibility of the Subpostmaster does not cease when he relinquishes his appointment and he will be required to make good any losses incurred during his term of office which may subsequently come to light.

#### GAINS

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

#### THEFT OR BURGLARY

15. If a theft or burglary is committed or attempted at a sub-office, whether or not official cash or stock is stolen, the facts must be reported at once to the Police and to the Regional General Manager by the person who first makes the discovery.

#### MISSING OR STOLEN STOCK

16. If a Subpostmaster considers that any stock items have been accidentally lost, or stolen he should make a report, in accordance with Appendix 1, as quickly as possible to the Regional General Manager.

**RELIEF**

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

(APPENDIX 1 FOLLOWS)

APPENDIX 1

ACCIDENTAL LOSS

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

STOLEN ITEMS

1. If as a result of burglary, break in, theft, or suspected theft any items of stocks are missing the facts should be reported as quickly as possible to the Regional General Manager.
2. The further details which will be required, and which should be obtained and submitted to the Regional General Manager at the earliest opportunity, are as follows:
  - (a) The denominations, total values and serial numbers of missing or stolen items, so far as they are known, with serial numbers of any remaining stocks.
  - (b) A statement as to whether the date stamp of the sub-office has been stolen, and if so, particulars of the type in it when stolen. If the date stamp has not been stolen a statement should be given which should intimate whether there is a reason to believe that it has been used upon the stolen items.
  - (c) A specimen impression of the date stamp and, if it was stolen, particulars of the type in it when stolen.

- (d) A statement of the circumstances which are thought to show that a theft has been committed and of the supposed date, time and method of commission. It should include, if possible, written report from the person who last saw the missing items and the person who first discovered the loss. The former should say when the items were last seen, in what place and in what kind of receptacle (locked or unlocked) they then were. The latter should state how and when the loss was discovered and describe exactly the condition of the place and of the receptacle from which the items were apparently taken.
  
- (e) Particulars of any cheques, including the transaction for which they were accepted.

END

POST OFFICE COUNTERS LTD

SECTION 13

PREMISES

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

TENANCY

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

**ALTERATIONS TO SUB-OFFICE PREMISES, ACCOMMODATION**

4. The Subpostmaster must not, without the prior agreement of the Regional General Manager:-
- move the sub-office to premises other than those in which it was situated at the time of his appointment;
  - alter the accommodation for carrying on the work of the sub-office from that agreed at the time of his appointment.

**NOTICES, PUBLICITY ETC.**

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

**RESITING OF POST OFFICE SECURITY EQUIPMENT**

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

NATURE OF ALTERATION	CONTRIBUTION REQUIRED OF SUBPOSTMASTER
(a) Subpostmaster wishes to improve Post Office accommodation and Regional General Manager agrees improvement is desirable.	NIL

- |  |     |
|--|-----|
| (b) Subpostmaster has no alternative but to move his premises or alter them to meet requirements beyond his control.   | NIL |
| (c) Subpostmaster wishes to re-arrange his private accommodation, which will neither increase nor improve the Post Office accommodation, but will require security equipment to be moved.  | 50% |
| (d) Subpostmaster wishes to re-arrange his private accommodation, which will reduce Post Office accommodation, though not to a level unacceptable to the Regional General Manager, but security equipment will need to be moved. | 80% |

The above scale is intended as a rough guide only and Regional General Managers have discretion to fix the level of contribution according to the circumstances of each particular case.

#### RESIDENCE

8. A Subpostmaster who does not reside on the premises must satisfy his Regional General Manager that he has made proper provision for the safety of Post Office Counters cash and stock entrusted to his care. If residential accommodation is associated with the sub-office the Subpostmaster must inform the Regional General Manager if he does not occupy it himself, or if he ceases to do so, and must immediately inform the Regional General Manager if at any time it becomes vacant.

#### MAILWORK OFFICES

9. At Mailwork sub-offices where Post Office employees work on the premises, the Subpostmaster will in addition be required to provide at his own expense:-
- Access to lavatory facilities;
  - Facilities for washing, including a supply of hot water, e.g. a kettle of hot water where running hot water is not available;
  - Hat and coat pegs;
  - Facilities for making tea, if required;
  - Adequate lighting and ventilation;
  - Adequate heating in winter.
10. The Subpostmaster as occupier of the premises, is required to provide most of the above facilities under the provisions of the Offices, Shops and Railways Act 1963. It is likely that the presence of postmen on the premises will require the Subpostmaster, as occupier, to comply with other provisions of this Act. In addition duties are laid down in Sections 3 and 4 of the Health and Safety at Work Act 1974, as regards persons not in his employment. Bearing in mind that the responsibility is his, it is in the Subpostmaster's best interest to be aware of the various requirements of these Acts.

#### ADVERTISEMENTS

11. A title, which might suggest that Post Office Counters Ltd is concerned in the management of the Subpostmaster's private business, such as "Post Office Stores", must not be used.

12. No advertisement may be exhibited in the part of the premises used for Post Office Counters business which relates to:-

- alcoholic liquors (for or against);
- betting, gambling and football pools;
- any illegal business or matter;
- any controversial matter, an advertisement for which might suggest the Post Office supported on side or the other;
- any commercial business which operates services of a kind conducted by the Post Office.

13. Otherwise Post Office Counters Ltd is not concerned with the display of commercial advertisements in the sub-office providing that they are not placed in such position as to impair the security or the facilities for transacting Post Office Counter business. In cases of doubt the matter should be referred to the Regional General Manger.

END

POST OFFICE COUNTERS LTD

SECTION 14

HOURS OF BUSINESS

**INTRODUCTION**

1. The actual hours of opening of any individual sub-office are set by the Regional General Manager in accordance with the following rules.

The Subpostmaster must not without permission vary the hours of public business set by the Regional General Manager.

**STANDARD COUNTER HOURS OF SERVICE**

2. The standard hours during which the Subpostmaster may be required to open his office in order to transact all kinds of counter business appropriate to his office are:

Monday - Friday 0900-1730

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

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

3. At the Subpostmaster's request the Regional General Manager may authorise the closure of an office within the times stated in paragraph 2:-
  - 3.1. For up to 1 hour at lunch times, at times agreed between the Regional General Manager and Subpostmaster.
  - 3.2. On 1 afternoon per week (normally Tuesday, Wednesday or Thursday but, in exceptional circumstances Monday to Friday) from 1300 onwards.

#### EXTENDED HOURS

4. Where a Subpostmaster wishes to conduct Post Office business outside standard hours, Regional General Managers will consider such requests taking into account the normal shopping pattern in the locality and the proximity of other Post Offices.
5. Where a Regional General Manager considers non standard hours may be more appropriate for a particular office but the Subpostmaster disagrees, the Subpostmaster may if he wishes trial a rearrangement of the opening hours. A trial period should not extend beyond three months.

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

6. The Regional General Manager may, on his own initiative or at the request of the Subpostmaster, suspend any mid-week early closing on any day or days between 18 and 31 December (Christmas Day and Boxing Day excluded) and on the Thursday before Good Friday. Additional payment will be made by Post Office Counters Ltd for such opening.

#### LOCAL HOLIDAYS AND TUESDAYS AFTER BANK HOLIDAYS

7. Regional General Managers will review the concession under which some offices close on Local Holidays or on Tuesdays after Bank Holidays. Where this no longer matches customer needs the concession will be withdrawn.

#### ADVERTISING OF HOLIDAYS

8. The times at which a sub-office is closed for National or Local holidays should be prominently advertised at the office concerned.

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

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

END

POST OFFICE COUNTERS LTD

SECTION 15

ASSISTANTS

**GENERAL**

1. A Subpostmaster must provide, at his own expense, any assistance which he may need to carry out the work in his sub-office.
2. Assistants are employees of the Subpostmaster. A Subpostmaster will be held wholly responsible for any failure, on the part of his Assistants, to apply Post Office rules, or to provide a proper standard of service to the public. He will also be required to make good any deficiency, of cash or stock, which may result from his assistants' actions.

**ASSISTANTS' CONDITIONS OF SERVICE**

3. Wages, hours, holidays etc., are a matter to be settled between Subpostmaster and the assistants concerned. However, they should be no less favourable than those enjoyed by shop assistants generally in the same district. Post Office Counters Ltd reserves the right to intervene if such conditions are considered inequitable.
4. The Subpostmaster is responsible, as employer of his assistants, for complying with the provisions of any legislation which imposes obligations on employers.

**AGE**

5. As a general guide no person under 16 years of age should be employed on Sub-Office work, or have access to mails, unless however there is no reasonable alternative to the part-time employment of an Assistant under 16 years of age.

#### SUITABILITY OF APPLICANTS - REFERENCES

6. In the light of the Subpostmaster's responsibilities, set out in paragraph 2 above, he is strongly recommended to satisfy himself of the character and suitability of an applicant for employment as an Assistant before a firm offer of employment is made. Generally the Subpostmaster should:-
- (a) obtain proof of the identity of the applicant, e.g. birth or marriage certificate, unless the applicant is known;
  - (b) seek information from the applicant about any conviction or finding of guilt for any offence in a Court of Law (including Juvenile Court or Court Martial). In this connection the Subpostmaster should be aware of the Rehabilitation of Offenders Act 1974 which restricts the information that needs be given;
  - (c) enquire whether the applicant has ever been employed by the Post Office, worked for another Subpostmaster or held sub-office appointment. If the former then details of such employment should be entered on form P250 (see paragraph 8) and a reference waited from the Regional General Manager. If previously the applicant has worked at another Sub-Post Office, including as a Subpostmaster, details should be given on form P250 and a reference in respect of that employment sought from the Subpostmaster concerned;
  - (d) obtain references from all previous employers or schools attended over the last 3 years or from the last employer where the applicant has been employed during the whole of that period.
7. When seeking references the Subpostmaster is advised to enquire if the applicant had found to be completely trustworthy and ask the reason for his leaving that employment. In some instances a Subpostmaster might have to employ an Assistant before the procedures suggested above are completed. Bearing in mind the complexities of current employment legislation a Subpostmaster in such a situation is recommended to offer initially only short term employment pending receipt of satisfactory references etc.
8. The Subpostmaster must notify the Regional General Manager of his intention to employ a new Assistant on Post Office Counters Ltd work or when an Assistant ceases to be employed in the sub-office.

#### PERSONAL DECLARATION

9. Before any person (including a member of the Subpostmaster's family) is allowed to have access to mails or to perform, either temporarily or permanently, any Post Office work, he/she must make a personal declaration on form P13 (see section 16, appendix 2).

The declaration of the Subpostmaster's Assistants and of any members of his family who perform Post Office duties should be signed in the Subpostmaster's presence in circumstances which will help to fix the occasion and the declaration in the memory of the signatory. The declaration should be made with proper deliberation and the Subpostmaster should stress its importance and witness the signature. A signed and witnessed copy of the form should be given to the signatory at the time and he should be advised to preserve it carefully.

Forms P13 can be obtained from the Regional General Manager as required and must be returned to him when signed.

#### SUB-OFFICE ASSISTANT ACCUSED OR SUSPECTED OF DISHONESTY ETC.

10. In cases where an Assistant is accused or suspected of dishonesty or any other offence such as wilfully delaying postal packets, the Subpostmaster must report the particulars to the Regional General Manager as soon as possible and await instructions. If the report is made by telephone it must be confirmed in writing as a matter of urgency.
11. In cases where a person employed by the Subpostmaster is guilty of misappropriating Post Office Counters Ltd money, any sum which may be tendered by, or on behalf of, the offender may be accepted but a receipt must be given showing that the money is held pending possible investigation and without prejudice to any action that Post Office Counters Ltd may be advised to take. The Subpostmaster should be careful not to take any action which may be liable to prejudice the question of legal proceedings. A copy of any receipt must be kept for reference.

#### UNSUITABLE PERSONS

12. In order to help prevent the employment of unsuitable or dishonest persons on Post Office work, a Subpostmaster must notify the Regional General Manager if he dismisses an employee on these grounds, or if his enquiries about an applicant for employment give him reason to believe that the applicant is an unsuitable person. Brief particulars of the evidence should be forwarded to the Regional General Manager who will decide what steps should be taken to prevent the applicant obtaining employment elsewhere in the Post Office or at another sub-office.
  
13. Where Post Office Counters Ltd has good reason to believe that it would not be in its best interests for a particular person to have access to Post Office Counters Ltd cash and stock as a Sub-Office Assistant it may call upon the Subpostmaster to:
  - (a) refrain from offering that person a post if not already employed;
  - (b) ensure that the person is not further employed on Post Office business if employed.

#### OUTDOOR POSTAL WORK

14. For any outdoor postal work required, provision is made either by the employment of staff in the direct employ of the Post Office or by a special allowance to the Subpostmaster for the engagement of casual labour.

END

POST OFFICE COUNTERS LTD

SECTION 16

DIVULGENCE OF OFFICIAL INFORMATION, CORRESPONDENCE & INTERVIEWS

**DIVULGENCE OF OFFICIAL INFORMATION**

1. The unauthorised disclosure, or use directly, of any information or document which has come to the knowledge of a Subpostmaster or Sub-Office Assistant through the work of his Sub-Office is forbidden. Any such disclosure may render the offender liable to prosecution under Post Office legislation or the Official Secrets Act (see paragraph 3)
2. Subpostmasters and their employees must not disclose any information regarding postal packets passing through the post except to the person(s) to whom such packets are addressed; nor may they make known information that may come to them officially concerning the character, standing, or responsibility of individuals or firms, or the private affairs of any person.

**PERSONAL DECLARATIONS**

3. (a) All Subpostmasters on taking up appointment and newly recruited Sub-Office Assistants are required to sign a Personal Declaration (form P13) which reminds them of the duty of the Post Office to ensure that all communications and items entrusted to it reach the people for whom they are intended promptly and safely, and that the information in them reaches no one not entitled to it. The Person Declaration also brings to the notice of newly appointed Subpostmasters and Sub-Office Assistants on taking up employment their obligations under the Official Secrets Acts and various Post Office and Telegraph Acts. Extracts from these Acts are reproduced at Appendices 1 and 3. A copy of form P13 is at Appendix 2.
- (b) A Subpostmaster on termination of his appointment is required to sign a Declaration (P301) as a reminder that the provisions of the Official Secrets Acts continue to apply to him after he has left in respect of all the information which he has acquired or to which he has had access by virtue of his appointed position as Subpostmaster. A copy of form P301 is at Appendix 3.

- (c) Subpostmasters and Sub-Office Assistants are given a copy of their P13 and Subpostmasters on termination of their appointment, additionally of form P301 for retention as a reminder of their importance and of the message they contain. The duty not to disclose information is imposed by the relevant Acts, not by the Personal Declarations. Consequently no Subpostmaster or Sub-Office Assistant can avoid these legal obligations by refusing to sign form P13 (also for Subpostmasters form P301) or attempting to revoke or disclaim his signature on the form(s).
  
- 4. Any request made by the Police or any other authority or by a private person for information which may be confidential, or may concern matters connected with the duties of another Subpostmaster or a Post Office employee, or with regard to the address of a person who resides, in the neighbourhood should be referred immediately to the Regional General Manager.

#### CONTACT WITH THE PUBLIC NEWS MEDIA

- 5. The Post Office has a duty to safeguard its own interests and those of its employees and sub-office personnel in relation to material which is published in the news media. The Public Relations Department of the Post Office is primarily responsible for deciding whether the Post Office should enter into public correspondence and for ensuring fair and accurate presentation of facts about the Post Office and its services; comment by other persons is undesirable and in particular, untrue, ill-informed or reckless comment will not be allowed to go unchallenged. While recognising the right of any individual to comment publicly on matters of general interest therefore, the Post Office expects Subpostmasters and their employees who wish to comment upon matters affecting the Post Office to exercise those right in a responsible manner. Subpostmasters must ensure, when communicating with the press or offering comment which may be broadcast on radio or television, that their comments do not go beyond the accepted bounds of propriety and are not likely to cause embarrassment or to mislead the public. The Regional General Manager should be asked to advise in cases of doubt.

6. A Subpostmaster wishing to communicate with the public news media should be guided by the following:-
  - (a) there must be no unauthorised disclosure of official information (see paragraph 1);
  - (b) views and opinions expressed publicly must not bring the Post Office or its employees or any other Subpostmaster into disrepute;
  - (c) a Subpostmaster offering unauthorised public comment must make it clear that he is commenting in his private capacity and not on behalf of the Post Office.
7. A Senior Representative (as defined in the national agreement on facilities for recognised unions) may wish from time to time to represent the view of the National Federation of Sub-Postmasters, particularly on matters affecting his Branch/Committee/Federation. In doing so he must indicate his position as a Federation spokesman and give his own name.
8. Particular care is necessary when offering spontaneous comment to press or broadcasting reporters or interviewers.

#### PUBLICATION OF OFFICIAL INFORMATION

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

#### CORRESPONDENCE WITH THE PUBLIC

10. A Subpostmaster should not, without the permission of the Regional General Manager, write to or interview members of the public on Post Office matters other than for the purpose of correcting an error committed at his own sub-office.

**OFFICIAL DOCUMENTS AND LEGAL PROCEEDINGS**

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

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

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

**BREACHES TO BE REPORTED**

13. A Subpostmaster must report to the Regional General Manager any case in which there appears to have been a breach of the above rules by anyone employed by him on Post Office duties at the sub-office.

(APPENDICES 1-3 FOLLOW)

APPENDIX 1

SUMMARY OF EXTRACTS FROM ACTS OF PARLIAMENT

POST OFFICE ACT, 1953

(SECTION 57) as amended;

1. IN ENGLAND, WALES AND NORTHERN IRELAND if any person engaged in the business of the Post Office secretes a postal packet in course of transmission by post, he shall be guilty of a misdemeanour and be liable to imprisonment for a term not exceeding seven years.

(The offences of theft or destruction of a postal packet are covered by the Theft Act, 1968 or the Criminal Damage Act, 1971. Persons convicted on indictment for such offences are liable under the relevant sections of those Acts to imprisonment for a term not exceeding ten years or in some cases for life.)

2. IN SCOTLAND If any person engaged in the business of the Post Office steals, or for any purpose whatever embezzles or secretes a postal packet in course of transmission by post, he shall be guilty of a misdemeanour and be liable to imprisonment for a term not exceeding seven years.

(SECTION 58(1))

3. If any person engaged in the business of the Post Office, contrary to his duty, opens, or procures or suffers to be opened, any postal packet in course of transmission by post, or wilfully detains or delays, or procures or suffers to be detained or delayed, any such postal packet, he shall be guilty of a misdemeanour, and be liable to imprisonment for a term not exceeding two years or to a fine, or to both.

APPENDIX 1

(SECTION 59)

4. If any person employed to convey or deliver a mail bag, or a postal packet in course of transmission by post, or to perform any other duty in respect of a mail bag or such a postal packet:-
- (a) Without authority whilst so employed, or, whilst the mail bag or postal packet is in his custody or possession, leaves it, or suffers any person, not being the person in charge thereof, to ride in the place appointed for the person in charge thereof in or upon any vehicle used for the conveyance thereof or to ride in or upon a vehicle so used and not licensed to carry passengers, or upon a horse used for the conveyance on horseback thereof;
  - (b) Is guilty of any act of drunkenness whilst so employed;
  - (c) Is guilty of carelessness, negligence or other misconduct whereby the safety of the mail bag or postal packet is endangered;
  - (d) Without authority collects, receives, conveys or delivers a postal packet otherwise than in the ordinary course of post;
  - (e) Gives any false information of an assault or attempt at robbery upon him; or
  - (f) Loiters on the road or passage, or wilfully misspends his time so as to retard the progress or delay the arrival of a mail bag or postal packet in the course of transmission by post, or does not use due care and diligence safely to convey a mail bag or postal packet at the due rate of speed;

He shall be liable on summary conviction to a fine not exceeding fifty pounds (twenty pounds in Northern Ireland).

(SECTION 87)

5. "Postal packet" means a letter, postcard, newspaper, printed packet, sample packet, or parcel, and every packet or article transmissible by post, and includes a telegram.

(APPENDICES 2 AND 3 FOLLOW)

APPENDIX 2

PERSONAL DECLARATION (P13)

To be made by all persons on entering employment in the Post Office.

DUTY OF THE POST  
OFFICE

The first duty of the Post Office is to ensure that letters, parcels, and all other communications or items entrusted to it reach the people for whom they are intended promptly and safely, and that the information in them reaches no one not entitled to it.

To help the Post Office to render this essential service to the community, the Law makes certain provisions of which the more important are stated overleaf. It is important for you to know and understand those provisions, not only for your own sake, but also in order that you should not, through any fault or omission on your part, enable or tempt others to break them.

NON-DISCLOSURE  
OF OFFICIAL  
INFORMATION

It is illegal to disclose official information without authority. A person engaged in Post Office work must not disclose any information which he/she obtains as a result of that work, unless he/she has written permission to do so.

You shall neither during you employment with the Post Office nor for a period of 1 year after that employment ceases, disclose to any other person, firm, or company, or publish or broadcast or use for your own benefit any confidential information relating in any way to the activities, operations or business methods of the Post Office, except as previously authorised in writing by the Post Office.

YOU SHOULD READ CAREFULLY THIS STATEMENT AND THE ONE OVERLEAF  
AND THEN SIGN YOUR NAME TO THE DECLARATION BELOW.

19

In the presence of

Signature \_\_\_\_\_

Rank \_\_\_\_\_

Note: The person signing this form should sign with his ordinary signature in the presence of a Supervising Officer. The Subpostmaster should witness the signature of persons employed at a Scale Payment Sub-Office.

APPENDIX 2

PERSONAL DECLARATION (P13)

SAFETY OF  
POSTAL PACKET

It is an offence to STEAL, SECRETE or DESTROY a letter, parcel or any other postal packet in course of transmission by post, and heavy penalties, including terms of imprisonment are provided for such offences.

It is also an offence to OPEN or DELAY (without proper authority) a letter, parcel or any other postal packet in course of transmission by post, and penalties of fine or imprisonment are provided for such offences.

CARELESSNESS, NEGLIGENCE or other mis-conduct which endangers the safety of a mailbag or postal packet is likewise a punishable offence.

SECURITY

Under the Official Secrets Act 1989, it is an offence of a Government contractor (including an employee of a Government Contractor) to make a damaging disclosure relating to security or intelligence. A damaging disclosure may relate to defence, international relations or information received in confidence from another state or international organisation, or which results or is likely to result in the commission of offences, or which is of information which relates to or was obtained by special investigation powers. It is also an offence for Government contractors (and their employees) to fail to safeguard or improperly to retain or provide access to documents or articles containing information which it would be an offence under the Act to disclose. A Government contractor means any person or body who is employed in the provision of goods or services for the Crown.

When a person transfers from one post to another, he must surrender all documents connected with the post he is leaving, except those issued to him for his personal retention. When he leaves the Post Office all official documents must be given up, with the exception of those which he has been authorised to retain.

All the above conditions apply to all persons with access to any official information, not only while the access continues, but also after it ceases, and by termination of employment.

Any person who handles information about identifiable living people which is processed automatically (e.g. on a computer or word processor) may also commit an offence under the Data Protection Act, 1984, if he/she improperly obtains, holds or discloses any such information, or if he/she improperly transfers it outside the United Kingdom.

(APPENDIX 3 FOLLOWS)

APPENDIX 3

DECLARATION TO BE SIGNED BY ALL PERSONS CEASING TO BE EMPLOYED ON  
POST OFFICE WORK, ALSO BY OTHER PERSONS ON CEASING TO HAVE ACCESS  
TO SECRET INFORMATION.

My attention has been drawn to the provisions of the Official Secrets Act 1989 which is set  
out on the back of this document, and I am fully aware that serious consequences may  
follow any breach of those provisions.

I understand:

1. that the provisions of the Official Secrets Act 1989 may apply to me after my  
appointment has ceased;
2. that information which I have acquired owing to my official position may be  
information which is covered in Sections 1-8 of the Official Secrets Act 1989.

For a period of one year after my appointment with the Post Office ceases I shall not disclose  
to any other person, firm or company, or publish or broadcast or use for my own benefit  
any confidential information relating in any way to the activities, operations or business  
methods of the Post Office, except as previously authorised in writing by the Post Office.

I hereby declare that I have surrendered any document made or acquired by me owing to  
my official position save such as I have written Post Office authority to retain.

Signed \_\_\_\_\_ Rank \_\_\_\_\_

\_\_\_\_\_  
Permanent Home Address (inc. postcode)

\_\_\_\_\_ Date \_\_\_\_\_

Official Address

Signed in The Presence Of

\_\_\_\_\_ Rank \_\_\_\_\_

APPENDIX 3

Surname \_\_\_\_\_  
(BLOCK LETTERS)

Forename(s) \_\_\_\_\_  
(BLOCK LETTERS)

Date of Birth \_\_\_\_\_ Date of Leaving \_\_\_\_\_

\_\_\_\_\_ 19 \_\_\_\_\_  
Regd No of Appt Papers                      Keep Until

APPENDIX 3

THE OFFICIAL SECRETS ACT 1989

Under the Official Secrets Act 1989, it is an offence of a Government contractor (including an employee of a Government Contractor) to make a damaging disclosure relating to security or intelligence. A damaging disclosure may relate to defence, international relations or information received in confidence from another state or international organisation, or which results or is likely to result in the commission of offences, or which is of information which relates to or was obtained by special investigation powers. It is also an offence for Government contractors (and their employees) to fail to safeguard or improperly to retain or provide access to documents or articles containing information which it would be an offence under the Act to disclose. A Government contractor means any person or body who is employed in the provision of goods or services for the Crown.

END

POST OFFICE COUNTERS LTD

SECTION 17

SUBPOSTMASTERS' PRIVATE BUSINESS ACTIVITIES; BETTING AND GAMBLING;  
POLITICAL ACTIVITIES

**"PRIVATE BUSINESS ACTIVITIES"**

1. The appointment of a Subpostmaster confers on the individual concerned the right to transact, and to receive payment for, certain items of business of behalf of Post Office Counters Ltd at the premises specified. The conditions of the appointment also involve such restrictions on the private activities of the Subpostmaster as are necessary to ensure the continued viability of Post Office Counters nation-wide network.
2. It is, therefore, in the interests of all Subpostmasters that Post Office Counters Ltd should be able to seek, negotiate and manage retail business in the market place without the risk that it will find any Subpostmaster competing against it for the same business, and accordingly a Subpostmaster must not undertake in a private capacity any business, or allow anyone else to undertake on the premises in which a sub-office is situated, business of the kind which Post Office Counters Ltd requires him to provide for itself or its clients.
3. The current restrictions on private business activities on the premises in which the sub-post office is situated are as follows:
  - i. collection of payments, or sale of prepayment meter tokens on behalf of any public utility - water, gas, telephone or electricity company;
  - ii. collection of payment, on behalf of cable or satellite television companies, collection of revenue whether by sale of stamps or other means on behalf of local authorities;
  - iii. sale of "unbooked" travel tickets or passes on behalf of any transport company or local authority;

- iv. sale of National Lottery tickets, or similar nationally available lottery products, unless POCL is unable to secure this business because of legal restraints;
  - v. commercial change giving service;
  - vi. phone card sales on behalf of BT, Mercury or any future phone card operator with whom POCL obtains or seeks to obtain a contract for the sale of such cards;
  - vii. business concerned with the provision of services relating to the conveyance of letters, parcels and other postal packets ("collectively called postal packets" in this paragraph) including without prejudice to the generality of the foregoing the sale of stamps, the acceptance of postal packets for conveyance and delivery and the acceptance of payment for services relating to the collection, conveyance and delivery of Postal Packets;
  - viii. provisions of private box and poste restante facilities;
  - ix. business which is connected with the acceptance or delivery of parcels;
  - x. collection/delivery or return of undeliverable packets and parcels;
  - xi. Banking, Building, Provident or Friendly Society business.
4. The above categories of business constitute the current restrictions but Post Office Counters Ltd reserves the right to review these restrictions in the light of changing Business requirements, varying them if necessary. All Subpostmasters will be informed of any such changes.
5. If an opportunity for new business occurs to a Subpostmaster, or if a Subpostmaster receives any communication from a third party which amounts, or may amount, to an offer to the Subpostmaster to undertake the work, which come within the current restrictions specified in paragraph 3 above the Subpostmaster should not accept such work. Instead he should, at once, inform Post Office Counters Ltd of the circumstances and seek advice as to whether the work concerned falls within the restrictions described above.

## BETTING AND GAMBLING

6. A Subpostmaster or Sub-Office Assistant should not:
  - (a) bet or gamble by means of post (betting by private telephone off the Post Office part of the premises is permissible);
  - (b) take part in racing etc. pool or competitions or betting at "fixed odds" on football matches (there is no objection to participation in ordinary football pool competition).
  
7. A Subpostmaster should not on the premises in which the sub-office is situated;
  - (a) allow or provide for gambling;
  - (b) conduct any business with a turf commission agency or a football or turf pool agency.
  
8. Notwithstanding the conditions of Paragraphs 3 (iv), 5 and 7 above, a Subpostmaster or a Sub-Office Assistant may in a private capacity take part in or act as a promoter of such local lotteries as are permitted under the Lotteries and Amusements Act 1976 (Northern Ireland in part III of the Betting and Lotteries Act (Northern Ireland) 1957). The onus of ensuring that the law is complied with rests with the person concerned in the promotion and conducting of the lottery and the sale of tickets. Tickets for such lotteries must not be sold over the sub-office counter nor must the Post Office be used in any way for advertising purposes, e.g. in giving addresses at which tickets are available, nor must advertisements include the words Post Office, Sub-Post Office or Subpostmaster.

## LICENSED PREMISES

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

## POLITICAL ACTIVITIES

10. A Subpostmaster is free to take part in any national and local political activities subject to the following conditions:-
  - (a) he must not engage in or allow his assistants to engage in political activities whilst engaged on Post Office business or on the sub-office premises;
  - (b) he must not exhibit any notice soliciting votes for any particular candidate or with any party or political object either in the sub-office or on any vehicle under the control of the Post Office; and no leaflet or address with a party or political object may lie or be exhibited within the sub-office.
  
11. A Subpostmaster who intends to stand for Parliament must notify the Regional General Manger accordingly at the earliest opportunity. He must cease to have connection with the running of the sub-office from the day he is nominated when the office will be placed "in charge". On receipt of the notification the Regional General Manger will inform him of arrangements whereby he may name a deputy to act as Subpostmaster should he be elected. If he is elected he will be able to resume office when he ceases to be a Member of Parliament, provided he has complied with the arrangements for naming a deputy and the sub-office has not been closed through normal changes during his absence; should he fail to comply with these arrangements he will be regarded as having resigned on the day he is elected. If he is not elected he may resume office after the election result has been declared. A Subpostmaster who is elected retains the right to resume office after he ceases to be a Member of Parliament, provided the break in his service does not exceed 5 years.

## USE OF THE NAME "POST OFFICE"

12. A Subpostmaster must not use the name "Post Office" in connection with any of his private business activities or in such a way as to imply that the Post Office is in any way connected with these activities.

#### CANVASSING

13. A Subpostmaster must not canvass persons, firms or companies who reside or carry on business at a place nearer to another Post Office, to transact Post Office business at his sub-office. Nor must he deliver items of Post Office business to customer's premises.

#### EMPLOYMENT IN THE POST OFFICE OR THE CIVIL SERVICE

14. A Subpostmaster or a Sub-Office Assistant may not be employed in the Post Office if his duties would bring him into contact with the work of the sub-office.

#### BORROWING AND LENDING MONEY

15. A Subpostmaster must not borrow from or lend money to any Post Office employee. Nor should he become security for any Post Office employee in raising a loan. The loaning of money to persons drawing pensions or allowances on the security of their order books is also strictly forbidden.

#### USE OF POST OFFICE EMPLOYEES IN PRIVATE BUSINESS

16. A Subpostmaster must not engage Post Office employees to undertake any work whatsoever connected with the Subpostmaster's private business at anytime when they are employed in Post Office duties.

NOTE: In view of the implications of the Restrictive Trade Practices Act 1976 the agreement of the National Federation of Sub-Postmasters has not been sought in the terms of this section.

END

POST OFFICE COUNTERS LTD

SECTION 18

NON-OBSERVANCE OF RULES: APPEALS PROCEDURE

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

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

**REPRESENTATIONS ON POST OFFICE MATTERS**

4. Without prejudice to the above a Subpostmaster may address at any time the Regional General Manager and representation he may wish to make having reference to his duties, remuneration or any other Post Office matter. The decision of the Regional General Manager as to his response to such representations is final.

## APPEALS

5. If the Subpostmaster wishes to appeal against a decision to summarily terminate his contract for services, he may do so either in writing or by personal interview and will be allowed ten (10) working days from the date of the termination letter to make application, to a member of the Post Office Counters Ltd "Appeals Authority" whose decision will be final. There is no formal appeal against three months notice of contract termination or against termination with pay in lieu of notice. Appeals on all other issues (e.g. recovery of losses caused by the Subpostmasters negligence) are heard by the Regional General Manager whose decision is final.

## APPROACHES TO PERSONS OUTSIDE THE POST OFFICE

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

END

POST OFFICE COUNTERS LTD

SECTION 19

OFFENCES: SUSPENSION: ENQUIRIES BY OFFICERS OF THE INVESTIGATION

DIVISION

1. Dishonesty is viewed most seriously and any Subpostmaster or Sub-Office Assistant believed to have carried, or taken part in, an act of dishonesty against Post Office Counters Ltd may be prosecuted. Furthermore, any Subpostmaster so involved renders himself liable to summary termination of his contract. The case of an Assistant Post Office Counters Ltd may recommend to the Subpostmaster that the Assistant should no longer remain in his employ on Post Office Counters business.

ARRESTS AND CONVICTIONS

2. A Subpostmaster must report to his Regional General Manager if he is arrested and refused bail, or if he is convicted by a Court of any criminal offence (except a traffic offence for which the penalty has not included imprisonment).

IMMORALITY AND OTHER MATTERS OF PERSONAL CONDUCT

3. It is the aim and practice of Post Office Counters Ltd to maintain, to the maximum extent compatible with needs of service to the public, an attitude of non-interference in the private lives of Subpostmasters. However, where facts come to light calculated to cause public scandal or grave embarrassment to the Post Office in connection with a Subpostmaster's private conduct, the question of his fitness for retention in office may have to be considered.

SUSPENSION FROM OFFICE

4. A Subpostmaster may be suspended from office at any time if that course is considered desirable in the interest of Post Office Counters Ltd in consequence of his: (a) being arrested, (b) having civil or criminal proceedings brought or made against him, (c) where irregularities or misconduct at the office(s) where he holds appointment(s) have been established to the satisfaction of Post Office Counters Ltd, or are admitted, or are suspected and are being investigated.

5. Where a Subpostmaster is suspended his remuneration in respect of any period of suspension will be withheld so long as such suspension continues.
6. On the termination of the period of suspension whether by termination of contract or reinstatement, the Subpostmaster's remuneration in respect of the period may, after consideration of the whole of the circumstances of the case, be forfeited wholly or in part. If remuneration is paid any rent or other expenses which may have been paid to him in respect of the continued use of his premises for Post Office purposes during the period of suspension will be deducted.

#### CRIMINAL CONDUCT: REPORTING

7. If a Subpostmaster has knowledge or suspicion of dishonesty or other criminal conduct affecting the Post Office on the part of any person including a Sub-Office Assistant or a Post Office employee he must, if there is any apparent need for immediate action, at once tell the Regional General Manager confidentially of his knowledge or suspicion.

#### INDUCEMENT TO ACT CONTRARY TO RULES

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

#### **THEFTS BY STRANGERS**

10. A Subpostmaster or Sub-Office Assistant who sees a theft of Post Office Property committed by a stranger should inform the Police of the facts and then report the matter to his Regional General Manager as soon as possible.

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

11. In line with any employee of the Post Office a Subpostmaster or Sub-Office Assistant is expected to report immediately any suspicion of dishonesty or criminal intent which may in any way affect the Post Office, whether the likely offender be connected with the Post Office or not. He is similarly enjoined to render all possible assistance to officers of the Investigation Division (see below).

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

12. The main job of the Investigation Division is to investigate, or help the Police to investigate, criminal offences against the Post Office, British Telecommunications and the Department of National Savings. the Investigation Division does NOT enquire into matters where crime is not suspected.
13. Most of the crimes dealt with by the Investigation Division are committed by outsiders. It follows that a common reason for Investigation Division officers seeking interviews with persons employed on Post Office business is to get help in clearing up such offences. Usually the help takes the form of a witness statement that provides evidence about a particular act or acts that the witness has carried out in the course of his or her duty.

14. Although they comprise the minority of all Investigation Division crime investigations, there are many cases where the possibility (or even direct suspicion) arises that persons employed on Post Office business may be involved. Officers of the Investigation Division conduct interviews about these suspected offences and they are required to observe the same code of conduct when obtaining evidence as that laid down for Police Officers. This provides for an officer investigating a criminal offence to question any person, whether suspected or not, from whom he thinks that useful information may be obtained. As soon as the Investigation Division officer has evidence which would afford reasonable ground for suspecting that a person has committed an offence, he must caution him before asking any questions about that offence. The caution must be in terms which make it clear that the suspected person is not obliged to say anything unless he wishes to do so and that what he says will be put into writing and given in evidence.
15. If a Subpostmaster or Sub-Office Assistant is questioned as a suspected person by an officer of the Investigation Division, on statements made by a third person, and expresses a desire to be confronted by that person, such confrontation will, if practicable, be arranged. At the confrontation, the suspect will be at liberty to question the third person on his evidence and the questions and replies will be recorded by the Investigation Division officer.

#### FRIENDS AT INVESTIGATION INTERVIEWS

16. At all interviews between Investigation Division Officers and a Subpostmaster or Sub-Office Assistant, the interviewing officer will first introduce himself, explain the nature of the enquiry, then ask the person to be interviewed if he wishes to have a friend present. The introduction and explanation are necessary first steps so the person to be interviewed knows what is involved when he makes his free personal choice whether to ask for a friend to be present at the interview or not.

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

**SEARCHES**

20. If a person agrees to his property or house being searched by Investigation Division staff the Investigation Division officer will ask, before the search is carried out, if he wishes to have a friend present.
  
21. Investigation Division officers have no authority to search a Subpostmaster or Sub-Office Assistant or their homes unless they have first obtained the agreement of the person concerned or they have obtained a warrant to do so. In practice Investigation Division officers only seek authority or permission to search when it is deemed absolutely necessary or in the interests of the person involved (e.g. as a pointer to their innocence). If search by consent is carried out during the course of enquiries which do not substantiate any suspicion that may have been directed at a Subpostmaster or Sub-Office Assistant, he will be handed at a later stage a written apology for any inconvenience caused, coupled with a statement that he readily agreed to the search and that nothing which would cast any doubt on his honesty was found.

END

POST OFFICE COUNTERS LTD

SECTION 20

INFECTIOUS (INCLUDING CONTAGIOUS) DISEASES

1. Subpostmasters, are expected to act on the advice given by their general practitioners or hospital specialists, and to refrain from providing "Personal Service", by taking leave of absence, through sickness if advised to do so. This is both for their own good and that of others.
2. Contact with a person suffering from such a disease will only rarely exempt a Subpostmaster from providing Post Office services, nevertheless the advice in Par. 1 may apply if the medical practitioner so advises.
3. "Open cases" of Pulmonary tuberculosis must receive clearance from the Post Office, before a Subpostmaster will be allowed to resume the provision of "Personal Service".
4. If the local Public Health Department should require the temporary closing of the office, the Regional General Manager will issue instructions as to the stock, etc. In such cases the question of continuing payment of the subpostmaster's emoluments subject to a deduction in respect of any saving in expenses, will be considered on its merits.
5. These conditions apply equally to any assistants employed by a subpostmaster on Post Office duties. Also, in such cases the question of meeting any loss sustained by the Subpostmaster or Sub-Office Assistant in consequence of the latter's enforced absence will be considered on its merits. It should, however, be understood that the object of any payment that may be made by Post Office Counters Ltd in these cases is to prevent there being any inducement to the sub-office Assistant to come on duty when his presence would be a source of danger to the public or the Post Office employees with whom they might come in contact in his Post Office work. Post Office Counter recognises no other obligation in the matter.

END

POST OFFICE COUNTERS LTD

SECTION 21

TELEPHONE FACILITIES AT SCALE PAYMENT SUB-POST OFFICES

PROVISION OF TELEPHONE FACILITIES

1. A Subpostmaster must, in connection with official business of Post Office Counter Ltd, and in the interests of security, arrange for the provision of telephone facilities at his sub-post office. The following facilities are required by Post Office Counters Ltd:-
  - (a) a direct exchange line; or
  - (b) an extension plan installation comprising a portable telephone and two sockets: one to be installed in the sub-post office and the other in the Subpostmaster's bedroom. (This type of installation is only required where the Regional General Manager considers it is desirable, as a security measure, and where the Subpostmaster resides on the premises. However, Post Office Counters Ltd will not require this type of system to be installed at island and small rural offices where the Regional General Manager considers that the risk of criminal attack is clearly negligible).

REIMBURSEMENT OF INSTALLATIONS COSTS

2. Post Office Counters Ltd will reimburse the Subpostmaster for costs incurred in the installation of the required telephone facility provided that excessive expenditure is not involved. However in the event that the Subpostmaster decides to have installed a system other than that required by Post Office Counters Ltd the Post Office contribution to the total installation costs will be no greater than the cost of installing the facilities outlined in paragraph 1 above. If a Subpostmaster is required to make provision for an extension plan system as described in paragraph 1(b) and chooses to have an extension socket in a room other than his bedroom the Post Office contribution to the installation cost will be no greater than would be incurred in respect of the installation of a direct exchange line.

**RENTAL CHARGES**

3. Post Office Counters Ltd on production of a paid quarterly telephone account, will reimburse the Subpostmaster the rental charges billed by BT including the VAT element (see paragraph 10) appropriate to the type of telephone facility that the Regional General Manager has agreed is necessary (see paragraph 1). Rental charges which exceed the levels so authorised by the District Manger remain the responsibility of the Subpostmaster.

**CALL UNIT ALLOWANCE**

4. Each Subpostmaster is given for each telephone account period an allowance of call units for official purposes, based on the scale of Post Office business transacted; any part of the allowance not expended in a telephone account period cannot be carried over to the next. The Subpostmaster is due to pay for all call units used in excess of this allowance.
5. The standard allowances have been fixed at a level which takes into account the varying conditions between offices. They also allow a margin for contingencies.
6. The scale of allowances, related to the telephone account period, is as follows; the call unit allowance in column (b) is intended to reimburse Subpostmasters for longer distance calls to DNS, Girobank etc., where these are not covered by the basic allowance in column (a):

Offices in unit bands:	Official call units per annum (a)	Additional call units per annum (b)
Up to 85,000	260	NIL
85,001 - 225,000	360	350
225,001 - 400,000	460	500
over 400,000	560	700

7. Where calls from a sub-post office to the Regional or Controlling Crown Office are not within a local call area and are charged on the basis of the distance between two points, the standard allowance of official call units (paragraph 6, column (a)) will be subject to the following multipliers:

Distance in miles from District or controlling Crown Office	Rate of charge	Multiplier to be applied to official allowance
Up to 35 miles	a	5
over 35 miles	b	14

#### SUPPLEMENTARY ALLOWANCE

8. A Mailwork Subpostmaster may claim an additional allowance, in respect of calls made in connection with his Mailwork responsibilities, providing that the standard allowance has been expended. A claim, supported by documentary evidence should be submitted to the Regional General Manager with the telephone account for the period concerned.

#### EMERGENCY REPAIRS

9. Some British Telecom General Managers are prepared to provide emergency repair facilities for Subpostmasters. The service allows for attention to faults reported:-
- (a) Monday-Friday between 1700 and 0800 hours;
  - (b) Saturday up to 0800 and from 1300 hours;
  - (c) all day on Sunday, Public and Bank Holidays.

All other times repair facilities apply. Subpostmasters will be billed for use of the emergency service on the normal quarterly bill and Regional General Managers will reimburse these costs on presentation of the bill.

**REIMBURSEMENT OF VAT CHARGES**

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

END

POST OFFICE COUNTERS LTD

SECTION 22

QUALITY STANDARDS

1. Post Office Counters Ltd, through its network of post offices, aims to give customers and clients a high quality service. The Subpostmaster must therefore give high priority to serving customers quickly and efficiently, and to fulfilling the documentation requirements of clients with accuracy and professionalism. Also the Subpostmaster will participate in "Putting the Customer First" by attending the training sessions which form the programme and carrying out the interim activity required between sessions.

The interim activity consist of commitment to display the Customer Charter in the public area of the sub post office, and to hand out questionnaires inviting customer feedback. On an ongoing basis questionnaires will be handed out at regular intervals, to be determined by POCL, but not more than once every six months. In addition to the issue of questionnaires Subpostmasters, particularly those in larger offices, will be encouraged to measure customer service as described below. Subpostmaster's sub-office assistants are also expected to undergo the "Putting the Customer First" programme, either at sessions led by the Subpostmasters themselves, once they are trained, or the retail network manager. Subpostmasters should make all reasonable efforts to encourage their staff to participate in the training.

Payment for attendance at the four "off site" sessions, led by retail network managers, within the "Putting the Customer First" programme, will be for travel and substitution.

WAITING TIME

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

This entails counting the number of customers queuing and the number of clerks serving, three times a day and to supply the information to POCL to enable the results to be analysed and fed back to the Subpostmaster.

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

### TRANSACTIONS

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

(APPENDIX 1 FOLLOWS)

## QUALITY STANDARDS

## SUBPOSTMASTER ERRORS: MAXIMUM PENALTIES

Maximum Penalty  
W.E.F 1.4.93

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

END

POST OFFICE COUNTERS LTD

SECTION 23

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

1. A Subpostmaster must only accept savings stamps either in total or part payment for the relevant transaction to which they refer.
2. It is TOTALLY UNACCEPTABLE for a Subpostmaster (or anybody acting on his behalf) to:-
  - (i) exchange redeemed savings stamps for cash;
  - (ii) affix savings stamps to savings cards and claim them as if they had been redeemed by a customer in the normal course;
  - (iii) convert total of partial cash or cheque payments for licence or accounts payments into stamps and claim them as if they had been presented by a customer;
  - (iv) convert official cash (whether directly from the till or paid in over the counter) into savings stamps (whether affixed to a card or not) for use as a means of saving for any purpose whatsoever; or to take action which improperly sets out to increase his remuneration.
3. Redeemed savings stamps must be despatched immediately following completion of the cash account on which the transaction to which they refer takes place. It is not acceptable to remit redeemed savings stamps later than the scheduled despatch date or to remit several weeks redemption together.
4. In the event that cases of falsification come to light Post Office Counters Ltd will view such activities extremely seriously and in such circumstances almost certainly consider termination of the Subpostmasters Contract for services.

END

POST OFFICE COUNTERS LTD

SECTION 24 SUBPOSTMASTER CONTRACT

MAILWORK

**GENERAL**

1. This contract is between Post Office Counters Limited (POCL) and the Subpostmaster of \_\_\_\_\_ in respect of the
- 1.1 provision of sorting facilities, and supervision of Postmen for both delivery and collection of mails, known hereinafter as Mailwork.
- 1.2 The specifications given at APPENDICES 1-3 of this section explain more fully the requirements on the Subpostmaster and Royal Mail in the provision of Mailwork.

This Mailwork contract does not affect the Subpostmaster's obligations and entitlements under a contract for services with POCL to provide counter services.

**ACCOMMODATION AND FITTINGS**

2. The Subpostmaster agrees to provide and maintain such accommodation as is required for the effective discharge of Mailwork duties. In fulfilling this requirement, the Subpostmaster will be responsible for meeting the provisions of all relevant legislation (in particular HASAW) and where Post Office staff work on the premises specifically provide:
  - 2.1 Access to toilet facilities.
  - 2.2 Facilities for washing, including a supply of hot water.
  - 2.3 Hat and coat pegs.
  - 2.4 Facilities for making tea.
  - 2.5 Adequate lighting.
  - 2.6 Adequate heating; and
  - 2.7 Adequate ventilation.

Where provision of relevant legislation or requirements introduced by the Post Office after the appointment of the Subpostmaster call for changes in the accommodation provided by the Subpostmaster, the Post Office will pay 100% of the costs involved in effecting the required changes. A proportion of the costs is returnable should the Subpostmaster relinquish his/her appointment within 4 years of the work being carried out.

The Post Office will make available fittings designed specifically for Mailwork use at no cost to the Subpostmaster. In certain circumstances, Subpostmasters may purchase other surplus equipment by local arrangement from Royal Mail.

#### ATTENDANCE

3. The Subpostmaster is not obliged to attend the office personally. Where he decides to absent himself he must appoint a substitute who shall be sufficiently well versed to carry out the responsibilities of the Subpostmaster and who is acceptable to the Royal Mail and Post Office Counters Ltd. However, a Subpostmaster's responsibility for the proper conduct of Mailwork duties is in no way diminished by his non-attendance. In either case, the Subpostmaster will arrange for:

- 3.1 the correct handling of value and other special items in accordance with regulations advised from time to time.
- 3.2 the maintenance of statistical and management information systems as required for the effective provision of Mailwork in accordance with agreements reached with the National Federation of Sub-Postmasters (NFSP).

#### ACCESS TO PREMISES

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

#### POST OFFICE OBLIGATIONS

5. The Post Office for its part will provide for:
  - 5.1 Training in all aspects of Mailwork to include not only new entrant training but also on-going training.
  - 5.2 Royal Mail will make available the conduct code applicable to their employees working in the Mailwork office and will take appropriate action to ensure the conduct code is followed in order to support the Subpostmaster.
  - 5.3 Sufficient levels of operational and administrative support to allow the Subpostmaster to fulfil his obligations under the terms of his contract.
  - 5.4 The supply of soap and towels and toilet paper.
  - 5.5 Fire fighting equipment.

#### CHANGES TO FACILITIES

6. The Post Office will ensure that any changes to facilities or services will be subject to consultation with NFSP.

#### REMUNERATION

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

#### WITHDRAWAL OF MAILWORK

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

#### CHANGES IN CONDITIONS OF SERVICE

9. Any changes in conditions of service and operational instructions, including those which are agreed with the National Federation of Sub-Postmasters, will be communicated to Subpostmasters either directly, through "Counter News" or by amendment to Postal Instructions

(APPENDICES 1-4 FOLLOWS)

APPENDIX 1

ACCOMMODATION SPECIFICATION

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

The determination of whether these standards are achieved at particular offices will be made, if appropriate via Royal Mail (RM) carrying out risk assessments on accommodation used for Mailwork. RM will communicate the results of risk assessments via Post Office Counters Ltd (POCL) to the subpostmaster. Any action required as a consequence of the risk assessment will be agreed between RM, POCL and the subpostmaster and all parties will use reasonable endeavours to ensure that any such agreement is not unreasonably withheld.

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

Paragraph A

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

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

## APPENDIX 1

ACCOMODATION SPECIFICATION**GENERAL****General Health, Safety & Welfare responsibilities**

Take measures to ensure, so far as it is reasonably practicable, the health, safety and welfare of people who use their premises. These measures should be intended to protect the health and safety of everyone in the workplace, and to ensure that adequate welfare facilities are provided for Royal Mail employees at work as detailed below.

*Workplace Reg 4***Display of statutory Notices.**

Display suitably and prominently all relevant statutory Notices including the Health and Safety law notice and the Health and Safety policy Abstract Notice.

**WORK AREA****Space and room dimensions**

Every room where persons work should have sufficient floor area, height and unoccupied space for purposes of health, safety and welfare.

*Workplace Reg 10***Maintenance of workplace and equipment, devices and systems**

The workplace and the equipment, devices and systems should be maintained in an efficient state, in efficient working order and in good repair. Where appropriate a suitable system of maintenance should be in place. Royal Mail will arrange for the maintenance of equipment devices and systems provided by them. The subpostmaster will arrange for premises maintenance in accordance with his/her contract.

*Workplace Reg 5***Workstations and seating**

Workstations should be suitable for the work and for persons working there. Workstations should include, so far as reasonably practicable, protection from adverse weather, arrangements for swift exit in an emergency and arrangements to minimise risks of slipping or falling, and seating suitable for the operation. Royal Mail will provide the equipment necessary for its employees to undertake the tasks. The subpostmaster will ensure that such equipment is used correctly for the appropriate purposes.

*Workplace Reg 11***CLEANLINESS****Cleanliness and waste materials**

The workplace and the future furnishings and fittings should be kept sufficiently clean. Surfaces of the floors, walls and ceilings inside the building should be capable of being kept sufficiently clear. Workplaces should be kept free of accumulation of waste material, suitable waste receptacles should be provided.

*Workplace Reg 9***WELFARE & SANITARY FACILITIES****Toilet facilities**

RM staff should have ready access to toilet facilities. Provide suitable and sufficient water closets and urinal. Facilities should be appropriate for men and women. Facilities should be kept clean and orderly and adequately ventilated and lit.

*Workplace Regs 20 & 21***Supply towels or dryers, toilet paper, soap**

Soap and hand cleanser should also be provided for RM staff at all times, as should toilet paper and towels or other hygienic means of drying hands

*Workplace Reg 20***Sanitary towel disposal**

Provide suitable means for disposal of sanitary towels where toilets are used by women

*Workplace Reg 21*

## APPENDIX 1

<b>Washing facilities</b>	Provide suitable and sufficient washing facilities, including clear hot and cold running water, for Royal Mail Employees. Facilities should be provided in the immediate vicinity of water closets and urinals. Facilities should be appropriate for men and women. Facilities should be kept clear, orderly and adequately ventilated and lit	
<b>Drinking water supply</b>	A supply of wholesome drinking water should be provided and be readily accessible at all times. It should be clearly marked if appropriate. Clean drinking cups or beakers should be available unless the supply is from a drinking fountain.	<i>Workplace Reg 22</i>
<b>Facilities for making tea and coffee</b>	Facilities for making tea and coffee should be provided and should be subject to routine safety tests carried out by Royal Mail.	<i>Workplace Reg 25</i>
<b>Eating facilities</b>	Provided the mail preparation work area or kitchen is kept in a clean and hygienic condition, then this should adequately serve as a facility to eat meals. There should be provision for ensuring food and beverages are kept in a hygienic environment.	<i>Workplace Reg 25</i>
<b>Drying (room) facilities</b>	Provide facilities for the employees' clothing to hang in a clean, dry, warm, well ventilated place where it can dry out in the course of a working day if necessary.	<i>Workplace Reg 23</i>
<b>Individual hat and coat pegs or lockers</b>	Accommodation for hanging and storage of employees' clothing should be provided; at minimum a separate hook or peg for each worker. (it is desirable that individuals are able to secure their belongings, so where an employee makes such a request, space permitting, Royal Mail will provide a 3ft locker)	<i>Workplace Reg 23</i>
<b>Safe access including passageways</b>	Provide arrangements for safe access including swift exit in an emergency.	
<b>Adequate lighting</b>	Provide suitable and sufficient lighting. This should be by natural light so far as is reasonably practicable. Provide emergency lighting where sudden loss of light would present a serious risk	<i>Workplace Reg 8</i>
<b>Adequate temperatures</b>	Maintain workplace temperatures which provide reasonable comfort. Use safe heating systems. Provide a thermometer in the workplace.	<i>Workplace Reg 7</i>
<b>Rest facilities</b>	Provide suitable and efficient facilities for rest. Provide suitable protection from discomfort caused by tobacco smoke. Provide suitable and sufficient facilities to eat meals where they are eaten regularly in the workplace.	<i>Workplace Reg 25</i>

**FIRE & SECURITY ARRANGEMENTS**

<b>Fire precautions</b>	Provide fire precautions as required by the relevant fire precautions and regulations. Maintain fire escape minimum standards as defined by Royal Mail.	
<b>Fire fighting equipment, alarm system, evacuation drills</b>	Maintain as a minimum, one water fire extinguisher. These extinguishers must be checked annually and arrangements should be made to ensure this happens	

## APPENDIX 2

SUB-POSTMASTER SPECIFICATION

The following specification sets out the key outputs that Sub-postmasters must deliver in respect of the undertaking of mailwork in sub post offices. It should be read in conjunction with the Royal Mail Specification.

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

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

The detailed local arrangements as to how each output will be achieved at each office will be set out in the Local Specification which will be agreed between Royal Mail, POCL and the Subpostmaster.

## 1 SUPERVISION

-RM employees adequately supervised at all times when on mailwork premises.

(NOTE: RM employees will be deemed to be adequately supervised if all the outputs in this specification are achieved).

-Contact point provided for RM employees based at the mailwork office at all other times when they are on duty.

-RM employees attendance checked (ie start and where appropriate finish times) and all unforeseen absence reported to RM line manager.

## APPENDIX 2

- Staffing failures covered at minimum cost in accordance with contingency plan difficulties referred to RM line manager.
- Indoor operational problems resolved where possible: difficulties referred to RM line manager
- Pressure overtime authorised and controlled in accordance with guidance from RM line manager.
- Overtime, Scheduled Attendance's, allowances and Door to Door records certified.
- Reasonable actions taken to ensure RM employees comply with safety and security instructions.

### 2 CUSTOMER

- Information provided to RM Customer Care when requested (where Sub-postmaster can reasonably be expected to have access to such information.)
- Customer complaints/enquiries dealt with where resolution is possible at local office level - any difficulties referred to RM Customer Care or RM line manager.
- Local customer requirements met in accordance with processes set out in local specification.
- Local delivery problems with customers resolved (eg dangerous dogs) where resolution is possible at local office level and in accordance with processes set out in local specification - any difficulties referred to RM line manager.
- Positive approach to Customer First activity in the office (but no requirement for personal attendance for Royal Mail Customer First Activity).
- Positive approach to Royal Mail's image in the local community.

### 3 OPERATIONAL TASKS

- Mail received and acknowledged
- Signature and value items securely held and processed in accordance with product specification

APPENDIX 2

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

4 MANAGEMENT INFORMATION

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

APPENDIX 2

5 PERSONNEL

- Annual leave selection managed and authorised in accordance with local specifications
- RM conduct code followed by RM employees - any failures by RM employees to meet RM standards referred to RM line manager
- Opportunity for input to sick absence, Non - Culpable Inefficiency, conduct code, welfare interviews for RM employees; recruitment of permanent and temporary RM employees; trial reports and appraisals, sick reports and appraisals
- RM employee grievances resolved where this is possible at local office level - any serious grievances referred to RM line manager
- RM employee questions answered if within the knowledge of the Sub-postmaster - any difficulties referred to RM line manager or appropriate support function
- Late attendance reports completed
- RM employees recognised in accordance with RM policy on recognition
- Accident reports completed
- RM employees briefed in accordance with employee communication processes as set out in local specification
- RM employee training needs identified and where appropriate referred to RM line manager
- RM employees coached and trained in accordance with processes set out in local specification

6 TRANSPORT

- Royal Mail vehicles parked securely in accordance with locally agreed arrangements
- Fleet maintained, fuelled, and cleaned in accordance with local Royal Mail procedures

APPENDIX 2

- Road Transport Act requirements met (Logbooks, Drivers hours; returns made)
- Vehicle accident reports completed
- Cycles and delivery aids kept securely and maintained in safe condition in accordance with locally agreed arrangements

7 SAFETY

- Hazard/safety checks carried out on mailwork premises
- Health and Safety notices displayed
- Adequate fire precautions - RM employees aware of precautions
- Locally agreed disaster plan followed
- First aid facilities available for use and maintained

8 SECURITY

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

## APPENDIX 3

ROYAL MAIL SPECIFICATION

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

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

**1 SUPERVISION**

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

**2 CUSTOMER**

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

APPENDIX 3

3 OPERATIONAL TASKS

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

4 MANAGEMENT INFORMATION

- Guidance provided on how Postmen complete Work Load Assessment forms
- Guidance provided on completion of Letter Information Systems/parcel sampling returns
- Guidance provided on completion of Official Motor Vehicle mileage and fuel returns
- Guidance provided on Drivers hours information
- Guidance provided on quality checks to be made
- RM contact point provided for all pieces of management information

5 PERSONNEL

- Resourcing plan provided (annual leave)
- Royal Mail conduct code made available and appropriate action taken by Royal Mail to ensure conduct code is followed

APPENDIX 3

- Opportunity given to Subpostmaster to input relevant information regarding RM employees in cases of Non - Culpable Inefficiency, welfare, sick absence, trial reports, retention, appraisals
- Opportunity given to Subpostmasters to attend selection interviews for RM employees at the mailwork office
- Opportunity given to Subpostmasters to attend at long service awards/retirement functions
- RM contact points provided for all relevant Personnel issues relating to RM employees
- Guidance provided on completion of accident reports
- RM recognition policy communicated
- Guidance provided on training for RM employees (training plans)
- Communications plan for RM employees in mailwork office provided

6 TRANSPORT

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

7 SAFETY

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

APPENDIX 3

8 SECURITY

- Security instructions provided
- Security measures specified

9 FACILITIES

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

APPENDIX 4

PAYMENT ON WITHDRAWAL OF MAILWORK

Where the whole or part of either category of Mailwork carried out at a sub-office is withdrawn by Royal Mail or Royal Mail Parcelforce, the Subpostmaster will receive a lump sum, an amount equivalent to 1.5 times the consequential annual reduction in pay. The reduction in pay should take effect from the date of the withdrawal of the work.

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

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

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

At least three months' notice, or payment in lieu of three months' notice will be paid on withdrawal of Mailwork, except in those cases where the Subpostmaster's contract is summarily terminated or where he resigns to avoid summary termination.

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

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

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

END

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IN THE HIGH COURT OF JUSTICE  
QUEEN'S BENCH DIVISION

Claim No. HQ16XO1238

**BETWEEN:**

**ALAN BATES & OTHERS**

Claimants

**- and -**

**POST OFFICE LIMITED**

Defendants

---

**APPENDIX B – TEMPORARY SUBPOSTMASTER  
CONTRACT**  
**(all redactions relate to claimant-specific information)**

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Your Copy

TEMPORARY SUBPOSTMASTER CONTRACT  
AT POST OFFICE®, [REDACTED]

1. Definitions

- 1.1 "Branch" means the Post Office® branch specified above located at the Premises.  
"Temporary Subpostmaster" means [REDACTED]  
[REDACTED]  
"Premises" means the premises at [REDACTED]  
[REDACTED]  
"Post Office Ltd" means Post Office Limited, registered office 148 Old Street London EC1V 9HQ  
"Services" means those of the products and services described in clause 2.3 below that Post Office Ltd requires from time to time to be made available at the Branch and all ancillary activities required by Post Office Ltd to be carried out in relation to the proper and efficient operation of the Branch as a Post Office® outlet.  
"Letter of Appointment" means the attached letter of appointment dated [REDACTED] 2010 issued by Post Office Ltd to the Temporary Subpostmaster.

Any references in this Contract to subpostmasters include references to temporary subpostmasters unless otherwise stated or implied from the context. The singular includes the plural and the masculine includes the feminine and vice versa.

2. Status, Commencement and Termination

- 2.1 This Contract is a temporary contract for services between Post Office Ltd and the Temporary Subpostmaster and consequently, the Temporary Subpostmaster is an agent and not an employee of Post Office Ltd.
- 2.2 The Temporary Subpostmaster is appointed to provide the Services at the Branch with effect from the date specified in clause 2.4 below for the duration of this Contract.
- 2.3 The principal classes of products and services provided at Post Office® branches are:
- i) Letter, 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; and
- (xiii) Travel ticketing and travel passes.

Post Office Ltd shall in its absolute discretion decide which of the products and services listed above are to be made available by the Temporary Subpostmaster from time to time at the Branch and will notify the Temporary Subpostmaster accordingly through the configuration of the Horizon terminal at the Branch.

Post Office Ltd reserves the right to amend the list set out above from time to time on giving the Temporary Subpostmaster written notice.

- 2.4 This Contract will commence on [REDACTED] 2010 and will continue thereafter until the expiry of not less than 7 days' written notice to terminate, which may given by either party to the other at any time, subject to Post Office Ltd's rights of summary termination as set out in clause 2.5 below.
- 2.5 Post Office Ltd may terminate this Contract immediately on giving the Temporary Subpostmaster written notice in the event that the Temporary Subpostmaster commits any breach of this Contract or commits an act of bankruptcy or in the event that, as a result of any security checks carried out by Post Office Ltd, or any references taken up by Post Office Ltd, it is not satisfied that the Temporary Subpostmaster meets the standards required of a subpostmaster.
- 2.6 The Temporary Subpostmaster is not entitled to any of the following from Post Office Ltd:
- compensation for loss of office;
  - a pension;
  - reimbursement of any sick or holiday substitution costs
- 2.7 The Temporary Subpostmaster is not obliged to attend the Branch personally but he is required, whether he is there or not, to accept full responsibility for the proper running of the Branch and the efficient performance of the Services in accordance with any standards required by Post Office Ltd and notified to him from time to time.

### 3. Payments

- 3.1 The basis of remuneration for the Branch is set out in the Letter of Appointment. If the basis of remuneration is specified in the Letter of Appointment to be Traffic Related Pay, the actual rates of pay for each item of business transacted are set out in the relevant Subpostmasters Remuneration Booklet as issued and/or amended by Post Office Ltd from time to time. A copy of the relevant booklet is attached to the Letter of Appointment.
- 3.2 If it is deemed necessary at anytime to alter the Services, to withdraw any part of the business conducted at the Branch, or to introduce an alternative method of payment, the Temporary Subpostmaster has no claim to compensation for any disappointment that may result from the change.

#### 4. Premises/Legislation

- 4.1 The Temporary Subpostmaster must provide and maintain, at his own expense, such reasonable office accommodation at the Premises as Post Office Ltd may require and is responsible for maintaining reasonable security at the Premises.
- 4.2 Post Office Ltd is under no obligation whatsoever to reimburse the Temporary Subpostmaster for any expenditure incurred on rent, rates, other outgoings or for improvements of either the Premises or its fixtures and fittings for any purpose.
- 4.3 The Temporary Subpostmaster is responsible for complying with all applicable legislation in relation to the Premises and the Services (including without limitation, Health and Safety at Work Act 1974, Disability Discrimination Act 1995, Data Protection Act 1998).
- 4.4 The Temporary Subpostmaster is responsible for all insurances relating to the Premises and the operation of the Branch, including any required by law.
- 4.5 The Temporary Subpostmaster must allow representatives of Post Office Ltd access to the Branch at all times, on production of correct identification.

#### 5. Assistants

- 5.1 The Temporary Subpostmaster must provide and train at his own expense, suitable assistants needed to provide the Services and must comply with all statutory obligations placed on an employer.
- 5.2 The Temporary Subpostmaster must comply with the provisions of Appendix 1 to this Contract in relation to assistants and prospective assistants. However, a Temporary Subpostmaster continuing the employment of assistants engaged by the previous subpostmaster at the Branch will not be required to comply with those provisions of Appendix 1 that relate to the selection and recruitment of those assistants. Nevertheless, the Temporary Subpostmaster will be responsible for the management and control of all assistants in the Branch and, if required by Post Office Ltd, must furnish details of these assistants to it.

#### 6. Responsibility for Cash, Stock etc

- 6.1 The Temporary Subpostmaster is strictly responsible for the safe custody of all Post Office Ltd property, including (but not limited to) cash, stock of all kinds and papers and documents, whether held by himself or by his assistants. He is expressly forbidden to make use of the cash balance due to Post Office Ltd for any purpose other than the requirements of the Services and he must on no account apply to his own private use, for however short a period, any portion of the official funds entrusted to him.
- 6.2 Deficiencies due to any losses of cash or stock must be made good by the Temporary Subpostmaster without delay.
- 6.3 If a theft or burglary is committed or attempted at the Branch (whether or not Branch cash or stock is stolen) the facts must be reported to the Police and to Post Office Ltd by the person who first makes the discovery.
- 6.4 If the Temporary Subpostmaster considers that any stock item has been accidentally lost or stolen he should make a report as quickly as possible to Post Office Ltd.

6.5 The responsibility of the Temporary Subpostmaster for cash and stock will continue after termination of this Contract in respect of losses, gains, errors, acts or omissions occurring during his appointment.

6.6 The Temporary Subpostmaster must comply with any instructions issued by Post Office Ltd from time to time, including without limitation those contained in the Counter Operations Manual with regard to the running of the Branch, the performance of the Services, etc.

6.7 Canvassing (with the object of diverting business from another branch), or any practice having this effect, is forbidden.

6.8 The minimum hours during which the Branch must be open for the provision of the Post Office® products and services referred to in clause 2.3 are: -

Monday	0830-1730
Tuesday	0830-1730
Wednesday	0830-1730
Thursday	0830-1730
Friday	0830-1730
Saturday	0900-1600

(These hours may be varied from time to time by notice in writing from Post Office Ltd.)

7. Private Business Activities on the Premises

7.1 The Temporary Subpostmaster must comply with the provisions of Appendix 2.

8. Holiday Substitution Allowance

8.1 The Temporary Subpostmaster is not entitled to reimbursement of Holiday Substitution Allowance, due to the temporary nature of this appointment.

9. Consequences of Termination

In the event of termination of this Contract:

(i) any successor to the private business and/or Premises will have no claim to the post of subpostmaster, the filling of which is a matter entirely for Post Office Ltd; and (ii) the Temporary Subpostmaster must display a vacancy notice in the window of the Branch, if so required by Post Office Ltd.

I acknowledge receipt of, understand and accept the Temporary Subpostmaster Contract, the Letter of Appointment and all the appendices and documents referred to in the Contract and/or the Letter of Appointment.

Signed by .....  
(Temporary Subpostmaster)

\_\_\_\_\_

On (date): .....

\_\_\_\_\_

Temporary Subpostmaster Contract  
Appendix 1

## ASSISTANTS

## 1. INTRODUCTION

Post Office Ltd must comply with certain obligations in relation to the Post Office® business, including those of: Postcomm, Ofcom and Financial Services Authority regulations, and money laundering and immigration legislation. Some of these obligations require Post Office Ltd to ensure that its Subpostmasters (and any persons employed or engaged by Subpostmasters on Post Office® business) are made aware of, and know how to comply with, the terms of such regulations and legislation. These requirements have been set out in this appendix to the Temporary Subpostmasters Terms & Conditions. The obligations placed upon Subpostmasters are the minimum necessary to ensure that both Post Office Ltd and Subpostmasters are compliant with the regulations and legislation mentioned above, and are, in the main, what most Subpostmasters, as responsible employers, should be doing anyway. The objectives of these obligations are:

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

Subpostmasters have a duty to ensure that they are aware and that they make their staff aware, of the obligations set out in these Terms & Conditions.

## 2. GENERAL

A Subpostmaster must provide, at his own expense, any suitable assistants with the relevant skills which he may need to carry out the Post Office® work in his sub Post Office® branch ("Assistants").

Assistants are employees of the Subpostmaster, and the Subpostmaster will consequently be held wholly responsible for any failure, on the part of his Assistants, to:

- a. apply Post Office® rules or instructions as required by Post Office Ltd;
- b. complete any training necessary in order to properly provide Post Office® Services; and
- c. comply with the obligations set out below.

The Subpostmaster will also be required to make good any deficiency of cash or stock which may result from his Assistants' actions or inactions.

3. This Appendix contains the obligations which the Subpostmaster has to fulfil in relation to the recruitment and employment of each of his Assistants (which includes any members of his own family). Where the Subpostmaster fails to comply with any of these terms, he may be deemed to be in breach of his Contract which will then be liable to termination. The obligations in this Appendix are additional to the Subpostmaster's responsibility, as the

employer of his Assistants, to comply with the provisions of any legislation and regulations that impose obligations on employers, providers of postal services and financial services, or sellers of insurance or communications products.

4. The Subpostmaster must establish and maintain a recruitment file for each Assistant. In order to meet its legal obligations regarding monitoring of compliance, Post Office Ltd will be entitled to inspect such recruitment files from time to time upon giving the Subpostmaster reasonable written notice that they should be made available for such inspection. The recruitment file should include, in the format of the Recruitment Checklist at Annex C to this Appendix, a comprehensive record of all checks carried out in relation to the recruitment, selection and employment of any person applying to him for employment as an Assistant (defined in the Temporary Contract as the "Applicant").
1. The Subpostmaster is responsible for carrying out all necessary checks in order to satisfy himself as to the honesty, integrity and suitability of any Applicant. He must also take certain steps, as set out below, in order to satisfy himself as to:

- (i) the right to work in the UK;
- (ii) the identity and permanent National Insurance number; and
- (iii) the address,

of any Applicant.

## 2. Proof of Right to Work in the UK

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

### Step 1

The Subpostmaster will need to ask all Applicants to provide documentation that satisfies the criteria listed at Annex B to this Appendix.

### Step 2

The Subpostmaster must satisfy himself that the Applicant is the rightful holder of any of the documents he presents.

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

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

certificate, divorce document, deed poll, adoption certificate or statutory declaration.)

### Step 3

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

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

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

### Step 4

List in the Applicant's recruitment file all documents seen and copied on steps 1-3 above (e.g. 'UK Passport - Number 12345678'; or 'Full birth certificate and a P60 dated 14 April 2005').

### 3. Proof of Permanent National Insurance Number

Unless already provided and photocopied, as part of an Applicant's documentation proving his Right to Work in the UK, the Subpostmaster will need to see a document giving the Applicant's permanent National Insurance Number and name. This could be a: P45, P60, National Insurance card, or a letter from a Government agency.

The Subpostmaster must then list in the Applicant's recruitment file the document seen (there is no need to photocopy the document if it is provided solely for proving the NI number).

For the small number of Applicants who are unable to supply a permanent National Insurance number, they should be asked to explain why, the reason should be noted and the Subpostmaster should consider carefully whether to proceed with the application. Applicants with a genuine reason for being unable to supply a permanent National Insurance number (such as Applicants from outside the UK) should be advised that they would need to obtain one from the relevant authorities prior to being appointed.

### 4. Proof of Address

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

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

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

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

The Subpostmaster must ensure that all recruitment files for successful Applicants have been correctly annotated and the associated photocopies have been included to provide proof of an Applicant's right to work in the UK. There should be no missing photocopies, incorrect combinations of documents or incomplete tick lists.

The Subpostmaster must not confirm an Applicant's appointment until the criteria have been met and the registration process outlined below has been completed.

It is the Subpostmaster's responsibility to ascertain that all documentation supplied by the Applicant satisfies the criteria.

#### 5. References

At the recruitment stage, the Subpostmaster will need to obtain at least 2 references (which must be independent of the Applicant and of each other) in respect of the Applicant.

#### 6. Work History

The Subpostmaster must obtain a work history from each Applicant for the immediately preceding 5 years (unless the period in which each Applicant has worked can be proved to be less than 5 years, in which case the work history of the full period must be obtained). It is the Subpostmaster's responsibility to assure himself of the validity and accuracy of the details provided by the Applicant. (Measures to achieve this could include questioning at interview, and the seeking of references from previous employers).

#### 7. Honesty, Integrity and Suitability

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

In order to help prevent the employment of unsuitable or dishonest persons on Post Office® work, the Subpostmaster must, before the Applicant begins employment with the Subpostmaster, complete the registration process detailed at 9 below. Under no circumstances must the Subpostmaster employ an Assistant before the Registration Process is completed and the Subpostmaster has received clearance from Post Office Ltd to employ that Assistant. All Assistants must be registered, including members of the Subpostmaster's family who may only occasionally work in the Post Office® branch. Holiday reliefs also need to be registered.

#### 8. The Registration Process

To register an Applicant as an Assistant the Subpostmaster must complete forms P250 and P13. The text of form P250 is at Appendix 1 to this Section 15. The text of form P13 is at Appendix 1 to Section 16. In addition the Applicant must complete and sign a Security Checks Consent Form. The Subpostmaster may obtain these forms from Post Office Ltd.

**Form P250.** The Subpostmaster must complete and sign Section 1; the Applicant must complete and sign Section 2. The Subpostmaster must then submit the completed form to the address indicated on it.

The Subpostmaster must ensure that any details referred to in paragraphs 4.11.1 above and 4.11.5 below about the Applicant ("Relevant Information") which have come to his attention are honestly recorded on the form. This will enable Post Office Ltd to conduct its own checks into the background of the Applicant.

**Security Checks Consent Form.** The Applicant must complete this form in his own handwriting and sign and date it. The Subpostmaster must check that form is complete and legible and that the personal details shown on it match those entered on the P250. The completed form should be sent with the completed P250 to the address shown on the P250.

**Form P13.** If the Subpostmaster is satisfied that the identity, character, history and suitability of any Applicant will not cause him to breach any of the obligations in this Contract he must require that the Applicant makes a personal declaration on form P13 prior to commencing work in the Post Office® branch. Two copies of this form must be completed, one of which must be kept by the Applicant, and the other should be sent, with the completed P250 and the completed Security Checks Consent Form, to the return address on the P250. Both the Subpostmaster and the Applicant must sign the P13.

Pre-employment checks will be carried out upon receipt by Post Office Ltd of the relevant forms, which should be fully and legibly completed. (These checks can take up to seven working days.)

The Subpostmaster will then be informed whether or not he may employ the Applicant as an Assistant.

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

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

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

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

#### 9. Age

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

- no person under the age of 14 years may be employed in any capacity;
- the Assistant, even if a family member, must be fully registered with Post Office Ltd in accordance with the provisions of this Section 15; and
- the Subpostmaster must comply with all relevant legislation affecting the employment of young persons and children.

## ANNEX B

Proof Of Right To Work In The UK – Acceptable Documents

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

## LIST 1

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

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

## LIST 2

## FIRST COMBINATION

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

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

B. A full birth certificate issued in the United Kingdom, which includes the names of the holder's parents; OR

C. a birth certificate issued in the Channel Islands, the Isle of Man or Ireland; OR

D. a certificate of registration or naturalization stating that the holder is a British citizen; OR

E. a letter issued by the Home Office to the holder which indicates that the person named in it can stay indefinitely in the United Kingdom, or has no time limit on their stay; OR

DOCUMENT 7

## Annex C

Assistant Recruitment Checklist

Applicant's Full Name

Applicant's National Insurance Number

	Activity	Yes/No	Document details: [where applicable]
(a)	At least 2 references obtained?		
(b)	Evidence of identity seen?		
(c)	Evidence of permanent NI Number seen and any necessary photocopies taken and retained in the Applicant's recruitment file?		[Note details]
(d)	Evidence of address seen?		[Note details]
(e)	Evidence of right to work in UK seen and all necessary photocopies taken and retained (including Home Office registration application if applicable) in the Applicant's recruitment file?		
(f)	Has the 5 year work history been seen and verified if necessary?		
(g)	Has the Applicant ever been found guilty (including conditional discharges) of any offence in a court of law (including a Youth Court or Court Martial)?		
(h)	If the answer to (g) is "Yes", has the Relevant Information been shown in the P250		
(i)	Has the Applicant received any caution, reprimand or warning, or has he/she been involved in any mis-selling or lack of integrity in any form of selling environment?		
(j)	If the answer to (i) is "Yes", has the Relevant Information been shown in the P250?		
(k)	Has the P250 been completed in full and sent to the relevant address?		
(l)	Has the P13 been completed in full and sent with the P250?		
(m)	Has the authorisation for employment of the Applicant been received?		
(n)	Date employment as Assistant commenced		

Temporary Subpostmaster Contract  
Appendix 2

## SUBPOSTMASTERS' PRIVATE BUSINESS; BETTING AND GAMBLING; LICENSED PREMISES; BORROWING AND LENDING MONEY

1. Private Business

1.1 Except as permitted by and in compliance with any waiver granted by Post Office Ltd in accordance with paragraph 1.10 below, a Subpostmaster must not undertake in a private capacity, or allow anyone else to undertake on the premises in which his Branch is situated, the types of business listed in paragraph 1. 6 of this Appendix, as amended by Post Office Ltd from time to time in accordance with paragraph 1.7 below.

1.2 The restrictions on private business activities on the premises in which the Branch is situated are as follows:

(i) business concerned with the provision of services relating to the collection, conveyance and/or delivery of letters, parcels and packages (collectively called "Packets" in this paragraph) including without prejudice to the generality of the foregoing: the sale of stamps 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) sale of National Lottery products;

(iv) Banking, Building, Industrial and Provident Society, Friendly Society or Credit Union business or otherwise making available banking facilities including, without limitation, cheque-cashing, bureau de change (including the selling and buying back of currency, on demand and pre-order services), collecting deposits or providing withdrawal facilities on behalf of deposit-takers whether over-the-counter or through an automated teller machine (ATM) or providing loans, credit cards or other forms of credit or credit brokerage services but not including the provision of cash-back transactions or the provision of basic saving stamp schemes which do not involve the return of cash to participants in the scheme. For the avoidance of doubt, a cash-back transaction is the withdrawal of cash via a debit card scheme, from the account associated with the card used, as part of a transaction for the purchase of goods or services through the same scheme; and

(v) any financial services business or otherwise making available facilities which may compete with the financial services activities carried on or to be carried on by Subpostmasters 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 Subpostmasters) 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.

1.3 For the avoidance of doubt, these non-compete restrictions apply to all methods of transaction of the areas of business set out above. This includes without limitation the use of smartcards, ATMs and on-line terminals.

1.4 The categories of business listed in paragraph 1.2 above constitute the current restrictions but Post Office Ltd reserves the right to review these restrictions in the light of changing Business requirements, varying them if necessary. All Subpostmasters will be given at least 12 months' notice in writing of any such changes. No restrictions will be introduced on products other than Key Products and Services, as defined in paragraph 1.5 of this Appendix.

1.5 Key Products and Services are the core products and services offered by Post Office Ltd. The Key Products and Services are:

- (i) Letter, 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; and
- (xiii) Travel ticketing and travel passes;

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.

1.6 If a Subpostmaster is considering taking up a new private retail business opportunity which may fall within the scope of the current restrictions specified in paragraph 1.6 above, he should, before he takes up any such business, inform Post Office Ltd of the circumstances and seek advice as to whether the work concerned falls within the restrictions described above.

1.7 Subpostmasters may apply for a waiver from the restrictions in paragraph 1.2 of this Appendix. Post Office Ltd's waiver policy is available on the Post Office Ltd website. This sets out the circumstances in which a waiver may be granted and the procedures that must be followed. This policy is subject to amendment by Post Office Ltd from time to time. If a waiver is granted subject to conditions, a subpostmaster must comply with these conditions. A failure to do so will result in the waiver being invalid from the date the Subpostmaster ceased to comply with the conditions.

1.8 A Subpostmaster must not use and must ensure that no third party uses the name "Post Office" in connection with any of his private business activities (or the private business activities of a company with which he is associated in any way) or in such a way as to imply that Post Office Ltd is in any way connected with these activities. Nor may a Subpostmaster 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.

1.9 A Subpostmaster must not engage Royal Mail Group employees to undertake any work whatsoever connected with the Subpostmaster's private business (or the private business activities of a company with which he is associated in any way) at any time when they are employed in Post Office® or Royal Mail Group duties.

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

2.1. A Subpostmaster and his Assistants must not:

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

2.2. A Subpostmaster must not on the premises in which the Branch is situated;

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

2.3 Notwithstanding the conditions of Paragraphs 1.2 (iii), 1.5 and 2.2 above, a Subpostmaster and his Assistants may in a private capacity take part in or act as a promoter of such local lotteries as are permitted under the Lotteries and Amusements Act 1976 (Northern Ireland in part III of the Betting and Lotteries Act (Northern Ireland) 1957). The onus of ensuring that the law is complied with rests with the person concerned in the promotion and conduct of the lottery and the sale of tickets. Tickets for such lotteries must not be sold over the Post Office® branch counter nor must the Post Office® branch be used in any way for advertising purposes, e.g. in giving addresses at which tickets are available, nor must advertisements include the words Post Office/Post Office®, Sub-Post Office/Sub-Post Office®, Post Office branch/Post Office® branch or Subpostmaster.

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

2.5 Neither a Subpostmaster nor any company with which he is associated in any way must borrow from or lend money to any Royal Mail Group employee. Nor should a Subpostmaster or any such company provide security for the benefit of any Royal Mail Group employee in raising a loan.

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

## 3 POLITICAL ACTIVITIES

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

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

IN THE HIGH COURT OF JUSTICE  
QUEEN'S BENCH DIVISION

Claim No. HQ16XO1238

BETWEEN:

ALAN BATES & OTHERS

Claimants

- and -

POST OFFICE LIMITED

Defendants

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APPENDIX C – NETWORK TRANSFORMATION  
CONTRACT  
(all redactions relate to claimant-specific information)

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POST OFFICE LIMITED  
STANDARD CONDITIONS FOR THE OPERATION OF A LOCAL POST OFFICE® BRANCH (ON SITE  
VARIANT, POST OFFICE LIMITED CASH)

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

- PART 1 - DEFINITIONS USED IN THE AGREEMENT
- PART 2 - OPERATING A LOCAL BRANCH
- PART 3 - FINANCIAL DETAILS
- PART 4 - EQUIPMENT FOR A LOCAL BRANCH
- PART 5 - MANUAL FOR A LOCAL 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 Local 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 Local 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 and all associated Post Office related activities
Branch Premises	the premises specified in the Preface from which the Branch and the Basic Business are operated

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Client	any person on whose behalf Services and/or Products are supplied by Post Office Ltd through the Network
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
Customer	a customer of the Branch and/or of Post Office Ltd
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 specific guidance or instructions will take precedence
Equipment	Post Office Ltd Funded Equipment and Operator Funded Equipment
Existing Subpostmaster	the subpostmaster or 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 Post Office Ltd Funded Works and the Operator Funded Works as described in Appendix 1 to the Preface
Group	in relation to a company:  (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

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Holding Company;  
in each case from time to time;

Holding Company	shall have the meaning set out in section 1159 of the Companies Act 2006
Intellectual Property	all patents, copyrights, design rights, trade marks, goodwill, trade secrets, know-how, 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
Investment Amount	the amount to be contributed by Post Office Ltd for the Post Office Ltd Funded Works in accordance with clause 9.2 of the Preface and Part 3 of these Standard Conditions
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 manager of the Branch
Manual	the manuals and other documents referred to in Part 5 of these Standard Conditions
Minimum Hours	the minimum hours for the operation of the Branch specified in the Preface, including on any public or statutory holidays on which the Basic Business is open to the public
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	all information and data:

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Information	<ul style="list-style-type: none"><li>(a) relating to the System and the processes, operational procedures and rules of Post Office Ltd;</li><li>(b) relating to Clients and/or Customers and their transactions, including information relating to a named individual; and/or</li><li>(c) of a financial nature in relation to the Branch, Post Office Ltd, its business or Post Office Group or its business</li></ul>
Operator Funded Equipment	the equipment which is indicated in Appendix 2 of the Preface (as varied or amended by any Notice to Amend) as being paid for by the Operator, together with any other items provided by the Operator at its discretion, and which consequently belongs to the Operator
Operator Funded Works	the works, being works to the Branch Premises to accommodate the Post Office Local facility, which are indicated in Appendix 1 of the Preface as being paid for by the Operator
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 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 Funded Equipment	the equipment which is indicated in Appendix 2 of the Preface (as varied or amended by any Notice to Amend) as being paid for by Post Office Ltd, together with any other items provided by Post Office Ltd at its discretion by it, or on its behalf, to the Operator, and which consequently belongs to Post Office Ltd or its supplier

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Post Office Ltd Funded Works	the works, being the enabling works to the Branch Premises to accommodate the Post Office Local facility, which are indicated in Appendix 1 of the Preface as being paid for by 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
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 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 6 months' notice
Working Day	a day other than a Saturday or Sunday or other public or statutory

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holiday in England and Wales

## PART 2 – OPERATING A LOCAL 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 The Operator shall open the Branch to Customers during at least the Minimum Hours.
  - 1.6 Post Office Ltd shall provide:
    - 1.6.1 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);
    - 1.6.2 the Operator with stocks of Products and documentation to use in the Branch.
  - 1.7 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.
  - 1.8 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.
  - 1.9 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

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by Post Office Ltd and/or its authorised representatives to the Branch and Post Office Ltd's information systems.

- 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 initially train the first Manager and such number of Assistants as Post Office Ltd shall determine, in the operation of the System at the Branch.
- 2.4 The Operator shall ensure that the first Manager cascades the training to all other Assistants and to any replacement Manager in order to ensure that all subsequent Managers and all other Assistants receive sufficient initial training from properly trained Managers.
- 2.5 Post Office Ltd may require the Manager 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 Managers 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 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:
  - 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;

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- 2.9.4 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 Post Office Ltd's cost;
- 2.9.5 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;
- 2.9.6 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;
- 2.9.7 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 3.4 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;
- 2.9.8 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 2.9.8 in respect of the completion of the Compliance Training by the relevant deadlines, Post Office Ltd may take such steps as it considers appropriate to ensure compliance with clause 2.9.8 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.

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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;

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 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 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

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location of the Post Office® counter and any other relevant information required by Post Office Ltd;

- 3.2.6 ensure that Customers can pay for other goods and services at the same time as paying for the Products and/or Services. The Operator may treat such transactions separately but the Customer does not need to queue again and does not need to be dealt with by a different sales assistant;
- 3.2.7 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;
- 3.2.8 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 himself 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 himself 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 him 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 Branch. 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;
- 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

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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 Manual) sufficient to meet Customer demands for those Products from the Branch only;
- 3.4.4 not transfer or sell (either to himself 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 9.2 to 9.4 (inclusive);

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- 3.6.4 provide Post Office Ltd with the information regarding the Basic Business prescribed by the Manual, in particular paragraph 10.2;
- 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.

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

- 3.8.1 he must not engage in or allow his 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;

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- 3.8.3 he 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 him 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:
- 5.1.1 operate the System; and
- 5.1.2 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:

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- 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).
- 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

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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 Arranged 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.
- 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.

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- 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:
- 8.3.1 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.
- 9 Technology Licence

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- 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 him 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:
- 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

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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:

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;

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- 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 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:

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- 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 his 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 he 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.

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

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- 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 with the agreement of the Operator 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 Operator in accordance with clause 15.2.3

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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 reasonable steps to enable Post Office Ltd to maintain access for Customers during the period of suspension to Products and Services.

## 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 6 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;

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 the Operator: becomes insolvent, enters into liquidation, whether compulsorily or voluntarily, otherwise than for the purpose of amalgamation or reconstruction or if an administration order is made in respect of the Operator;

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),

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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 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 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 the Manager or a 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; or
  - 16.2.16 fails to pay any sum due to Post Office Ltd under the Agreement by the due date.
- 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

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- 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 the Operator and Post Office Ltd pursuant to clause Error! Reference source not found.:
- 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):
- (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;
- 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

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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 6 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 (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.

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- 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 he shall not be entitled to receive any compensation or other sums in the event of the termination or suspension of the Agreement.

**18 Bribery Act 2010**

- 18.1 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:
- 18.1.1 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;
  - 18.1.2 not do anything which would constitute an offence under the Bribery Act 2010 if it had been done in the UK;
  - 18.1.3 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.
- 18.2 Any breach of this clause 18 by the Operator shall be deemed a material breach of the Agreement which cannot be remedied for the purposes of clause 16.2.1.
- 18.3 For the purpose of this clause, 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.

**19 No transfer of the Agreement**

- 19.1 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 entirely at the discretion of Post Office Ltd. Post Office Ltd may, but shall not

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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.

**20 Entire agreement and Notices to Amend**

20.1 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.

20.2 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 3 months' written notice to Post Office Ltd within 1 month of receipt of a Notice to Amend.

**21 Notices**

21.1 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:

21.1.1 in the case of Post Office Ltd, Contracts Admin Team, Post Office Ltd, Upper Floor, 6-16 The Markets Post Office, New York Street, Leeds, LS2 7DZ;

21.1.2 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.

**22 Choice of Law and Jurisdiction**

22.1 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.

**23 Miscellaneous**

23.1 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.

23.2 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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- 23.3 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.
- 23.4 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:
- 23.4.1 the Conditions of Appointment;
  - 23.4.2 the Standard Conditions; and
  - 23.4.3 the Manual.
- 23.5 If there is any inconsistency between:
- 23.5.1 the Agreement; and
  - 23.5.2 any amendment to the Manual after the Commencement Date,  
then such amendment shall prevail.
- 23.6 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.
- 23.7 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.

## 24 Interpretation

- 24.1 In the Agreement unless the context requires otherwise:
- 24.1.1 words denoting the singular include the plural and vice versa and words denoting any gender include every gender;
  - 24.1.2 references to a person include any corporate or unincorporated body;
  - 24.1.3 the headings in the Agreement do not affect its interpretation;
  - 24.1.4 the terms including, include, in particular or any similar expression shall be construed as illustrative and not limiting;
  - 24.1.5 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 Equipment, Works and Funding

- 1.1 The Operator shall be responsible for the cost of the Operator Funded Works and the Operator Funded Equipment and for ensuring that they are carried out or obtained in accordance with the Agreement.
- 1.2 Post Office Ltd shall be responsible for the cost of the Post Office Ltd Funded Works up to the Investment Amount and for the costs of obtaining and installing the Post Office Ltd Funded Equipment, in accordance with, and subject to, the process outlined in this clause 1. In addition, Post Office Ltd shall also be responsible for the costs of any making safe or associated works at the Branch Premises that are required as a result of the removal of Post Office Ltd's equipment by Post Office Ltd's contractors, up to the amount agreed in writing by Post Office Ltd, and in any event capped at a maximum of £1,000 (inclusive of VAT). For the avoidance of doubt, where such an amount is agreed by Post Office Ltd, it shall be in addition to the Investment Amount. Any cost of making safe or any associated works in excess of such agreed amount shall be borne by the Operator. Clause 1.5 of this Part 3 shall apply to these works.
- 1.3 Post Office Ltd shall be responsible for ensuring that each item of the Post Office Ltd Funded Equipment is obtained and installed in the Branch Premises 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 Funded Equipment and making payment directly to such suppliers and contractors engaged by Post Office Ltd.
- 1.4 The Operator shall be responsible for ensuring that each element of the Post Office Ltd Funded Works is carried out in accordance with the Agreement unless Appendix 1 to the Preface specifically and expressly indicates that Post Office Ltd is responsible for arranging any element of the Post Office Ltd Funded Works.
- 1.5 Where the Operator is responsible for ensuring that any Post Office Ltd Funded Works are carried out, 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 part of the Post Office Ltd Funded Works that the Operator is required to arrange, 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 contractor or its work; and
    - (b) the Operator shall only engage a contractor in relation to whom it has provided a quote to Post Office Ltd in accordance with this clause 1.5.1;

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- 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 spend on the Post Office Ltd Funded Works which the Operator is responsible for arranging, and subject to any obligations in relation to the start of the Post Office Ltd Funded Works in the Preface, enter into contracts with the relevant contractors for the supply of those Post Office Ltd Funded Works which the Operator is responsible for arranging;
- 1.5.3 ensure that the Post Office Ltd Funded Works which the Operator is responsible for arranging are completed with reasonable care and skill by reputable, competent contractors which hold all necessary qualifications, registrations, accreditations and certificates in order to be able to carry out the Post Office Ltd Funded 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 or Appendix 1 to the Preface, at Post Office Ltd's request, the Operator shall engage Post Office Ltd's preferred contractors to undertake that part of the Post Office Ltd Funded Works (if any) which the Operator is responsible for arranging; and
- 1.5.5 subject to clause 1.6 of this Part 3, pay the relevant contractors directly for their work.
- 1.6 Subject to clause 1.7 of this Part 3, Post Office Ltd shall reimburse the Operator for the costs actually incurred by the Operator in respect of the Post Office Ltd Funded Works which the Operator is responsible for arranging, up to the Investment Amount, and any making safe or associated works agreed by the Parties in accordance with clause 1.2 of this Part 3, provided that:
- 1.6.1 at the time of seeking reimbursement, the Operator must provide Post Office Ltd with a valid VAT invoice from each of the Operator's contractors, identifying a breakdown of work, together with evidence acceptable to Post Office Ltd that the Operator has paid such invoices;
- 1.6.2 Post Office Ltd is satisfied that the Post Office Ltd Funded Works have 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;
- 1.6.3 if the total costs of the Post Office Ltd Funded Works are more than the Investment Amount (or in the case of any making safe or associated works, the amount agreed by the Parties in accordance with clause 1.2 above) and Post Office Ltd incurs the excess cost, Post Office Ltd shall invoice the Operator for such excess cost and the Operator shall reimburse Post Office Ltd within 7 days of the date of such invoice; and
- 1.6.4 if the actual final cost of the Post Office Ltd Funded Works (as determined by Post Office Ltd on production by the Operator where required of all relevant documents,

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including receipts, invoices etc.) is less than the Investment Amount, the Investment Amount due from Post Office Ltd shall be reduced accordingly.

- 1.7 If the anticipated costs of the Post Office Ltd Funded Works are higher or likely to be higher than the Investment Amount because of unforeseen circumstances (for example, if asbestos is found at the Branch Premises), or any additional works are required, the Operator will promptly notify Post Office Ltd. The Parties shall discuss any such additional anticipated costs prior to such costs being incurred, and endeavour to agree which of the Parties shall be responsible for meeting the costs. For the avoidance of doubt, Post Office Ltd shall not in any circumstances be liable for the cost of any Post Office Ltd Funded Works or additional works (whether arranged by Post Office Ltd or the Operator) in excess of the Investment Amount, unless otherwise expressly agreed in writing by Post Office Ltd.

## 2 Repayment of Set Up Costs

- 2.1 If the Agreement is terminated at any time prior to, or within 18 months of the Start Date, then unless:

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

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

- 2.2 For the purposes of this clause 2, Set Up Costs means the costs incurred by Post Office Ltd in relation to the Post Office Ltd Funded Works, the Post Office Ltd Funded 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.

- 2.3 The amount to be paid under clause 2.1 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 date falling 18 months after the Start Date bears to the full 18 month period, but in any event the pro-rated amount to be paid by the Operator shall not be more than £8,000. 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.

## 3 Fees Booklet

- 3.1 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.

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- 3.2 The Operator acknowledges that it shall not be entitled to receive any compensation or other sums in the event of any variation to the Fees Booklet (and the Products, Services and Fees referred to in it).
- 3.3 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:
- 3.3.1 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
- 3.3.2 (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 3.3.2 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.

- 3.4 Provided that the Operator complies with the Agreement, Post Office Ltd will pay the Operator the Fees as follows:
- 3.4.1 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;
- 3.4.2 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).

- 3.5 Unless otherwise specified in the Preface with regard to the Fees payable in the first and second Accounting Periods following the Start Date:
- 3.5.1 the amount of Fees payable from the Start Date shall be a variable monthly payment, calculated on a "per Transaction" basis in accordance with clauses 3.4.1 to 3.4.2 of this Part 3 and in accordance with the Fees Booklet; and

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- 3.5.2 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 either the First Fees Payment(s) made by Post Office Ltd to the Operator in accordance with the Preface (if any) or the Fees otherwise paid to the Operator in the first two calendar months in respect of transactions carried out at the Branch by the Existing Subpostmaster prior to the Start Date. The Operator may receive Fees in the last calendar month during the Term for Transactions carried out in preceding Accounting Periods.
- 3.6 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.
- 3.7 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).
- 3.8 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:
- 3.8.1 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;
- 3.8.2 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;
- 3.8.3 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;
- 3.8.4 the self-billing arrangement will continue until the termination of the Agreement;
- 3.8.5 Post Office Ltd will inform the Operator if the issue of self-billing invoices is to be outsourced to a third party;
- 3.8.6 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, becomes VAT registered, changes its VAT registration number, ceases to be VAT registered, or sells the Basic Business or part of the Basic Business;
- 3.8.7 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.

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#### 4 Training costs

- 4.1 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.

#### 5 No benefit received from an Existing Subpostmaster

- 5.1 The Operator warrants to Post Office Ltd that it has not given to, or received from, the Existing Subpostmaster (or any Connected Person on behalf of or connected with the Existing Subpostmaster) any benefit in money or money's worth in connection with the Operator's appointment pursuant to the Agreement. A breach of this clause 5.1 shall amount to a material breach which cannot be remedied for the purposes of clause **Error! Reference source not found.** of Part 2.

- 5.2 For the avoidance of doubt, clause 5.1 shall not prevent the Operator from paying a full market price, on a proper commercial and arm's length basis, to the Existing Subpostmaster (or any Connected Person) in connection with:

5.2.1 obtaining a Valid Property Interest in the Branch Premises; and/or

5.2.2 the purchase of the retail business previously operated by the Existing Subpostmaster from the Branch Premises,

provided that no part of such payment relates to the opportunity to operate the Branch. If requested by Post Office Ltd at any time, the Operator shall provide all such information and supporting evidence as Post Office Ltd may reasonably require in relation to any payment made by the Operator to the Existing Subpostmaster (or any Connected Person) in accordance with this clause 5.2.

- 5.3 For the purposes of this clause 5, Connected Person means, in relation to the Existing Subpostmaster:

5.3.1 his spouse, civil partner or any person with whom he is or has been in a long term relationship;

5.3.2 any person who is or has been related by blood, marriage, adoption or civil partnership to him;

5.3.3 a trustee of a trust (excluding an employee's share scheme or a pension scheme) of which the beneficiaries or potential beneficiaries include him or any of the persons mentioned in clauses 5.3.1 and 5.3.2 of this Part 3;

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- 5.3.4 any person, partnership or company which has a legal or beneficial interest in the premises from which the Existing Branch has been operated;
- 5.3.5 any person, partnership or company who has a legal or beneficial interest in any residual retail (or other) business operated from the premises from which the Existing Branch has been operated;
- 5.3.6 a company where any of the officers, shadow officers or shareholders of the company or any company in its Group include him or any of the persons mentioned in clauses 5.3.1 to 5.3.5 of this Part 3 (inclusive);
- 5.3.7 a partnership (or partner in a partnership) in which any of the partners include him or any of the persons mentioned in clauses 5.3.1 to 5.3.5 of this Part 3 (inclusive); or
- 5.3.8 a limited liability partnership in which any of the members include him or any of the persons mentioned in clauses 5.3.1 to 5.3.5 of this Part 3 (inclusive).
- 6 Recovery of Investment Amount and of sums due
- 6.1 In this clause 6.1, Purpose shall mean paying suppliers for the Post Office Ltd Funded Works and/or making safe or associated works at the Branch Premises (as applicable). If the Investment Amount paid by Post Office Ltd to the Operator or any additional amount paid by Post Office Ltd to the Operator in accordance with clause 1.2 of this Part 3, has not been wholly used by the Operator for the Purpose, Post Office Ltd may reclaim (pursuant to clause 6.2 of this Part 3 or otherwise) all or such part of the Investment Amount or other amount paid by Post Office Ltd which Post Office Ltd determines has not been properly used by the Operator for the Purpose.
- 6.2 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 and/or the Investment Amount.

## PART 4 – EQUIPMENT FOR A LOCAL 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 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.

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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 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) a paystation™ terminal for use in conducting Transactions and/or additional terminals or self-service equipment (together referred to as the PO Terminals). Post Office Ltd shall act reasonably in determining which PO Terminals to loan to the Operator. 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

## Confidential

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
  - 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 Immediately prior to the Start Date, the Operator shall at Post Office Ltd's direction ensure, at its own cost, that any existing obsolete Post Office internal and external branding and signage is removed from the Branch Premises. If the Operator fails to do so, and then fails to within 14 days of a written notice from Post Office Ltd requiring the Operator to remove such obsolete branding and signage in accordance with this clause, Post Office Ltd may enter into the Branch Premises during the Minimum Hours and without the consent of the Operator, remove any such items at the expense of the Operator. The Operator shall pay such expenses to Post Office Ltd on demand or Post Office Ltd may, at its option, deduct the value of such expenses from the amount of the Investment Amount or other sums due to the Operator.
  - 13.2 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 bi-lingual sign (in the format "[blank] Syddfa'r Post®/Post Office®").

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- 13.3 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.
- 13.4 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 LOCAL BRANCH

## 1

- 1.1 The following list includes the manuals, guidelines and instructions which currently come under the definition of "Manual":
- Local 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
  - Branch Conformance Standards
  - Post Office cash and secure stock remittance services manual (online)

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- 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

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behalf of deposit-takers whether over-the-counter or through an automated teller machine (ATM) or providing loans, credit cards or other forms of credit or credit brokerage services but not including the provision of cash-back transactions or the provision of basic saving stamp schemes which do not involve the return of cash to participants in the scheme. For the avoidance of doubt, a cash-back transaction is the withdrawal of cash via a debit card scheme, from the account associated with the card used, as part of a transaction for the purchase of goods or services through the same scheme; and

- (v) any financial services business or otherwise making available facilities which may compete with the financial services activities carried on or to be carried on by operators at any time for or on behalf of Post Office Ltd or through Post Office® branches or which may compromise the regulatory status of Post Office Ltd (including for this purpose, its operators) in its role as appointed representative of Post Office Ltd's financial service product providers, including, for the avoidance of doubt, the promotion of competing financial services but not including the provision of basic savings stamps schemes which do not involve the return of cash to participants in the scheme.
- 1.7 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.

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.

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- 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.

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## 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 Funded Works and the Post Office Ltd Funded Works (except those specifically and expressly indicated in Appendix 1 to the Preface as being Post Office Ltd's responsibility to arrange) shall be:

1.1.1 synchronised in accordance with the timetable for the Fit Out Works and the installation of the Post Office Ltd Funded Equipment at the Branch Premises agreed between the Parties; and

1.1.2 completed in accordance with the requirements of Appendix 1 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 Post Office Ltd shall be responsible for arranging those Post Office Ltd Funded Works, if any, which are specifically and expressly indicated in Appendix 1 to the Preface as being Post Office Ltd's responsibility to arrange, and in particular, for entering into contracts with the relevant contractors for the supply of any such Post Office Ltd Funded Works and making payment directly to such contractors engaged by Post Office Ltd.

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

1.3.1 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;

1.3.2 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 Post Office Ltd Funded Equipment and to enable such Fit Out Works and/or the installation and set up of any Post Office Ltd Funded Equipment to be completed in time before the Start Date;

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- 1.3.3 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/or carry out any Post Office Ltd Funded 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);
- 1.3.4 without limiting the generality of clause 1.3.3 of this Part 7, ensure that such Fit Out Works and/or the installation and set up of any Post Office Ltd Funded Equipment comply with applicable obligations under the EA and the Equality Policy; and
- 1.3.5 check the Fit Out Works whilst they are being performed and once they are completed and the installation and set up of any Post Office Ltd Funded 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 Post Office Ltd Funded 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
  - (b) the Operator's supplier or contractor, the Operator shall notify its supplier or contractor and arrange for the defect to be rectified.
- 1.4 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 Funded Works and/or the installation and set up of any Post Office Ltd Funded Equipment at the Branch Premises.
- 1.5 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 1.5 where the other Party or its contractors, employees or agents was the cause of the delay.
- 1.6 Where the Operator and Post Office Ltd have agreed the need for any making safe and other associated works to be undertaken at the Branch Premises following the removal of Post Office Ltd's equipment by Post Office Ltd's contractors, the Operator shall be responsible for arranging such works (unless Appendix 1 of the Preface specifically and expressly indicates that Post Office Ltd is responsible for those works). Where the Operator is responsible for arranging such works, it shall comply with the obligations in clause 1.5 of

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Part 3 and clause 1.3 of this Part 7 in relation to such making safe and other works (to the extent such obligations are applicable).

- 1.7 Post Office Ltd shall not be liable for the acts or omissions (including negligence) of:
  - 1.7.1 the contractors engaged by the Operator (including any contractors suggested or approved by Post Office Ltd); nor
  - 1.7.2 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.
- 1.8 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 a prominent position within the Branch Premises in the location shown on the plan in Appendix 1 of the Preface 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, such 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;
    - 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;

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- 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 Local 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 or vice versa;
- 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 area of the counter used for Transactions 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.



IN THE HIGH COURT OF JUSTICE  
QUEEN'S BENCH DIVISION

Claim No. HQ16XO1238

BETWEEN:

ALAN BATES & OTHERS

Claimants

- and -

POST OFFICE LIMITED

Defendants

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APPENDIX D – FRANCHISE AGREEMENT  
(all redactions relate to claimant-specific information)

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FRANCHISE



COMPANY FRANCHISE AGREEMENT

with



Post Office Ltd  
Registered in England Number: 2154540  
Registered Office:  
80-86 Old Street London EC1V 9NN

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**THIS FRANCHISE AGREEMENT** is made between Post Office Ltd (registered No. 02154540) whose registered office is situated at 80-86 Old Street, London, EC1V 9NN ("the Franchisor") of the one part and the company specified in the Fifth Schedule whose registered number and office are specified in the Fifth Schedule ("the Franchisee") of the other part.

**WHEREAS**

- (A) The Franchisor has a network of Post Office® branches throughout the UK. This network enables the public to have access to a range of services of general social importance. Such services include mails and parcels services, services on behalf of government, banking, bill payment, revenue collection, bureau de change and financial services. Regular access to these and other services is important to the economic welfare of the communities which the branches serve.
- (B) Terms used in these recitals have the meaning given to them in the Definitions clause below.
- (C) The Franchisor and its predecessors in title have for many years past carried on the Post Office Business and have obtained and acquired considerable knowledge about the conduct of the Post Office Business, and have established a substantial demand and goodwill for the Post Office Business, and a substantial and exclusive reputation in the Trade Name.
- (D) The Trade Name is associated with uniformly high standards of service.
- (E) The System is secret and confidential and is the exclusive property of the Franchisor.
- (F) The System includes methods of conducting transactions in the provision of the Services and the issue and sale of the Products and a recognised design, decor and colour scheme for the business premises to be occupied by franchisees, equipment, furniture, layout, service format, standards of quality and uniformity of products and services offered and procedures for accounting, cash inventory and management control.
- (G) The provision of some of the Services requires the highest standards of confidentiality and since many of the organisations on whose behalf such services are provided are Government departments which are subject to strict rules of confidentiality including the operation of the Official Secrets legislation, the Franchisee accepts and acknowledges that it is essential that the same standard of confidentiality will be required from it and all its staff who may have access to information which is affected by such rules or legislation.
- (H) The Franchisor manages and co-ordinates the Post Office network, and has granted and may from time to time grant franchises permitting the operation of businesses providing the Services under the Trade Name in accordance with the System from certain premises.
- (I) The Franchisee desires to obtain the benefit of the Franchisor's knowledge, skill and experience and the right to provide the Services and to issue and/or sell the Products in accordance with the System under the Trade Name from the Said Business.

- (J) The Franchisee acknowledges that the Franchisor has agreed to enter into this Agreement with the Franchisee on the basis of the Basic Business which the Franchisee will carry on on part of the Trading Premises.
- (K) The Franchisor is the registered proprietor of the Trade Marks and has agreed that the Franchisee may use the Trade Marks upon the terms and conditions hereafter appearing.
- (L) This Agreement shall only apply to the Trading Premises.

**DEFINITIONS**

In this Agreement the following terms shall have the following meanings unless the context shall otherwise require:

- "Agreement" means this Franchise Agreement, the Schedules hereto, the Franchise Manual (including the Operations Manual), the remuneration booklet, the Branding Guidelines and the Branch Signage Manual;
- "Agreement Date" means the date on which this Agreement is executed by the Franchisee;
- "Basic Business" means the nature of the existing or proposed business as specified in the Fifth Schedule hereto which is carried on or to be carried on by the Franchisee on part of the Trading Premises;
- "Branding Guidelines" means any branding guidelines issued by the Franchisor from time to time;
- "Branch Signage Manual" means any branch signage manual issued by the Franchisor from time to time;
- "Code of Practice" means the Code of Practice on Post Office branch relocation, closure and conversion as agreed between the Franchisor and Postwatch from time to time;

- "Commencement Date" means at the Franchisor's discretion either the date specified by the Franchisor in accordance with clause 1(C) or 1(E) as appropriate or such later date as may be notified by the Franchisor in writing to the Franchisee at least 21 days prior to the specified date provided that such date will be no fewer than 2 and no more than 12 weeks after the date of Notification referred to in clause 1 of this Agreement;
- "Confidential Information" means any information or know-how in whatever form relating to the business affairs, products, operating or marketing techniques, suppliers, customers, clients, or finances of either of the Parties which is by its nature confidential or is marked confidential including without limitation Official Information;
- "Consultation" means a public consultation conducted by the Franchisor under its Code in accordance with the provisions in the Code which apply to the conversion of a directly managed Post Office branch to a franchise operated by the Franchisee at the Trading Premises;
- "Converting branch" means the directly managed Post Office branch specified as such in the Fifth Schedule hereto;
- "Copyright" means the copyright and database rights in material which is employed or which will be employed in connection with the conduct of the Post Office Business and which is or will be owned by the Franchisor or Royal Mail Group at any time during the operation of this Agreement;
- "Counter Automation System" means a form of electronic cash register and /or point of sale system;
- "DPA" means the Data Protection Act 1998;
- "Franchise Manual" means the Franchisor's operational manual or manuals containing details of the System and the Services and related matters including instructions on the methods of transacting Post Office Business as amended by the Franchisor from time to time;
- "Further Agreement" means a further franchise agreement on the Franchisor's then current form of Franchise Agreement;

- "Final Franchise Proposal" means the franchise proposal which records the terms and conditions on which the Franchisor is prepared in principle to grant the franchise at the Said Premises to the Franchisee and which the Franchisee is prepared in principle to operate the Franchise Post Office Branch at the Said Premises.
- "Intellectual Property" means all patents, trade marks, service marks, trade and business names, copyright (including copyright in computer programs), rights in designs, database rights, rights in inventions, rights in know-how, trade secrets, rights in corporate imagery, rights in confidential information and all other intellectual property rights or forms of protection of a similar or equivalent nature or effect, together with all applications for registration of and rights to apply for any of the foregoing;
- "Key Date" means the date specified as such in the Fifth Schedule;
- "Manager" means an individual member of staff appointed by the Franchisee in accordance with clause 7(D)(iii) below who shall have managerial responsibility for the conduct of the Post Office Business at the Said Premises;
- "Official Information" means all information and data:
- (a) concerning processes, the System, operational procedures and rules of the Franchisor;
  - (b) of or about Post Office Clients and/or customers of the Said Business and their transactions including information in relation to a named individual; and/ or
  - (c) of a financial nature in relation to the Said Business, the Franchisor or Royal Mail Group.
- "Opening Hours" means the days and hours as specified in the Fourth Schedule;
- "Personal Data" means the personal data (as defined in the DPA) provided by the Franchisor to the Franchisee from time to time or processed (as defined in the DPA) by the Franchisee in connection with this Agreement;
- "Post Office Branch" means a directly managed branch, agency or franchise Post Office branch or any other form of Post Office branch operated by or on behalf of the Franchisor;

- "Post Office Business" means the business of a Post Office, comprising the provision of the Services to other subsidiaries of Royal Mail Group, to Government departments and divisions and to commercial entities and involving the issue and/or sale of the Products, the encashment of the Products and the receipt of monies on behalf of third parties;
- "Post Office Clients" means (i) any third parties with whom arrangements are made by the Franchisor for the Post Office network to provide services to them which may or may not involve the issue or sale of Products and, where those arrangements do involve the issue or sale of any Products, on whose behalf the Products are handled by the Post Office network and (ii) any prospective suppliers of other products whether or not similar to the Products for the handling thereof by the Post Office network;
- "Post Office Intellectual Property" means all Intellectual Property in the ownership of or which will be owned by the Franchisor or Royal Mail Group including the Trade Marks and the Copyright;
- "Post Office network" means the network of Post Office branches within the United Kingdom operated or controlled by the Franchisor;
- "Product(s)" means articles, valuable documents and negotiable instruments as described in the First Schedule;
- "Property Interest" means a valid lease, licence, freehold or equivalent interest held by the Franchisee in relation to the Trading Premises;
- "Remuneration booklet" *copy.* means the remuneration booklet as specified in the Final Franchise Proposal issued by the Franchisor describing the system of remuneration and rates of payment applicable to the Franchisee, as amended and/or revised by the Franchisor from time to time;
- "Royal Mail Group" means the group of companies composed of Royal Mail Group plc, its holding company (if any), and subsidiaries and associated undertakings of Royal Mail Group plc and its holding company. The terms "holding company" and "subsidiary" shall have the same meaning as in the Companies Act 1985, sections 736, 736A and 736B;

- "Said Business" means the Post Office Business to be carried on by the Franchisee from the Said Premises in exercise of the rights granted under clause 2 of the Agreement, and for the purposes of clause 18, shall include all assets of the Said Business excluding the Franchisor's cash, stock, the Said Equipment and any other Items belonging to the Franchisor or to Post Office Clients;
- "Said Equipment" means the equipment, signs and goods set out in Part I of the Second Schedule;
- "Said Premises" means the part designated and delineated as such on the attached plan of the Trading Premises;
- "Service(s)" means the provision of a range of postal, governmental, commercial and other services as described in the First Schedule;
- "System" means the methods of conducting and marketing the Post Office Business;
- "Shareholder Transfer Event" means (i) if the Franchisee is a private company, any change in the beneficial ownership of any of its share capital; or (ii) if the Franchisee is a public company, any circumstance as a result of which any person acquires shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the Franchisee or any circumstances pursuant to which any person or group of persons becomes obliged to extend an offer to the holders of any class of share capital of the company;
- "Term" means the period of five years commencing on the Commencement Date;
- "Trade Marks" means the registered and unregistered trade marks which are employed in connection with the conduct of the Post Office Business and any trade marks and trade names (including the Trade Name) that may be created, adopted or registered by the Franchisor or Royal Mail Group at any time during the operation of the Agreement;
- "Trade Name" means the name "Post Office ®";
- "Trading Premises" means the entirety of the premises specified in the Fifth Schedule which include the Said Premises and which are occupied by the Franchisee and either owned by the Franchisee or in which the Franchisee has a valid Property Interest and from which the Said Business and the Basic Business will be operated which shall include any attached residential accommodation owned or occupied by the Franchisee or persons connected with the Franchisee;
- "VAT" means Value Added Tax and any tax or duty of a similar nature substituted for or in addition to it.

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NOW IT IS HEREBY AGREED as follows:

1 CONDITION PRECEDENT

- (A) The rights and obligations of the parties under this Agreement (other than those contained in this clause 1) are conditional on the satisfaction of the condition precedent (referred to in this clause as "the Condition Precedent") set out in clause 1(B) below or on its waiver pursuant only to clause 1(E) below.
- (B) The condition precedent referred to in clause 1(A) is as follows:  
that, having concluded the Consultation and taken account of the representations made during the Consultation, the Franchisor in its absolute discretion decides that it wishes this Agreement to take effect and notifies the Franchisee accordingly in writing no later than 2 weeks after the conclusion of the Consultation ("the Notification").
- (C) The the Notification from the Franchisor referred to in clause 1(B) above will specify the exact date on which this Agreement will become effective which will be at the Franchisor's sole discretion but will be no fewer than 2 and no more than 12 weeks after the date of the Notification.
- (D) In the event that, having concluded the Consultation and taken account of representations made during the Consultation, the Franchisor in its absolute discretion decides that it does not wish this Agreement to take effect, the Franchisor shall notify the Franchisee of its decision in writing no later than 2 weeks after the conclusion of the Consultation.
- (E) The Franchisor reserves the right to waive the Condition Precedent. Any such waiver shall be effected by service of a written notice on the Franchisee and is without prejudice to any other rights which the Franchisor may have under this Agreement. Upon waiver of the Condition Precedent it shall be deemed to have been satisfied from a date specified by the Franchisor in the notice of waiver and being no less than 2 and no more than 12 weeks from the date of that notice, which date shall be deemed to be the date on which this Agreement will become effective.
- (F) If the Condition Precedent is not satisfied or waived by the Key Date, it shall be deemed not to have been satisfied.
- (G) Neither party shall have any liability to the other in the event that the Condition Precedent is not satisfied, save that in such event the Franchisor shall be obliged:
  - (i) to return to the Franchisee the franchise fee paid under clause 11 of this Agreement; and
  - (ii) if requested by the Franchisor to do so, to negotiate in good faith with the Franchisor such changes to this Agreement or the Final Franchise Proposal as the Franchisor may put forward as a result of the Consultation

**2 RIGHTS GRANTED**

(A) Subject to and in accordance with the terms hereof the Franchisor hereby grants to the Franchisee the rights for the purposes of the Said Business:

- (i) to operate the System; and
- (ii) to use the Trade Name, Trade Marks and Copyright in accordance with clause 15.

(B) For the avoidance of doubt the Franchisee hereby acknowledges that all goodwill associated with or arising from the use of the System and the Post Office Intellectual Property shall at all times belong to and be vested in the Franchisor and that the Franchisee only has the right to benefit from such goodwill to the extent and upon the terms provided by this Agreement and will execute a confirmatory assignment of such goodwill on request by the Franchisor.

(C) The Said Business shall only be carried on by the Franchisee from the Said Premises. The Franchisee hereby warrants to the Franchisor that it has the right to exclusive occupation and control of the Trading Premises for the purpose of conducting the Basic Business and the Said Business for at least the Term of this Agreement. The Franchisee hereby undertakes not to share or divest itself of occupation or control of the Trading Premises during the term of this Agreement and during the term of any Further Agreement that it shall enter into pursuant to clause 3 without the prior written consent of the Franchisor. \*

(D) The Franchisee shall also have:

- (i) the benefit of the Franchisor's accumulated experience and knowledge; and
- (ii) the benefit of the Franchisor's accounting and merchandising knowledge and experience; and
- (iii) all other rights and benefits which may accrue to the Franchisee by virtue of this Agreement.

**3. AGREEMENT DURATION AND FURTHER AGREEMENT**

(A) Subject to the satisfaction of the condition precedent in Clause 1 above, this Agreement shall take effect on the Commencement Date and, subject to the provisions for termination contained in this Agreement shall expire at the end of the Term subject to the Franchisee's right to enter into a Further Agreement as contained in this clause 3;

(B) The Franchisee shall have the right to enter into a Further Agreement with the Franchisor at the expiration of the Term hereby granted upon the terms and conditions set out below.

(C) Subject to the fulfillment of the following conditions precedent, such right shall be exercised by the Franchisee by notice in writing to the Franchisor given not less than twelve months before the expiration of the said Term. The conditions precedent are that:



- (i) there shall be no outstanding material breach by the Franchisee of the terms of this Agreement; and
- (ii) the Franchisee shall have substantially observed and performed the terms and conditions hereof.

(D) The Franchisor shall not later than 3 months prior to the expiry of the fourth year of this Agreement provide the Franchisee with a copy of the proposed Further Agreement including details of the proposed volume related commissions ("the Proposed Commission Details") to be applicable in the proposed Further Agreement together with details of such works as required under sub-clause 3(E)(i). In providing such information the Franchisor shall not be admitting that the conditions precedent referred to in sub-clauses 3(C)(i) and (ii) are satisfied. Provided always that should the Franchisor fail to provide the Proposed Commission Details within the timescale detailed within this clause then the Franchisee shall have a period of 3 months from such later date of provision of the same to serve notice requiring a renewal of the Agreement from the date of expiry.

(E) The terms upon which the Further Agreement shall be entered into shall be the following:

- (i) the Franchisee shall undertake to carry out, at its own expense, within a period of sixty days (or such longer period as may be agreed by the Franchisor, such agreement not to be unreasonably withheld) from the date of the notification of its requirements by the Franchisor to the Franchisee, such works of renovation, modernisation and refurbishment as are set out in the Sixth Schedule to the Further Agreement, and to replace such fixtures, signs, furnishings and equipment as may be reasonably necessary to bring the Said Premises up to then current standards of design and decor for franchised branches within the Post Office network and to comply with any relevant statutory or other requirements or regulations;
- (ii) the Franchisor and Franchisee shall enter into a Further Agreement, by mutual agreement, for a period at least equal to the Term granted by this Agreement upon the terms of the Franchisor's then current form of Franchise Agreement, provided however that (a) the Franchisee will not be under any obligation to pay any sum expressed by way of an initial fee, (b) the Further Agreement shall be on the same terms and conditions as notified to the Franchisee as aforesaid and (c) the Franchisor shall not be obliged to provide any of the initial or other obligations contained in such agreement which are appropriate to the establishment in business of a new franchisee;
- (iii) the Franchisor shall upon the commencement of the Further Agreement be deemed to have been released and discharged by the Franchisee from all claims and demands whether or not contingent which the Franchisee may have against the Franchisor arising from this Agreement; and
- (iv) provided further that if after the service of the notice referred to in sub-clause (C) of this clause and prior to the entry into the Further

Agreement the Franchisee shall fail to carry out the works and replacements referred to in sub clause 3(E)(i) hereof, or shall commit a breach of this Agreement such as to justify the termination hereof, or which may result in the termination hereof, the Franchisee's right to enter into a Further Agreement shall cease and be of no effect.

**4. FRANCHISOR'S INITIAL OBLIGATIONS**

To assist the Franchisee in opening for business the Franchisor will (in addition to training to be provided pursuant to the provisions in that respect hereinafter contained) provide to or make available to the Franchisee the following services and/or goods:

- (A) consultation and advice with regard to the suitability of the Said Premises and the alteration, refurbishment, renovation or other work necessary for the conversion and adaptation of the Said Premises into a Post Office branch and any fittings required therefor;
- (B) the use on loan of standard plans, drawings and specifications of a Post Office branch. If it shall be necessary to amend such plans and drawings to suit the Said Premises the Franchisee shall, at its own expense, employ an Architect or Surveyor for the purpose. Plans and drawings so amended shall not be used for any purpose until they shall have been approved in writing by the Franchisor (such approval not to be unreasonably withheld);
- (C) consultation and advice with regard to the way in which fixtures, fittings and equipment are to be installed in the Said Premises with a view to the efficient operation of the Said Business and the security of the valuable items of which the Franchisee will be holding stocks;
- (D) general supervision of the said conversion not including day to day or immediate supervision which will be the responsibility of the Franchisee's Architect or Surveyor;
- (E) consultation (including consultation with the designated officers and general management of the Franchisor) and advice with a view to enabling the Franchisee to commence the Said Business including advice and consultation with regard to the purchase of materials, the selection, training and supervision of staff, cash handling, security, accounting, book-keeping, advertising and the day to day operation of the Said Business;
- (F) advice on and the provision of the range and quantity of the stock of the Products for the Said Business prior to its opening.

**5. FRANCHISOR'S CONTINUING OBLIGATIONS**

The Franchisor shall at all times during the subsistence of this Agreement:

- (A) provide the Franchisee with the Franchise Manual which shall contain details of the System and the Services and related matters including instructions on the methods of transacting the Post Office Business and shall provide the Franchisee with details of any alterations and/or improvements in or to the System or the Services to enable the Franchisee to keep the Franchise

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Manual up to date. In the event of any dispute the authentic text of the Franchise Manual shall be the copy kept as such by the Franchisor at its Head Office. The Franchise Manual shall at all times remain the property of the Franchisor. The Franchisee hereby acknowledges that the copyright in the Franchise Manual is vested in the Franchisor;

- (B) provide the Franchisee with reasonable facilities for consultation with the designated officers of the Franchisor in relation to the conduct of the Said Business with a view to assisting and enabling the Franchisee to maintain the operation of the System;
- (C) provide the Franchisee with advice, know-how and guidance in such areas as management, cash handling, security, finance, promotion and methods of operation to be employed in or about the conduct of the Said Business;
- (D) provide the Franchisee with a continuing service which, subject to the provision by the Franchisee to the Franchisor of such information as the Franchisor may reasonably require, will enable the Franchisor to monitor the performance of the Said Business and to offer guidance to assist in the achievement and maintenance by the Franchisee of standards of operation, service and product;
- (E) the Franchisor shall have the right to enter into contracts or arrangements with those Post Office Clients on whose behalf the Products are handled by the Post Office network, or prospective suppliers of other products whether or not similar to the Products, for the handling thereof by the Post Office network, on such terms as the Franchisor shall consider reasonable. The Franchisor shall also have the right to enter into contracts or arrangements with others for the supply of Services and Products in relation to the Said Business by the Franchisee on such terms as the Franchisor shall in its discretion consider to be in the interests of the Post Office network as a whole (including the provision of credit on reasonable terms) bearing in mind the potential benefits to the Post Office network;
- (F) in accordance with the Franchise Manual, provide the Franchisee, at the Franchisor's expense, with all necessary Products, written materials, books of account, forms and other documentation for use by the Franchisee in its dealings with customers and other third parties. Supplies of all Products shall be made at the Franchisor's discretion and are provided solely for the purposes of the Post Office Business at the Said Premises only;
- (G) repair and maintain the Said Equipment as requested by the Franchisee and any items referred to in clause 7(H)(iv) hereof.

6. LEASE OF EQUIPMENT

- (A) The Franchisor agrees to lease to the Franchisee during the subsistence of this Agreement and any Further Agreement the Said Equipment and the Franchisee agrees to take the Said Equipment on lease from the Franchisor, upon the terms of payment set out in Part II of the Second Schedule.

- (B) The Franchisee shall not sell or offer for sale, mortgage or pledge, underlet, lend or otherwise deal with or part with the possession of the Said Equipment.
- (C) The Franchisee shall not interfere with or adjust the Said Equipment except as specifically authorised in the Franchise Manual and the Franchisee shall keep the Franchisor indemnified against all loss and damage to the Said Equipment caused by the wilful or negligent misuse thereof.
- (D) The Franchisor may affix to the Said Equipment, or any part thereof, such plates or other marks indicating that the Said Equipment is the property of the Franchisor and the Franchisee shall not obliterate, deface or cover up the same, and the Franchisor shall at all reasonable times have access to the Said Equipment for the purpose of inspecting such plates and keeping the same in good repair.
- (E) The Said Equipment shall not be used or be permitted to be used by the Franchisee for any other purpose other than for the Said Business and as provided in the Franchise Manual.
- (F) The Franchisee shall not permit any lien or other encumbrance to affect the Said Equipment. In particular the Franchisee shall inform any person to whom a debenture over any part of the Franchisee's assets is to be issued that the Said Equipment is not the property of the Franchisee.
- (G) The Franchisee shall at all times keep the Said Equipment insured to the full value thereof in accordance with the provisions of clause 14 hereof.
- (H) Subject to the provisions of the Second Schedule, the Franchisee shall, at its own expense, return to the Franchisor the Said Equipment and any other items loaned to the Franchisee as listed in Part III of the Second Schedule in good working order and in a good state of repair (fair wear and tear excepted) upon the termination of this Agreement.

## 7. FRANCHISEE'S OBLIGATIONS

In order to maintain uniformly high standards amongst franchisees carrying on business under the Trade Name in accordance with the System and to protect the Franchisor, the Franchisee and the Post Office network, the demand for the Products and the Services sold, supplied or provided in the Post Office Business under the Trade Name, and the reputation and goodwill thereof, the Franchisee shall:

- (A) (i) operate the Said Business from the Said Premises in accordance with this Agreement from the Commencement Date and operate the Basic Business from the Trading Premises from the Commencement Date;
- (ii) ensure that the Said Premises are altered, refurbished, adapted, equipped and fitted out (including signage) in accordance with the Franchisor's requirements and the provisions of the Franchise Manual for the purposes of carrying on the Said Business from either the Commencement Date or such later date being no more than 12 months after the Commencement Date as the Franchisor may agree in writing prior to the Commencement Date and

for the remainder of the Term, and shall from time to time and within such timescales as the Franchisor may reasonably require, make such improvements, alterations and modifications to the Said Premises as are reasonably necessary for the performance by the Franchisee of its obligations hereunder including without limitation the performance of its quality service obligations as set out in clause 7(D)(v) hereof. The Franchisee shall be responsible for obtaining any necessary planning, by-law or other consents therefor;

(iii) ensure that the remainder of the Trading Premises are altered, refurbished, adapted, equipped and fitted out in accordance with any plans agreed with the Franchisor so as to be fully able to be used by the Franchisee for the purposes of carrying on the Basic Business from the Commencement Date (or from such later date as the Franchisor may agree in writing prior to the Commencement Date) and for the subsistence of this Agreement and any Further Agreement;

Time shall be of the essence in respect of the Franchisee's obligations under clause 7(A).

(B) acquire such equipment and other items whatsoever which are necessary for the performance by the Franchisee of its obligations hereunder;

(C) (i) comply with the Franchise Manual and operate the System properly and use its best endeavours to achieve the performance standards in accordance with the provisions of the Franchise Manual current from time to time. The Franchisee shall not make use of the Franchise Manual for any purpose other than for the conduct of the Said Business nor shall it make any copies thereof. The Franchisee shall further ensure that the Franchise Manual with which it is provided is kept up-to-date at all times subject to the Franchisor complying with its obligations in clause 5(A);

(ii) not do anything which may bring the System into disrepute or which may damage the interests of the Franchisor or Post Office network;

(iii) not promote or advertise at the Said Premises or in or about the Basic Business any political party or support in any manner any political causes in such a way that the Post Office Business, the Post Office network or the Said Business may in any way be associated therewith;

(iv) accept full responsibility for the proper running of the Said Business and the efficient provision of those Services which are required to be provided there.

(D) (i) use its best endeavours to maintain the standards specified in the Franchise Manual and the Franchisee shall not in the conduct of the Said Business sell anything or provide any service which does not conform with the standards associated with the Trade Name or of which the Franchisor does not approve. In addition, the Franchisee shall comply with all reasonable instructions given to it by the Franchisor with regard to the standard or quality of the Services provided in or about the conduct of the Said Business;

- (ii) continuously operate the Said Business upon and during the Opening Hours, or upon and during such revised days and/or hours as the Franchisor may approve in advance from time to time in writing;
  - (iii) ensure that there are employed in the Said Business a number of staff sufficient to enable the Said Business to operate efficiently and to meet the demand for the Products and the Services. The Franchisee shall appoint as the Manager from time to time of the Said Business such person as is approved by the Franchisor (such approval not to be unreasonably withheld). All staff employed by the Franchisee in the Said Business and / or in the Basic Business shall be employed as employees of the Franchisee and not as employees of the Franchisor and the Franchisee shall be responsible as employer for complying with the provisions of any legislation which imposes obligations on employers;
  - (iv) ensure that all personnel employed by it (including the Manager) in the Said Business shall receive training as specified by the Franchisor and comply with the Franchisor's reasonable instructions regarding standards of appearance (including use of uniforms), behaviour and skill in accordance with the provisions of the Franchise Manual and clause 8 hereof;
  - (v) the Franchisee shall in particular use its best endeavours to ensure that in normal circumstances no customer is kept waiting for service for a period longer than five minutes or such other reasonable period as may from time to time be specified by the Franchisor. The Franchisee shall also (without derogating from the generality of the foregoing) comply in all respects with the Franchisor's quality improvement programmes and with the Franchisor's requirements for putting the customer first as described in the Franchise Manual. The Franchisee shall keep the Franchisor fully and effectively indemnified in respect of any and all claims, demands, damages, costs and expenses which the Franchisor may reasonably or properly incur as a result of the failure by the Franchisee or any of its employees, subcontractors or agents to perform this obligation without prejudice to any other remedy which the Franchisor may have;
  - (vi) permit the Franchisor without any further or other authority to speak and/or write to customers about the Services being provided to such customers by the Franchisee so as to ensure that the standards associated with the System are being achieved and maintained;
- (E) (i) display in such manner and upon such part or parts of the Said Premises as the Franchisor may reasonably direct, a sign or signs bearing the following words (or such other words to similar effect as may from time to time be specified by the Franchisor and if the Said Premises are in the principality of Wales also in the Welsh language) "a Post Office® Franchise owned and operated under franchise by" followed by the Franchisee's name;
- (ii) place upon all letter headings, bill invoices and any other documents or literature employed by it in connection with the Said Business, in such manner and in such place as the Franchisor may reasonably direct, the following words (or such other words to similar effect as may from time to time be specified by the Franchisor and if the Said Premises are in the principality of Wales also in the Welsh language)

- "a Post Office® Franchise owned and operated under franchise by" followed by the Franchisee's name;
- (iii) comply with the requirements of the Business Names Act 1985 and section 348 of the Companies Act 1985 and shall comply with the provisions of any statute which may repeal, re-enact or amend such Acts;
  - (iv) use only such stationery and other documentation and literature of whatever nature in its dealings with third parties in connection with the Said Business as the Franchisor shall provide (at the Franchisor's expense), stipulate or approve;
- (F) not pledge the credit of the Franchisor or represent itself as being the Franchisor or an agent or partner of the Franchisor, and the Franchisee shall not permit any person connected in any way with the Franchisee to represent himself or the Franchisee in such a way that others dealing with him or the Franchisee may regard him as a director, officer, employee, agent or otherwise authorised to act on behalf of the Franchisor, except and only to the limited extent necessary to comply with the provisions of clause 7(I)(i) hereof. No part of the Trade Name or the Trade Marks shall form part of the Franchisee's corporate name or save as may be permitted in clause 7(G) below its trading name;
- (G) (i) use only such signs for or in connection with the issue or sale of the Products at the Said Premises as shall contain the Trade Name, the Trade Marks or such other name and/or trade mark and/or symbol as may be designated by the Franchisor from time to time;
- (ii) operate the Said Business in accordance with the System only under the Trade Name specified by the Franchisor without any accompanying words or symbols of any nature (save as required by the provisions hereof), unless first approved in writing by the Franchisor;
- (H) (i) not alter convert or relocate the Said Premises in any way without the previous consent in writing of the Franchisor, such consent not to be unreasonably withheld. Each such alteration conversion or relocation shall be carried out only in accordance with plans, drawings and specifications previously submitted to and approved by the Franchisor. The detailed preparation of the said 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 Franchisee;
- (ii) at all times maintain the interior and exterior of the Said Premises and all parts thereof in a good state of repair and cleanliness and properly decorated in a manner and to a standard specified in the Franchise Manual;
- (iii) use only such machinery, equipment, fixtures and fittings in the conduct of the Said Business as shall have been previously specified or approved in writing by the Franchisor;
- (iv) provide and maintain facilities within the Said Premises (including but not limited to Post Office Point of Sale display as described in the Franchise Manual, the provision of electronic information displays, video displays and other electronic or computerised information and advertising display material) in a manner and to the extent stipulated by the Franchisor for the display of notices and leaflets for the

provision of information to customers of the Post Office Business or of a public nature on behalf of Post Office Clients;

- (I) (i) offer for issue or sale the Products and Services on the basis required by the Franchisor from time to time. The Franchisee's authority shall be strictly limited to the issue of any relevant documents or items on the terms laid down by the Franchisor and the Franchisee has no authority in any way to vary such terms. A breach by the Franchisee of this sub-clause 7(I)(i) shall be deemed to constitute a material breach of this Agreement;
- (ii) at all times maintain a supply and stock of the Products sufficient to meet public demands for those products from the Said Business only;
- (iii) the Franchisee shall not transfer or sell (either to itself or to any third party) any Products (except discounted packs of postage stamps which it may sell in accordance with the requirements of the Franchise Manual) for subsequent resale in any other retail outlet belonging to or operated by either the Franchisee, any company forming part of the same group of companies as the Franchisee, any business owned or controlled by the Franchisee, any person on behalf of the Franchisee or such a company or such a business. Where the Franchisee has not complied with this clause the Franchisor will deduct from future payments of remuneration to the Franchisee any remuneration or commission paid in respect of such prohibited sales or transfers. This will be without prejudice to any other rights the Franchisor may have as a result of such breach on the part of the Franchisee. The Franchisee shall obtain a supply of the Products and uniforms (which the Franchisee is required to use in the conduct of the Said Business) from the Franchisor upon the Franchisor's terms of business current from time to time. All Products and other items supplied by the Franchisor to the Franchisee shall remain the property of the Franchisor or as the case may be the Post Office Client, until dealt with by the Franchisee in accordance with this Agreement or the Franchise Manual. The Franchisee shall, promptly and within the due time allowed, make payment to all suppliers of goods and services sold or provided to it for the purposes of the Said Business;
- (iv) comply with the appropriate provisions of the Third Schedule and in particular shall keep all sums of money made available to it by the Franchisor to enable it to discharge financial obligations to customers on behalf of Post Office Clients or other suppliers of the Products or Services and in respect of any negotiable instruments or vouchers or instructions lawfully presented to it for payment, in trust for the Franchisor and only to be applied for such purposes as aforesaid or as otherwise may be authorised in the Franchise Manual. The Franchisee shall hold any sums received by it from the sale or issue of the Products or Services or from the Franchisor in trust for the Franchisor absolutely and shall notify its bankers that such sums are subject to such trust;

(J) (i) procure from the Manager for the time being and from such other staff of the Franchisee (whether or not they are employed directly in the Said Business) as the Franchisor shall reasonably require, an undertaking, in a form to be supplied by the Franchisor,

not to use or disclose to any third party any information or knowledge concerning the business of the Franchisor, the Said Business, the System or any information relating to the business transacted by the Franchisee in the course of the conduct of the Said Business which is the subject of protection under the Official Secrets Act 1989 and/or any similar statutory provision which may from time to time be in force or which is information which Post Office Clients are required by law to keep secret and confidential, which information or knowledge may be communicated to the Manager or such employee or which the Manager or such employee may acquire pursuant to the discharge of his obligations to the Franchisee. The Franchisee shall, without prejudice to any other remedies which may be available to the Franchisor or any Post Office Clients, take such steps, at its own expense, as the Franchisor may reasonably require in order to enforce the said undertaking and/or to restrain any breach of its terms;

- (ii) not except for the sole purpose of conducting the Said Business at any time, whether before or after the termination of this Agreement, divulge or use, whether directly or indirectly, for its own benefit or for the benefit of any person, firm or company other than the Franchisor, any information acquired in the course of supplying the Products or Services which may be communicated to the Franchisee or which the Franchisee may acquire in carrying out its obligations under this Agreement;
  - (iii) be wholly responsible for ensuring that only those employees or officers of the Franchisee authorised in writing by the Franchisor have any access to or involvement in the Said Business and in the part of the Said Premises where the Products are kept. The Franchisee shall as a minimum comply with any security arrangements specified from time to time in the Franchise Manual and shall be responsible for any breaches of the security arrangements as specified from time to time in the Franchise Manual in respect of the Products at the Said Premises and shall keep the Franchisor and Post Office Clients fully and effectually indemnified against all claims, demands, losses, damages, costs and expenses which may be incurred by it or them or any of them arising from any such breach;
  - (iv) the Franchisee shall, if so required by the Franchisor, arrange for Insurance Bonding in respect of its staff who will be employed in the Said Business in such amount and upon such terms as the Franchisor shall from time to time specify;
  - (v) in the event that there is any allegation or evidence of fraud or dishonest conduct on the part of the Franchisee, the Manager, its staff, any customers of the Said Business or any other person, co-operate fully with any investigation which may be made by the Franchisor's Investigators, the police and any other duly authorised investigator appointed by any Post Office Client;
- (K) observe and perform all contractual obligations entered into by the Franchisor as provided by clause 5(E) so far as relate to the Said Business and shall keep the Franchisor fully and effectually indemnified against all claims, demands, damage, costs or expenses which may be reasonably and properly incurred or received by the Franchisor resulting from any breach by the Franchisee or any of its employees, subcontractors or agents of the

provisions of this clause or of sub-clause 7 (L) hereof or from any other act, default or neglect of whatsoever nature on the part of the Franchisee;

- (L) (i) comply with all statutory or other legal requirements and regulations of local or other authorities which apply to the Said Business. The Franchisee shall not do or permit to be done anything which might involve the Franchisee, the Franchisor or Royal Mail Group in any contravention of any nature whatsoever of any statutes or regulations which directly affect Royal Mail Group or the Post Office Business;  
(ii) comply with the Financial Services and Markets Act 2000 and with the relevant Money Laundering Regulations in relation to the Said Business;  
(iii) comply with sub clauses 7(L) (i) and 7(L) (ii) above as they apply to the Basic Business.
- (M) (i) comply with the requirements of Chapter 6 of the Franchise Manual with regard to the restrictions on the Franchisee's private business activities at the Trading Premises;  
(ii) not at any time employ or seek to employ any person in the Said Business then employed in any other business in the Post Office network and will not directly or indirectly induce any such person to leave his employment without the previous consent in writing of the Franchisor, nor will the Franchisee employ any such person without like consent within six months after the termination of his employment;
- (N) use any telephone line or lines provided by the Franchisor exclusively for conducting and operating the Said Business and shall pay the charges for the installation, continuance and use of the said line or lines direct to the supplier of such telecommunications facilities and if it shall fail to do so, reimburse the Franchisor, on demand, for all charges made by the supplier of telecommunications facilities in connection with the installation, continuance and use of any such line. The Franchisee shall not subscribe for any telephone lines in relation to the Said Business the numbers whereof shall be made public in any British Telecom telephone or other directory of any nature whatsoever, nor shall any such other telephone lines be employed in such manner as would associate such number with the Trade Name and Trade Marks or any of them or the Said Business;
- (O) operate such Counter Automation System as the Franchisor may currently employ in the Post Office Business, as provided by the Franchisor and described in the current System User Guide. The Franchisee must comply with all instructions contained in the current System User Guide for the installation, operation, maintenance and removal of the Counter Automation System. The Manager and the Franchisee's staff (full or part time) will receive training in the use of the computer equipment and other components of the System.
- (P) The Counter Automation System shall remain at all times the property of the Franchisor or its licensors. Risk in the Counter Automation System shall pass to the Franchisee upon delivery by the Franchisor to the Trading Premises. The Counter Automation System shall be used only for the purpose of conducting the Post Office Business
- (Q) at the reasonable request and cost of the Franchisor provide prospective franchisees of the Franchisor with such information as such prospective

franchisees may reasonably and properly require and at all times be courteous and co-operative in all its dealings with such prospective franchisees.

**8. TRAINING**

- (A) The Franchisor shall initially train the Manager and the staff to be employed by the Franchisee in the Said Business in the operation of the System. Such training shall be provided to the Manager and the Franchisee's staff without charge but the Franchisee will be responsible for paying any salaries, travelling, food and accommodation expenses which may be payable to or incurred by the Manager and such staff during the period of training. If at any time during the initial period of training it shall become apparent to the Franchisor that the Manager or any staff do not meet the Franchisor's standards and requirements, the Franchisor shall have the right upon notice in writing forthwith to terminate the training for such person. If the Franchisee shall not be prepared to offer for training any substitute for the Manager who has failed the training course the Franchisor shall have the right upon notice in writing forthwith to suspend or terminate this Agreement at the Franchisor's discretion and the Franchisee shall comply so far as the same may be applicable with the provisions of clause 20 hereof.
  
- (B) The Franchisor shall have the right to require staff of the Franchisee or the Manager to attend further training courses at any reasonable time during the subsistence of this Agreement if:
  - (i) It reasonably considers attendance at such courses to be essential; or
  - (ii) It wishes to train a new Manager, the Manager or such staff in new and improved techniques which have been devised and which the Franchisee will be required to put into effect in operating the System.

The Franchisor reserves the right to make a reasonable charge to the Franchisee for such additional training.

- (C) The Franchisee shall ensure that subsequent staff receive initial training carried out by the Franchisor and maintain continuing training programmes for its staff in accordance with the requirements contained in the Franchise Manual.

**9. TECHNOLOGY**

(A) The Franchisor hereby licenses to the Franchisee on a non-exclusive, non-transferable, revocable, royalty-free basis the use of such technology, hardware, software and data as the Franchisor may determine, at its sole discretion from time to time, to be necessary for the proper conduct by the Franchisee of the Post Office Business under this Agreement.

(B) The Franchisee recognises that the subject matter of such licences may consist not only of Post Office Intellectual Property, but also Intellectual Property belonging to third parties, the use of which may be subject to terms and conditions contained in separate agreements between the Franchisor (or its related companies) and such third parties and which may vary from time to time.

(C) The Franchisee agrees not to use the subject matter of such licences under this clause 9 for any purposes other than the Post Office Business and strictly to adhere to all instructions and terms and conditions in relation thereto which are communicated to the Franchisee by the Franchisor.

**10. IMPROVEMENTS**

- (A) The Franchisor shall use all reasonable endeavours to conceive and develop new and improved methods of conducting the Post Office Business and additions or modifications to the System which it may consider desirable. The Franchisor agrees to make such Improvements additions or modifications available to the Franchisee at the earliest possible opportunity after they have, in the reasonable opinion of the Franchisor, been fully developed. The Franchisee for its part will notify the Franchisor of any improvements in the method of operation which it may consider would assist in the development of the System which the Franchisor will evaluate. The Franchisee shall not introduce any improvement, addition, modification or innovation into the conduct of the Said Business or of the System without the Franchisor's written consent. The Franchisee shall, when reasonably required by the Franchisor in writing, introduce any improvement, addition, modification or innovation to the System and the conduct of the Said Business at the time or times and in the manner specified in such written requirement and the System shall thenceforth be deemed to have been varied as so specified.
- (B) In order that the Franchisee, the Franchisor and its other franchisees may all benefit from the free interchange of ideas, the Franchisee shall permit the Franchisor to introduce into the System and/or the Franchise Manual any improvements which may have been notified by the Franchisee to the Franchisor without any payment being made in respect thereof.

**11. FRANCHISE FEE AND PAYMENTS TO FRANCHISEE**

- (A) Subject to clause 11 (B) below, the Franchisee shall no later than the Agreement Date pay to the Franchisor the franchise fee ("the Franchise Fee") specified in the Fifth Schedule together with, subject to receipt by the Franchisee of a valid Value Added Tax invoice, Value Added Tax thereon at the appropriate rate.
- (B) Where the Franchisee has prior to the Agreement Date paid to the Franchisor all or any part of the Franchise Fee, the amount so paid shall be deducted from the Franchise Fee and the Franchisee shall be obliged under this clause 11 to pay on the Agreement Date only the balance thus calculated.
- (C) In consideration for operating the Said Business the Franchisee shall be entitled to receive remuneration calculated and paid in accordance with the provisions of the current remuneration booklet issued by the Franchisor from time to time. The Franchisor reserves the right to amend and revise the remuneration booklet from time to time (including without limitation to revise the method of remuneration and the payment rates). The Franchisor will issue the Franchisee with updated sections or versions of the remuneration booklet as appropriate.

(D) If the Franchisor and the Franchisee shall not agree the correct amount of remuneration due to the Franchisee the Franchisor shall (without prejudice to any other remedies which it may have) pay the amount not in dispute. At the request of either party the Franchisor's auditors shall resolve the dispute acting as expert and not as arbitrator and the decision of such auditors shall be final and binding on both parties. Any further sum payable by the Franchisor following such decision shall be paid within seven days from the date of the notification of the decision to the Franchisor by the auditors.

(E) The Franchisee shall make payment for any additional works, services and/or supplies provided by the Franchisor or Royal Mail Group to the Franchisee from time to time by the date specified in the relevant invoice. Ownership in any item supplied shall not pass to the Franchisee until payment therefore has been received in full.

## 12. ACCOUNTING

The Franchisee shall:

- (A) maintain an accounting system in accordance with the provisions contained in the Franchise Manual which will be provided by the Franchisor. The Franchisee shall ensure that all transactions are properly recorded with the requisite details to enable the Franchisor to ascertain with accuracy each transaction effected by the Franchisee in or about the conduct of the Said Business;
- (B) prepare the appropriate form of branch trading statement in accordance with the instructions contained in the Franchise Manual, unless otherwise instructed by the Franchisor;
- (C) maintain on the Said Premises, in a form approved by the Franchisor, (and preserve the same for at least six years after the end of the financial year to which they relate) full and accurate books of account and all underlying or supporting records and vouchers relating to the Said Business and permit the Franchisor (or any person, firm or company nominated by the Franchisor) at any time during business hours to inspect the said books of account and records and to take copies thereof and to verify the cash balance and the Products held by the Franchisee. If on any such inspection a discrepancy is found in the information provided in the branch trading statement for any accounting period the Franchisee shall, without prejudice to any other rights which the Franchisor may have, reimburse the Franchisor for all reasonable costs incurred in conducting such inspection including travel, hotel, subsistence, salaries and fees;
- (D) use as each Accounting Period for the purposes hereof the periods so specified by the Franchisor;
- (E) provide the Franchisor with a profit and loss statement in respect of the trading of the Said Business for each Accounting Period and cumulatively each month from the beginning of each financial year. Such profit and loss statement shall be provided to the Franchisor 45 days following the end of the Accounting Period it relates to and completed in accordance with the form and the instructions contained in the Franchise Manual;

- (F) the Franchisee shall also, when requested by the Franchisor from time to time, supply to the Franchisor a copy of the latest available audited accounts of the Basic Business which the Franchisor shall treat in the strictest confidence and shall not divulge the same or any part thereof to a third party;
- (G) register with HM Revenue and Customs for Value Added Tax before commencing the Said Business;
- (H) provide such further information relating to the Said Business as the Franchisor shall reasonably consider necessary to assist the Franchisor in the discharge of its duties under the provisions of this Agreement.

### 13. ADVERTISING

- (A) The Franchisee shall not conduct or carry on any advertising or promotion in relation to the Post Office Business or the Said Business without the prior written consent of the Franchisor.
- (B) The Franchisee shall prominently display and maintain at its own expense the advertising, signs, cards, notices or displays supplied to the Franchisee by or on behalf of the Franchisor. All approved advertising matter shall be installed and all advertising matter of whatever kind shall be maintained at the expense of the Franchisee who shall be responsible for obtaining any necessary planning bylaw or other consents therefore.
- (C) The Franchisee shall not carry out any advertising, marketing or promotion of the Basic Business or any other business which:
  - (i) encroaches upon the part of the Said Premises (including window or frontage or fascia signs) dedicated to the Said Business;
  - (ii) (in the reasonable opinion of the Franchisor) detracts from the appearance or impact of the Said Business upon customers or prospective customers;
  - (iii) shall be capable of being interpreted in any way as an endorsement by the Franchisor, Royal Mail Group or any Post Office Client of any element of the Basic Business;
  - (iv) may imply that the Franchisor, Royal Mail Group or any Post Office Client is in any way connected with any element of the Basic Business.

The Franchisee shall comply with any reasonable instructions that the Franchisor may give in relation to this Clause 13(C).

- (D) The Franchisee shall participate in all promotional or marketing activities proposed by the Franchisor or Post Office clients in accordance with the reasonable instructions of the Franchisor. In addition, the Franchisee shall take all reasonable steps at every possible opportunity to maximise sales of Products and Services within the Said Business, in accordance with the guidelines set out in the Franchise Manual.

14. INSURANCE

- (A) In relation to the operation of the Said Business and the Basic Business, the Franchisee shall take out and maintain, at its own expense, insurance with a reputable insurance company, or shall make such insurance arrangements that are acceptable to the Franchisor. Such insurance will cover as a minimum:
  - (i) all risks which the Franchisee is obliged by law to insure against in order to conduct the Said Business and the Basic Business;
  - (ii) all risks which the Franchisee is required to insure against under any provision of the Agreement;
  - (iii) liability in respect of claims brought by customers and third parties (including third party contractors, third party suppliers and visitors to the Said Premises);
  - (iv) damage to or destruction of the Said Premises or the fixtures and fittings at the Said Premises (unless provided by the Franchisee's landlord); and
  - (v) any loss or damage to the Franchisor's cash and stock, on the basis set out in the Franchise Manual.
- (B) Where requested the Franchisee shall furnish to the Franchisor, on demand, such policy or policies taken out in accordance with clause 14(A) together with such evidence that the then current premiums have been paid. The Franchisee shall arrange with its insurers that no policy will be terminated or cancelled for whatever reason unless 14 days notice of the insurers' intention has been given to the Franchisor.
- (C) The Franchisor shall bear no responsibility for insuring any of the Franchisee's obligations and liabilities under the Agreement, the Premises or the Said Equipment and shall not make any financial contributions to the payment of any insurance premiums.

15. TRADEMARKS, COPYRIGHT AND BRANDING

- (A)
  - (i) The Franchisor and Royal Mail Group are or will be the proprietors (and where relevant the registered proprietors) of the Trade Name and the Post Office Intellectual Property.
  - (ii) All rights in the Trade Name, and the Post Office Intellectual Property shall remain vested in the Franchisor or the relevant member of Royal Mail Group. The Franchisee shall not by virtue of this Agreement acquire any right, title or interest of any kind other than as specifically granted in this Agreement to any of the Trade Name, or any of the Post Office Intellectual Property.
  - (iii) The Franchisor grants for the Term to the Franchisee a non-exclusive, non-transferable, revocable, royalty-free licence to use the Trade Name, the Trade Marks and the Copyright solely in accordance with the provisions of this clause 15 and solely for the purpose of conducting the Said Business consisting of the Post Office Business and for the purpose of advertising as permitted in clause 13.
- (B) The Franchisee shall not:

- (i) use or register a domain name or trade mark consisting of or incorporating the Trade Name or any of the trade marks owned by the Franchisor or Royal Mail Group or any part thereof, or any name confusingly similar to the Trade Name or any trade marks owned by the Franchisor or Royal Mail Group;
  - (ii) use or create a website which includes any links or reference to any internet site controlled by the Franchisor or Royal Mail Group; or
  - (iii) damage the goodwill or otherwise harm or bring into disrepute the reputation of the Franchisor, Royal Mail Group or Post Office Clients.
- (C) (i) The Franchisee shall:
- (a) comply strictly with the Branding Guidelines, the Branch Signage Manual and the Franchise Manual and shall make no other use of Post Office Intellectual Property without the prior written permission of the Franchisor,
  - (b) promptly notify the Franchisor of any infringement, threatened infringement, passing-off or misuse of Post Office Intellectual Property and shall provide such assistance in any action the Franchisor may take as the Franchisor reasonably requires;
  - (c) when requested, render to the Franchisor all reasonable assistance in obtaining registrations of the Franchisor's rights in any trade marks or other intellectual property.
- (ii) If the Franchisee challenges the validity of any of the Post Office Intellectual Property or the title of the Franchisor or Royal Mail Group, the Franchisor shall without prejudice to any other rights or remedies it may have be entitled to terminate this Agreement forthwith on written notice to the Franchisee.
- (iii) No warranty expressed or implied is given by the Franchisor with respect to the Trade Marks or validity thereof.
- (iv) The Franchisee shall indemnify the Franchisor against all losses, claims, damages, proceedings, liabilities, costs and expenses suffered or incurred by the Franchisor in connection with this Agreement as a result of the Franchisee's, or any of its employees', subcontractors' or agents', misuse or infringement of any intellectual property rights of any third party.
- (D) All rights in intellectual property or data including customer data reasonably required for the conduct of the Post Office Business shall belong to the Franchisor, and the Franchisee shall execute a written assignment of any such rights on request by the Franchisor, and will provide copies of such data or other relevant materials on request.

## 16. DATA PROTECTION

- (A) The Franchisee shall at all times comply with its obligations under the DPA, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any other relevant law relating to Data Protection in the course of

performing its obligations under this Agreement and shall also comply with the Franchise Manual in this regard. The Franchisee shall procure that its subcontractors, agents and employees are aware of and comply with the provisions of this clause.

- (B) The Franchisee shall be permitted, subject to any relevant restrictions in the DPA, to collect Personal Data about customers on behalf of the Franchisor and Post Office Clients, such collection to be conducted in accordance with instructions provided by the Franchisor. The Personal Data collected shall be for the use of the Franchisor and/or Post Office Clients and not for use by the Franchisee or any other third party.
- (C) The Franchisor shall remain the sole owner of the Personal Data together with all copyright, database rights and other Intellectual Property rights in the Personal Data and any compilation of the Personal Data.
- (D) The Franchisee shall indemnify and keep indemnified the Franchisor against all losses, claims, demands, liabilities, costs and expenses (including reasonable legal costs and disbursements) incurred by it in respect of any breach of this clause 16 by the Franchisee and/or any act or omission of any sub-contractor, employee and/or agent of the Franchisee and shall provide all reasonable assistance to the Franchisor in connection with any civil, administrative or criminal proceedings against the Franchisor.

**17. CONFIDENTIALITY AND SECRECY**

- (A) The Franchisee shall keep confidential the contents of the Agreement and the Franchise Manual. Each Party shall keep confidential all Confidential Information obtained from the other pursuant to this Agreement and shall not divulge such information to any person (except where necessary for the purposes of this Agreement to such Party's own employees and agents), provided that this clause 17(A) shall not extend to information which was rightfully in the possession of such Party prior to this Agreement, which is already public knowledge or becomes so at a future date (otherwise than as a result of a breach of this clause 17(A)) or which is required to be disclosed by law or any governmental or regulatory body. Further, the Franchisor shall not be liable for loss or damage for disclosing Confidential Information in accordance with the Freedom of Information Act 2000. Each Party shall procure that its employees and agents are aware of and comply with the provisions of this clause 17(A).
- (B) The Franchisee shall not disclose information relating to postal packets passing through the post except to the persons to whom such packets are addressed other than in situations where the service provided so permits or where required to be disclosed by law.
- (C) The Franchisee shall not use any website for the discussion of Post Office Business or any other matters relating to the Franchisor.
- (D) The Franchisee and any staff who are employed in the Said Business who wish to communicate publicly upon matters affecting the Franchisor must do so in a responsible manner as specified in the Franchise Manual.

- (E) The Franchisee shall do all that is reasonably necessary to facilitate the duty of Royal Mail Group to ensure that all communications and items entrusted to it reach addressees promptly and safely, and that such communications and items do not reach those not entitled to receive them.
- (F) The Franchisee shall not make any unauthorised disclosure or unauthorised use of Official Information. Any such disclosure or use may result in prosecution under the Official Secrets Act 1989 or other applicable legislation. The Franchisee shall not, unless with the permission of the Franchisor, make any document containing Official Information the subject of legal proceedings.
- (G) Any request made to the Franchisee by the police, any other authority or by a person for Official Information or other information which may be confidential shall be referred immediately to the Franchisor.
- (H) The Franchisee shall not, without the Franchisor's permission, use Official Information for the purpose of publishing any document, book, play or article, broadcasting on radio or television, producing or exhibiting a film or photographs, giving a talk or lecture or taking part in a public discussion including posting Official Information on any website.
- (I) The Franchisee shall, on request by the Franchisor, co-operate in supplying any information whatsoever relating to Post Office Business as may be requested by the Franchisor for its own use or for use by the police or other government or law enforcement agencies.
- (J) The Franchisee must forthwith report to the Franchisor any case in which there appears to have been a breach of the above clauses 17 (A) to (C), (F) and (H).

**18. SALE OF BUSINESS**

- (A) The Franchisee shall not have the right to assign this Agreement.
- (B) The Franchisee shall have the right to sell the Said Business with the prior written consent of the Franchisor, such consent not to be unreasonably withheld or delayed and subject to the conditions listed in sub-clause (D) of this clause.
- (C) The Franchisor hereby undertakes to grant to a purchaser of the Said Business who is acceptable to it (such acceptance not to be unreasonably withheld or delayed) and who is either:
  - (i) the prospective purchaser or owner of the Basic Business at the existing Trading Premises; or
  - (ii) the owner of another business acceptable to the Franchisor in premises which are acceptable to the Franchisor;

a franchise for a period equal to the unexpired term granted by this Agreement commencing with the date of the sale of the Said Business but otherwise upon similar terms and conditions to those contained in the Franchisor's then current appropriate standard Franchise Agreement.

- (D) The conditions required to obtain the written consent of the Franchisor to the sale of the Said Business by the Franchisee shall be that:
- (i) any prospective purchaser shall submit his offer in writing which offer shall be bona fide and at arms length and shall meet the Franchisor's standards with respect to business experience, financial status, character and ability and the manager and staff to be employed in the Said Business shall successfully complete a programme of initial training by the Franchisor. The prospective purchaser must execute a confidentiality undertaking or a franchise agreement prior to staff to be employed in the Said Business entering into such training, as may be required by the Franchisor;
  - (ii) the prospective purchaser shall not be engaged or concerned or interested in any way in any business which carries on a business which competes with the Post Office Business or which is a member of a group of companies one of whose members carries on such a business;
  - (iii) the prospective purchaser has adequate financial resources bearing in mind the purchase price to enable it to trade profitably. The Franchisor in so satisfying itself shall not be taken to making any representations or giving any warranties to such prospective purchaser;
  - (iv) legally binding arrangements reasonably acceptable to the Franchisor have been made to establish the rights of occupancy of the prospective purchaser either at the Said Premises or other premises approved by the Franchisor ;
  - (v) if the prospective purchaser shall be a company the Franchisor shall require to be satisfied:
    - (a) that the individual or individuals who will have effective voting or defacto control of such Company meet the criteria set forth in sub-clause (i) above; and
    - (b) with the suitability of the other persons who will be directors in such company; and
    - (c) with the arrangements between the shareholders in such company and the prospective purchaser enter into the standard form of franchise agreement then currently in use by the Franchisor for corporate franchisees;
  - (iv) payment is made by the Franchisee of all costs and all obligations by or of the Franchisee to the Franchisor and any nominated supplier without any right on the part of the Franchisee of deduction or set off. The Franchisor may require the Franchisee to pay any sum of money owed to the Franchisor by the Franchisee under this Agreement or any other contract or agreement between the Franchisee and the Franchisor out of proceeds of any agreed sale of the Said Business and the Franchisee shall take whatever steps the Franchisor considers necessary to ensure that such payment takes place on completion of such a sale. Further, if required by the Franchisor, the Franchisee shall give irrevocable instructions to its solicitors to the provide the Franchisor with a solicitor's undertaking

to pay to the Franchisor on completion of the sale of the Said Business the sums due to the Franchisor under this Agreement or any other contract or agreement between the Franchisee and the Franchisor;

- (v) the sale shall be completed not later than the fourth year of the term of this Agreement, except where the Franchisee has exercised its right to enter into a Further Agreement under and in accordance with clause 3 hereof, in which case the sale shall be completed not later than the fourth year of the term of the Further Agreement;
- (ix) where the Franchisee is also selling the Basic Business, the sale of the Said Business and the Basic Business will be completed on the same date unless the Franchisor specifically otherwise consents in writing.

(E) The Franchisee shall as soon as possible submit to the Franchisor a copy of each written offer which the Franchisee proposes to accept received from any prospective purchaser to purchase the Said Business from the Franchisee together with:

- (i) a financial statement of affairs and the business history of the proposed purchaser;
- (ii) details of any other terms which may have been agreed between the Franchisee and the prospective purchaser. Upon receipt of a copy of such written offer accompanied by such items the Franchisor shall, in addition to its other rights hereunder, have an option to purchase the Said Business for the same amount and upon the same terms as the proposed purchaser has offered. The Franchisor shall have a period of thirty (30) days after receipt of such written notice and other items to exercise its option to purchase by notice in writing to the Franchisee. The sale and purchase shall be completed within 20 days following the service of the Franchisor's Notice. The Franchisee shall notify the Franchisor of any variation in the terms offered by any prospective purchaser and the said period of thirty (30) days shall re-commence as from the date of such notification of a variation in the offered terms.

(F) If the Franchisor shall not exercise the option contained in clause 18 (E) (ii) above the Franchisee shall be entitled within the period of six months thereafter to proceed with its application to sell the Said Business upon the same or on terms no more favourable to a prospective purchaser than those notified to the Franchisor pursuant to sub-clause (E) hereof.

(G) Upon the Franchisor exercising the option contained in sub-clause (E) hereof or entering into a Franchise Agreement with a prospective franchisee and upon the satisfaction of the conditions referred to in sub-clause (D) hereof (in particular the successful completion by the prospective manager and staff of the Said Business of the programme of initial training) the Franchisor and Franchisee shall each be deemed to have released the other from the terms of this Agreement save for those provisions which by their nature or effect survive termination.

## 19. TERMINATION AND SUSPENSION

- (A) In addition to any other rights the Franchisor may have to terminate this Agreement, if the Franchisee shall:
- (i) fail to commence the Said Business or the Basic Business in accordance with clause 7(A) (i) ; or
  - (ii) fail to comply with clauses 7(A)(ii) and / or 7(A)(iii)
  - (iii) commit any material breach of the terms and conditions of this Agreement; or
  - (iv) fail to provide the Products or Services to the standards required by the Franchisor as set out in the Franchise Manual; or
  - (v) change the nature of the Basic Business without the prior written consent of the Franchisor (which shall not be unreasonably withheld) or cease to operate the Basic Business; or
  - (vi) in its franchise application or supporting details, have provided the Franchisor with information which contains any false or misleading statements or omits any material fact which may make any statement misleading; or
  - (vii) become insolvent, enter into liquidation, whether compulsorily; or voluntarily otherwise than for the purpose of amalgamation or reconstruction or if an administration order shall be made in respect of the Franchisee; or
  - (viii) make any arrangement or composition with its creditors or shall have a Receiver (including an Administrative Receiver) appointed of all or any part of its assets or if the Franchisee takes any similar action in consequence of debt; or
  - (ix) have purported to assign this Agreement other than by way of a sale of the Said Business under and in accordance with the provisions of clause 18 hereof; or
  - (x) sell or otherwise dispose of the Basic Business to a company unacceptable as a franchisee to the Franchisor; or
  - (xi) sell or dispose of the Basic Business to a purchaser who intends to continue the Basic Business from the Trading Premises but who does not purchase the Said Business at the same time; or
  - (xii) itself, or the Manager or a director thereof, be convicted of any criminal offence (other than a Road Traffic Offence not involving imprisonment); or
  - (xiii) fail to properly account for any cash or stock of the Franchisor or Post Office Clients; or
  - (xiv) commit any breach of clause 7(M); or
  - (xv) do anything which brings the Franchisor's name or that of Royal Mail Group into disrepute; or
  - (xvi) do anything which challenges the validity of any of the Trade Marks or the title of the Franchisor or Royal Mail Group to any of the Post Office Intellectual Property; or
  - (xvii) subject to the permissions granted in clause 15, make any further use of the Post Office Intellectual Property without the prior written permission of the Franchisor; or
  - (xviii) fail to pay any sum due to the Franchisor hereunder by the due date; or
  - (xix) fail to offer a substitute Manager for training in accordance with clause 8,

and fails to remedy any such occurrence (where capable of remedy), to the Franchisor's reasonable satisfaction, within twenty-eight days, or such longer period as may be agreed with the Franchisor having regard to the circumstances, after written notice thereof from the Franchisor, the Franchisor may, without prejudice to any other rights or remedies available to it, terminate this Agreement immediately by notice in writing to the Franchisee and all rights of the Franchisee under this Agreement shall thereupon cease.

- (B) In the case of persistent breach of any obligation or condition on the part of the Franchisee herein contained the Franchisee shall not be entitled to any period of grace within which to remedy any default, neglect or failure. A substantial default, neglect or failure of the same obligation or condition which has occurred more than twice in any twelve month period shall be deemed to be a persistent default, neglect or failure.
- (C) As soon as practicable after the Franchisee becomes aware that a Shareholder Transfer Event of the Franchisee is likely to occur (or, when this is not possible, as soon as practicable after a Shareholder Transfer Event has occurred), the Franchisee will give notice to the Franchisor, specifying details of the event and providing the Franchisor with any relevant requested information.
- (D) If as a result of a proposed or actual Shareholder Transfer Event the Franchisee will or has come under the control of a person unacceptable to the Franchisor, the Franchisor may terminate this Agreement on such notice as it deems appropriate within 3 months of becoming aware of such Shareholder Transfer Event.
- (E) In addition to any other rights the Franchisor may have to suspend, the Franchisor may also suspend the Franchisee from operating the Said Business (and/or require the Franchisee to suspend all or any of its officers or staff employed in the Said Business from working in the Said Business) in the circumstances set out in the Franchise Manual and in accordance with the provisions of the Franchise Manual.
- (F) The exercise by the Franchisor of its rights to suspend under this or any other clause shall be without prejudice to and shall not constitute a waiver of any other rights the Franchisor may have including without limitation any rights it may have to terminate this Agreement.

## 20 CONSEQUENCES OF TERMINATION OR SUSPENSION

- (A) Upon the termination of this Agreement the Franchisee will immediately discontinue the use of the Trade Name, the Trade Marks, signs, cards, notices and other display or advertising matter indicative of the Franchisor or of any association with the Franchisor or of the Said Business or products of the Franchisor and will make or cause to be made such changes in signs, cards, notices and other display or advertising matter indicative of the Franchisor or of any association with the Franchisor or of the Said Business or products of the Franchisor and will make or cause to be made such changes in signs, cards, notices and other display or advertising matter, buildings and

structures as the Franchisor shall reasonably direct. If the Franchisee shall within thirty (30) days of such direction fail or omit to make or cause to be made any change then the Franchisor shall have power (without incurring any liability to the Franchisee) without the consent of the Franchisee, save the consent hereby irrevocably given, to enter upon the Said Premises and to make or cause to be made any such change at the expense of the Franchisee which expense the Franchisee shall pay on demand.

- (B) The Franchisee shall also, when demanded by the Franchisor and (except in the case of items supplied to the Franchisee free of charge) upon payment of the reasonable market value thereof or cost thereof whichever is the greater, deliver up to the Franchisor all stationery, literature, signs, cards, notices, other display or advertising matter and any other article bearing the name of the Franchisor or the Trade Name or the Trade Marks which are the property of the Franchisee. All items which may have been loaned to the Franchisee by the Franchisor including the Franchise Manual shall be returned to the Franchisor at the Franchisee's expense. The Franchisee shall also forthwith pay to the Franchisor all sums of money which may be due or owing from the Franchisee to the Franchisor.
- (C) The Franchisee shall further and forthwith upon such termination:
  - (i) deliver up to the Franchisor all stocks of the Products, all cash held on behalf of or in trust for the Franchisor, all datestamps and such other property of the Franchisor as shall have been provided to or received by the Franchisee;
  - (ii) join with the Franchisor in cancelling any permitted user of the Trade Marks. If the Franchisee shall fail so to do the Franchisor is hereby irrevocably appointed the agent of the Franchisee with full authority to give such notice to the Registrar of Trade Marks on behalf of the Franchisee;
  - (iii) cease using the telephone lines (provided by the Franchisor in accordance with the provision in that behalf hereinbefore contained) and any other lines of which the number have been publicly associated with the Said Business and the Trade Name and shall do all such acts and things including the signature of any document which may be necessary to ensure that the future use of such telephone lines by the Franchisor is assured;
  - (iv) cease the use of all material of whatever nature of which the copyright is vested in the Franchisor or where the continued use thereof would in any way infringe the Franchisor's copyright;
  - (v) indicate on such part of the Said Premises in such form as the Franchisor shall specify the closest address at which the Post Office Business is then being carried on;
  - (vi) return to the Franchisor any Counter Automation Equipment provided pursuant to the provisions of this Agreement.
- (D) Upon termination of this Agreement at any time after the Commencement Date as a result of a purported termination by the Franchisee or otherwise by reason of the Franchisee's default, the Franchisor 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 to occupy rent free the Said

Premises and any and all other parts of the Trading Premises as were at the time of termination used by the Franchisee for and/or are reasonably necessary for the purposes of conducting the Said Business (together, the "Step-In Premises"). The Franchisor shall during the Step-in Period endeavour to find suitable alternative premises from which to operate a franchise Post Office branch providing it is reasonable and practicable in the circumstances for it to do so. The Franchisee shall fully co-operate with the Franchisor and hereby irrevocably authorises the Franchisor to enter into possession of and to use the Step-In Premises and all of the facilities at the Said Premises as were at the time of termination used by the Franchisee for and/or are reasonably necessary for the purposes of conducting the Said Business. The Franchisee will not make any charges for any facilities or services of any nature whatsoever which it may provide or make available to the Franchisor under this clause or otherwise.

- (E) For the avoidance of doubt, and without limitation, the obligations placed on the Franchisee by sub-clause 7(J)(ii) and 20(D) shall survive termination or expiry of this Agreement.
- (F) During the period of any suspension under clause 19(E), the Franchisor may:
  - (i) suspend payment of all sums due to the Franchisee under this Agreement;
  - (ii) appoint temporary substitutes for the Franchisee and/or its staff; and
  - (iii) deduct its costs incurred in so doing together with any other costs and expenses incurred by the Franchisor as a result of the suspension from any payments due to the Franchisee under this Agreement.
- (G) Following the Franchisee's suspension under clause 19 (E), the Franchisee shall at its own cost and expense promptly take all steps reasonably requested by the Franchisor to enable the Franchisor to appoint temporary substitutes as quickly as possible and to enable the temporary substitutes to operate the Said Business during the period of suspension.

## 21 DISABILITY DISCRIMINATION ACT

- (A) The Franchisee shall be solely responsible on its own behalf and on behalf of the Franchisor, for ensuring that:
  - (i) the Said Premises; and
  - (ii) the manner in which the Products and Services are provided by the Franchisee to the public under the terms of this Agreement,

at all times comply with the requirements of Part III of the Disability Discrimination Act 1995 ("DDA"). Further, if the Franchisee believes that the Products and Services themselves do not comply with any of the requirements of Part III of the DDA, it shall raise its concerns with the Franchisor as soon as reasonably practicable in order that the Franchisor may take such steps as are reasonable to ensure that the Products and

Services comply with Part III of the DDA. The Franchisee shall, on request, co-operate with the Franchisor in ensuring that the Products and Services comply with Part III DDA.

- (B) Should any of the Said Premises, the Products and Services fail to comply with Part III of the DDA in any respect then the Franchisee shall be expressly prohibited from providing that particular Service or Product to any customer or, where applicable, providing such Service or Product at the Said Premises until the Franchisee has taken steps to achieve compliance. Failure to achieve compliance with Part III of the DDA shall constitute a material breach of this Agreement.
- (C) Throughout the period of this Agreement the Franchisee shall:
  - (iii) take such steps that are necessary from time to time to comply with Part III of the DDA, subject to the prior written approval of the Franchisor;
  - (iv) ensure that its employees and agents are trained in the requirements of Part III of the DDA;
  - (v) carry out regular self audits of the Said Premises and the manner in which Products and Services are provided under the terms of this Agreement to assess compliance with Part III of the DDA;
  - (vi) provide a copy of the latest self audit report to the Franchisor, as well as details of what steps may be required to comply with Part III of the DDA at that time, within 14 days of a request being made. The Franchisee shall when required explain and discuss the self-audit report with the Franchisor; and
  - (vii) be responsible for any costs involved in carrying out its obligations in terms of this clause 21.
- (D) The Franchisor may, at its discretion, provide guidance, advice, equipment and/or facilities to the Franchisee to assist in achieving compliance with Part III of the DDA. Such guidance, advice, equipment and/or facilities will be general in nature and not specific to the particular circumstances of the Said Business and cannot be relied upon as conforming to the standards required of the Franchisee under the DDA. The Franchisee is responsible for supplementing any guidance, advice, equipment and/or facilities provided by the Franchisor, having conducted its own review of DDA compliance and obtained its own legal and other expert advice as appropriate. The Franchisor does not warrant or represent that any advice, equipment and facilities supplied by it to the Franchisee shall conform to the standards required from a Provider of Services (as defined under section 19(2) of Part III of the DDA).
- (E) The Franchisee indemnifies the Franchisor, its holding and subsidiary companies, officers and employees, and undertakes to hold them harmless against all claims which may be made against any of them and against all losses, costs and/or damages which they may incur or suffer arising from any claim brought under the DDA and/or its Regulations in respect of the Franchisor's Business.
- (F) Should any enquiry, complaint or claim be made to or against the Franchisee or the Franchisor, or should the Franchisee at any time become

aware of any potential claim against the Franchisor from any third party with regard to an alleged failure of the Franchisee and/or the Franchisor to comply with the DDA and/or its Regulations, the Franchisee shall notify the Franchisor in writing as soon as possible and by no later than 3 working days from receipt of the enquiry, complaint or claim by the Franchisee. The Franchisee must provide such co operation, information and assistance with the defence of any such claim as may be reasonably required by the Franchisor and the Franchisor shall be entitled, but not obliged, to take over and defend any legal proceedings arising from such a claim on behalf of the Franchisee.

- (G) Should the Franchisee fail to comply with its obligations as a Provider of Services at any time then the Franchisor shall be entitled, but not obliged, to perform any such obligations on behalf of the Franchisee and to recover the costs of performing the same from the Franchisee on demand.

**22. ENTIRE AGREEMENT**

- (A) This 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 embodied or referred to herein shall be of any force or effect.
- (B) Subject to clause 22(C) below, and save as specified herein, no variation to this Agreement shall be effective unless recorded in writing and signed by duly authorised representatives of each party.
- (C) The Franchisor may amend or vary the Franchise Manual, the Operations Manual, the remuneration booklet and the First Schedule from time to time using whatever written means it deems appropriate, including all means of electronic communication. Such amendments or variations shall be deemed effective and incorporated in the Agreement from the date specified in any such amendment or variation or the date of receipt, if later.

**23. SEVERABILITY**

If any provision of this Agreement is invalid, illegal or incapable of being enforced by reason of any rule of law or public policy, such provision shall be severed; all other provisions of this Agreement shall remain in full force and effect. No provision of this Agreement shall be deemed dependent upon any other provision unless so expressed herein.

**24. WAIVER**

The failure of the Franchisor to require performance by the Franchisee of any provision hereof shall in no way affect the right of the Franchisor thereafter to enforce such provision, nor shall the waiver by the Franchisor of any breach of covenant, condition or proviso herein be taken or held to be a waiver of any further breach of the same or any other covenant, condition or proviso. The rights of the Franchisor hereunder are cumulate and no exercise or enforcement by the Franchisor of any right or remedy hereunder shall preclude the exercise or enforcement by the Franchisor of any other right or remedy hereunder or which the Franchisor is otherwise entitled by law to enforce



**25. NO WARRANTIES**

- (A) The Franchisee shall make no statement, representations or claims and shall give no warranties to any customer or prospective customer in respect of the Products or the Services or the System save such as have been specifically authorised by the Franchisor in writing or as provided in this Agreement.
- (B) The Franchisor makes no warranties in relation to the level of revenue expected to be obtained by the Franchisee through the operation of the Said Business.

**26. INDEMNITY**

The Franchisee hereby undertakes to the Franchisor to keep it fully and effectually indemnified against all claims, demands, losses, expenses and costs which the Franchisor may reasonably and properly incur as a result of any breach by the Franchisee or any of its employees, subcontractors or agents, of clause 25 (A) or of any other provision contained in this Agreement.

**27. NOTICES, GENDER, NUMBER AND HEADINGS**

Any notice required or permitted to be given hereunder shall be in writing and may be delivered personally or posted by pre-paid registered post addressed to the Franchisor or the Franchisee as appropriate. In this Agreement words importing the singular only shall include the plural, and vice versa; words importing gender shall include masculine and feminine genders. Headings in this Agreement are for ease of reference only and are not part of the Agreement

**28. RECOVERY OF SUMS DUE**

If the Franchisee shall at any time owe any sum of money to the Franchisor under this Agreement or any other contract or agreement between the Franchisee and the Franchisor, the Franchisor may deduct such sum from any sum due to the Franchisee under this Agreement or any other contract or agreement between the Franchisor and the Franchisee.

**29. CHOICE OF LAW AND JURISDICTION**

This Agreement shall be governed by and construed under and in accordance with English Law and shall be subject to the exclusive jurisdiction of the English courts.

**30. RIGHTS OF THIRD PARTIES**

This Agreement does not in any way whatsoever entitle a person who is not a party to the Agreement (including, without any limitation, any employee, officer, agent, representative or subcontractor of the parties) to enforce any term of this Agreement which expressly, or by implication, confers a benefit on him pursuant to the Contract (Rights of Third Parties) Act 1999, without prior agreement in writing of both parties.

**31. NO PARTNERSHIP**

Nothing in this Agreement shall create or be deemed to create a partnership for the purpose of the Partnership Act 1890 or joint venture between the parties.

**32. ADEQUACY OF DAMAGES**

Without prejudice to any other rights or remedies that the Franchisor may have, the Franchisee acknowledges and agrees that damages alone would not be adequate compensation for the Franchisor should the Franchisee breach its obligations under any of clauses 7(D)(ii), 7(L)(i), 7(M), 20(D), 17 and the Franchisee confirms that the Franchisor shall be entitled without proof of special damages to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the said provisions of this Agreement.

**33. MISCELLANEOUS**

- (A) If there are two or more persons as Franchisees as parties to this Agreement all covenants and agreements on the part of the Franchisee shall be deemed to be joint and several covenants on their part.
- (B) There shall be deemed to be incorporated into the option hereinbefore contained for the purchase in certain circumstances by the Franchisor of the Said Business the Standard Conditions of Sale (4th Edition) so far as the same shall be applicable to the assets the subject of the option and are not varied by or inconsistent with the provisions hereof.
- (C) Where under any of the provisions of this Agreement the Franchisor's consent or approval is required to be given or obtained, such consent or approval to be effective and binding on the Franchisor, unless deemed by a

provision in this Agreement to have been given, must be in writing and signed for and on behalf of the Franchisor.

- (D) Where in this Agreement there is a reference to a requirement of the Franchisor (however expressed) it shall be deemed to include any requirement contained in the Franchise Manual provided that if there shall be any conflict between the terms of this Agreement and the Franchise Manual then the provisions of this Agreement shall prevail.
- (E) Where in this Agreement there is reference to any matter to be specified by the Franchisor, notice of such specified requirements may be communicated by way of amendment or addition to the Franchise Manual.
- (F) Where in this Agreement there is a duty imposed upon the Franchisee to send money, reports or information to the Franchisor postmarked not later than a certain day which for any reason (including but not limited to strikes or non-collection of post) the Franchisee cannot perform, the Franchisee shall be under an obligation to ensure that such money, reports or information are received by the Franchisor not later than during the second day after the day upon which posting should have taken place.

Signed for and  
on behalf of Post Office Ltd

[Redacted signature area]

[Redacted signature area]

[Redacted signature area]

Signed for and  
on behalf of

AUTHORISED SIGNATORY

[Redacted signature area]  
[Redacted signature area]  
[Redacted signature area]  
[Redacted signature area]

Signature:

Name in full:

Position held within company.  
(Director or Company Secretary)

Signature:

Name in full:

Position held within company.  
(Director or Company Secretary)

[Redacted signature area]

**THE FIRST SCHEDULE**

- (A) The principal Services and Products comprise:
- (i) Payment of pensions, allowances, benefits, grants etc.
  - (ii) Services relating to Government Documentation
  - (iii) Services relating to Travel tickets
  - (iv) Services relating to Television Licences
  - (v) Services relating to Motor Vehicle Licences
  - (vi) Services relating to Other Licences
  - (vii) Services relating to Public Bodies or Public Authorities
  - (viii) Services relating to United Kingdom Passport applications
  - (ix) Bill payment services
  - (x) Pre-payment services
  - (xi) Services relating to Savings stamps
  - (xii) Services relating to Franking machines
  - (xiii) Services relating to postage stamps
  - (xiv) Services relating to postal packets
  - (xv) Issue and encashment of postal orders
  - (xvi) Personal banking services and money transfers
  - (xvii) Business banking services
  - (xviii) Services relating to Financial Services including without limitation  
Insurance products
  - (xix) Services relating to Bureau de change
  - (xx) Financial Services
  - (xxi) Services relating to National and local lottery
  - (xxii) Services relating to phone cards
  - (xxiii) Telephony services

subject to variation from time to time in accordance with the provisions agreed between the Franchisor and Post Office Clients as notified to the Franchisee in the Franchise Manual or otherwise in writing.

- (B) Such other Services and Products as may from time to time be introduced by the Franchisor or a Post Office Client. The issuing of Instructions by the Franchisor in relation to the new Service or Product shall be deemed to constitute the introduction of the Service or Product by the Franchisor.

**THE SECOND SCHEDULE**

**Part I**  
(“the Said Equipment”)

	Qty:	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
		£	£	£	£	£
Electronic Letter / Parcel Scales	0	Directly Purchased from the Approved Supplier by Franchise				

All amounts are exclusive of VAT which will be added at the rate in force for the individual year.

Note: The cost quoted in Part I above includes repair and maintenance of the Said Equipment [including the provision of spare parts] for normal wear and tear; misuse and other damage not included.

**Part II**  
(terms of payment)

The Franchisee shall pay the aggregate of all sums payable as aforesaid by quarterly payments in advance the first whereof shall be made on the execution hereof or if later (and in respect thereof) on the date of supply of any items of Said Equipment. Subsequent payments for items received later than the execution of this Agreement shall be calculated pro rata to combine with existing quarterly payments from the execution of this Agreement.

**Part III**  
(Other items Loaned to the Franchisee and details of maintenance)

Counter Automation System



### THE THIRD SCHEDULE

#### RESPONSIBILITY FOR POST OFFICE LTD STOCK AND CASH

##### CREDIT STOCK OF STAMPS ETC.

1. The Franchisee shall be provided with suitable stocks of the Products, the amount of which shall be determined pursuant to the terms of this Agreement.

##### CASH BALANCE

2. The Franchisor operates a system of overnight cash holding targets for its retail network which is aimed at minimising the amount of unproductive money held in the network each night. The Franchisee is permitted to hold cash belonging to the Franchisor to meet payments at the Said Business after due allowance has been made for expected receipts and in accordance with the Franchisor's accounting and security instructions. The Franchisee will be targeted by the Franchisor to achieve a specific average overnight cash holding figure over a period. The Franchisee will be consulted before targets are set or revised; any changes in patterns of business suggesting that a modification of the target would be appropriate must be brought to the Franchisor's attention by the Franchisee.
3. The Franchisee shall not make use of any monies belonging to the Franchisor for any purpose other than the requirements of the Said Business; and it must, on no account apply to its own private use, for however short a period, any portion of the Franchisor's money held by it in Trust as provided in this Agreement. The Franchisee must keep the Franchisor's money separate from any other monies. Misuse of the Franchisor's money may render the Franchisee liable to prosecution and will be a breach of this Agreement which might result in its termination.

##### ACCOUNTS

4. The Franchisee must ensure that records of the Products and money entrusted to it by or received on behalf of the Franchisor are kept in the form prescribed by the Franchisor. It shall immediately produce these accounts, and the whole of the money so held by it and stock for inspection whenever so requested by a person duly authorised by the Franchisor.

##### SECURITY OF CASH, STAMPS ETC.

5. The Franchisee is responsible for the safe custody of cash, the Products and other property, papers and documents belonging to the Franchisor, whether held by itself or by the Manager or its staff, and shall keep them in a place of security.
6. All vouchers for payments e.g. Postal Orders, Allowance Dockets etc. should be placed in a suitable receptacle (cardboard box or strong envelope), labelled "Paid Vouchers" and at the close of business kept separately from cash and the Products in another secure place, such as a locked drawer or cupboard.
7. The Franchisee must be careful to keep its stocks of all kinds in such a manner that they remain in good condition. The stocks must be protected against damp and dust.

8. Date stamps used for stamping paid vouchers and accepted postal packets must be kept where they are out of reach of members of the public. When not needed for work they must be locked away.
9. The Franchisee is responsible for all losses however caused. Deficiencies due to such losses must be made good without delay.
10. The financial responsibility of the Franchisee shall not cease on the termination of this Agreement, and it will be required to make good any losses incurred which may subsequently come to light.

**THEFT OR BURGLARY**

11. If a theft or burglary is committed or attempted at the Post Office branch or the Said Premises, whether or not the Franchisor's cash or the Products are stolen, the facts must be reported at once to the Police and to the Franchisor by the person who first makes the discovery.

**MISSING OR STOLEN STOCK**

12. If the Franchisee considers that any value stock items have or may have been accidentally lost or stolen it should make a report, in accordance with Appendix 1, as quickly as possible to the Franchisor.

Appendix 1

MISSING OR STOLEN STOCK

ACCIDENTAL LOSS

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

STOLEN ITEMS

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



**THE FOURTH SCHEDULE**

**OPENING HOURS**

The Said Business will be open and services available to customers on and during the following agreed days and hours

Monday	08.30	to	17.30
Tuesday	09.00	to	17.30
Wednesday	08.30	to	17.30
Thursday	08.30	to	17.30
Friday	08.30	to	17.30
Saturday	0900	to	1730
Sunday	Closed		



**THE FIFTH SCHEDULE**

1. The Franchisee is [REDACTED] whose registered number is Company No. [REDACTED] whose registered office is at [REDACTED]
2. The converting Post Office® branch is: [REDACTED]
3. The address of the Trading Premises is: [REDACTED]
4. The nature of the existing or proposed Basic Business is: [REDACTED]
5. The Key Date is: [REDACTED]
6. The franchise fee referred to in clause 11 (A) is £15,000 plus VAT at the appropriate rate.

[REDACTED]

