

MAINTENANCE AND TELESET TERMS AND CONDITIONS

- AGREEMENT.** This Agreement is made between us, Francotyp-Postalia Ltd ('FP', 'us', 'our' and 'we') and the person identified overleaf as "the Customer" ("the Customer" and "you"). This Agreement sets out all terms and conditions relating to (a) the maintenance of the equipment shown in the schedule overleaf ("the Equipment") and (b) our Teleset System. The Equipment may include a Meter. In this agreement, references to "the Meter" mean the postage meter and/or postage security device (PSD), if any, shown in the Schedule overleaf and however described. No variation of these terms and conditions or addition thereto will form part of this Agreement unless made or specifically accepted in writing by the managing director of FP or such other person as he may nominate ("an Authorised Signatory"). In this Agreement any reference to agreement or consent by FP means written agreement given by an Authorised Signatory. These terms and conditions will override and take the place of any other terms and conditions (a) in any document or other communication used by you (all of which are rejected by FP) and (b) implied by trade custom practice or course of dealing. No agreement will come into effect until your order has been accepted by and this agreement has been signed by an Authorised Signatory. Please note that this agreement is not the contract of sale relating to sale of the Meter or other Equipment to you. All calls are recorded for monitoring and quality purposes.
- POSTAGE METER.** This maintenance and teleset contract must be maintained throughout the period in which the Customer retains the right to use the Meter. This Agreement is conditional upon FP obtaining authority from the Royal Mail permitting you to use the Meter ("the Authority"). In accordance with the requirements for the time being of the Royal Mail: (a) we will retain ownership of all franking, date stamping dies, indicia and cryptographic software and firmware and (b) we are entitled to repossess the same forthwith if the Royal Mail requires. The following are each conditions of this Agreement: that throughout the period of this Agreement you will:
 - strictly perform and observe all the terms and conditions of the Authority and will not do or omit to do anything which might be a breach of the Authority or which might render the same liable to revocation or termination by the Royal Mail but will nevertheless forthwith give written notice to us of any such revocation or termination;
 - indemnify us and keep us indemnified from and against any liability incurred by us to the Royal Mail in consequence, or on account of, or in connection with:
 - the use by any person of the Meter whether without making due payment or otherwise; or
 - the Authority or any other approval authority instruction or licence at any time given or granted by the Royal Mail relating to the Meter;and against all actions, proceedings, claims, demands, costs, damages and expenses howsoever arising in relation to the foregoing:
 - at all times ensure that unless our written consent and that of the Royal Mail is first obtained no alteration or addition is made to any part of the Meter or the design or colour of any impression approved for the time being by the Royal Mail and no attachment is made to the Meter whether so as to affect the franking or revenue recording mechanism thereof or otherwise;
 - at your cost forthwith upon request made at any time deliver the Meter to us or to specified Royal Mail premises for inspection or testing purposes and collect the same from such premises when required by us; permit us to supply to the Royal Mail reports of inspections and maintenance of the Meter;
 - permit us to undertake such inspections repairs maintenance or other alterations to the Meter (or other Equipment), provide us with such information and permit us to supply to the Royal Mail any information as may be appropriate for us to comply with the requirements of the Royal Mail from time to time; notify us immediately of any loss theft or damage to the Meter;
 - at your cost comply with the requirements of the Royal Mail from time to time;
 - permit our authorised representative and/or the representatives of the Royal Mail to inspect the Meter at all reasonable times;
 - only use the Meter at the premises stated overleaf under "Customer Details". You must forthwith notify FP and the Royal Mail if you intend to use the Meter at any other premises and prior to doing so obtain consent from the Royal MailWe shall have no liability to supply or maintain the Meter if the Royal Mail withdraws its approval for the Meter.
- TELESET.** In this Agreement 'the Teleset System' means the system we operate from time to time to facilitate the remote resetting of your Meter.
 - In these terms and conditions the expression "Agreed Deposit Balance" means the amount which you have agreed with us should stand (as a minimum) to your credit on your teleset account with us ("the Teleset Account") to enable anticipated Meter resetting requirements to be satisfied. The initial amount of the Agreed Deposit Balance is specified overleaf, but we may agree with you to vary such amount. You agree to maintain the Agreed Deposit Balance at all times.
 - We will only permit you to reset the Meter if there are sufficient funds standing to your credit on your Teleset Account to meet the reset in full, subject to clause 3(d).
 - You hereby irrevocably and unconditionally authorise us to deduct and transfer from the amount standing to your credit on your Teleset Account:-
 - any and all amounts from time to time payable to the Royal Mail in respect of Meter resets (whether effected through the Teleset System or otherwise) or otherwise to comply with Royal Mail regulations from time to time;
 - the charges and advances referred to in clauses 3(d) and (f);
 - any and all amounts paid into your Teleset Account in error or in respect of matters other than the remote resetting of the Meter, which amounts shall be paid to the payee entitled thereto. If you have completed a direct debit instruction to facilitate the collection by us of the amounts required to be collected and thereafter restore the Agreed Deposit Balance, and all outstanding charges referred to in clauses 3(d) and (f) and value added tax thereon, such instruction will not be used without prior notice.
 - any amounts payable to FP or Royal Mail in respect of resets or otherwise.
 - We may, at our discretion, advance money to you to enable you to reset your Meter, in which case we will charge you our administrative fee (as from time to time in force) and any such advance together with any fee chargeable in relation to it is repayable forthwith.
 - As part of the Royal Mail's revenue control system we routinely supply to the Royal Mail data concerning Meter usage which forms part of a user database which may be used to provide you with information about Royal Mail products. You consent to the foregoing.
 - A charge (based on our then current charges) will be made for:-
 - excess of free resets (you are entitled to a total of 12 free remote resets if paying by Direct Debit, 6 by any other payment method, of the Meter in each year from the Effective Date (subject to available funds in your Teleset Account)
 - non direct debit payments. In the case of mymail payment is by direct debit only.
 - non modem resets
 - all resets when mandatory inspection only on Meter has been opted for
 - We shall be entitled to retain all interest accruing in relation to the Teleset Account.
 - Our bankers automatically deduct bank charges from the account in which your Teleset Account is maintained and you irrevocably and unconditionally authorise such deductions. We will recredit your Teleset Account if and to the extent that such bank charges are deducted from it.
- PERIOD.** Subject to clauses 5 and 6 below, this Agreement will remain in force for an initial period of one year from the Effective Date specified overleaf and thereafter unless and until determined by either party giving not less than three months' notice in writing to the other to expire on any anniversary of the Effective Date. Notwithstanding the foregoing you may terminate this Agreement by giving written notice to us within 7 days from the Effective Date and subject to (within such period) (a) return at your cost of all franks, dies and the Meter unused and unopened and (b) payment of our then prevailing cancellation fee
- PAYMENT TERMS.** You are required to settle all amounts payable within 30 days of invoice date without deduction discount set-off or counterclaim. Time for payment is of the essence. If you fail to pay in full in accordance herewith then (without prejudice to our other rights) you will automatically become liable to pay us interest on the amount for the time being unpaid at 5 per cent per annum above the base rate from time to time of Royal Bank of Scotland PLC calculated from the date of due payment until payment in full as well after as before any judgment and (notwithstanding any other provision of this Agreement) we shall be entitled to forthwith terminate this Agreement and/or any other agreement between us and to claim damages from you for breach. We are entitled to recover the price (for any spare parts sold to you hereunder) and all other amounts payable hereunder notwithstanding that delivery may not have taken place and that property in any spare parts may not have passed to you
- RETURN OF FRANKS, DIES, INDICIA AND CRYPTOGRAPHIC SOFTWARE.** In the event that-
 - you breach any of the terms and/or conditions of this Agreement and (if such breach is remediable) such breach remains unremedied for seven days following written notice by us specifying such breach; or
 - you breach any of the Royal Mail's requirements from time to time and/or the Authority is revoked or terminated or the Royal Mail otherwise requires us to repossess franks and dies; or
 - you enter into or propose to enter into any composition or arrangement with your creditors or become bankrupt or suffer a receiver, liquidator, administrator, administrative receiver, manager, trustee in bankruptcy or other like officer to be appointed over all or any of your assets or permit a judgment against you to remain unsatisfied for more than seven days or if in our opinion any of the foregoing events is likely to occur;

we will be entitled without prejudice to any other rights that we may have forthwith or at any time thereafter (by notice in writing to you), to terminate this Agreement. On any termination of this Agreement you will cease to possess any franks and dies with our consent and will forthwith deliver the same to us, and in default thereof we will be entitled to enter any premises where the same are located or where we believe they are located and to repossess all franks and dies and we will be entitled by notice in writing to you to declare (and there will forthwith become) immediately due and payable any amount outstanding from you to us under this or any other agreement and all such amounts will bear interest at the rate set out above from the date of the notice until actual payment as well after as before any judgment

- MAINTENANCE.** FP will during the period for which the maintenance charge specified overleaf ("Maintenance Charge") has been paid, maintain the Equipment as follows:
 - Inspect the Meter in accordance with mandatory Royal Mail requirements and take appropriate Meter readings.
 - Where the Equipment includes a Meter either Mandatory Inspection Visit or Full Comprehensive cover, details of which are stated below, will be provided for that Meter in accordance with the option selected overleaf. In respect of all other Equipment **no maintenance will be provided** unless the Customer has opted overleaf for Full Comprehensive cover in respect of that Equipment.
 - MANDATORY INSPECTION VISIT** - applies to postage meters and/or PSDs only
We will attend (during Business Hours as defined below) all emergency calls requested by you. All calls will be charged to you at our then prevailing service charge rates for all labour and replacement parts (new or functionally equivalent thereto) necessary for repair. We will attend such calls as soon as reasonably practicable in the circumstances.
 - FULL COMPREHENSIVE COVER**
In addition to emergency cover as above, we will make such additional calls as may be reasonably necessary to adjust or repair the Meter or other Equipment (as the case may be) without further charge, within normal working hours of 9am to 5.30pm Monday to Friday (excluding general or local public holidays) ("Business Hours"). There will be no charge made for such calls and parts, with the exception of fold rollers, external modems, slitting or cutting blades, and labour will be provided free of charge, unless calls relate to repair damage or defects caused or contributed to by theft, fire, water, accident, careless or wrongful usage, negligence, failure to following FP instructions, unauthorised alteration maintenance or repair, failure to use FP consumables, usage in excess of the "Customer Requirement Details" stated overleaf or fair wear and tear, in which case we shall be entitled to charge as set out under Mandatory Inspection Visit.
 - In the case of mymail repairs will be undertaken at FP premises. All transport costs will be paid by FP. All exchanged parts will become our property under either contract option.
 - Where the equipment includes a postage rate calculator, then the maintenance charge will include the supply of Royal Mail inland letter tariff updates.
 - Where the Equipment consists of, or includes, a Meter, the Maintenance Charge will include the hire of the Royal Mail franks, stamping dies, indicia, cryptographic software, firmware and PSD.
 - This Agreement in no way makes us liable to carry out any adjustments to the Equipment which in any way alters the specification of the Equipment.
 - We reserve the right, where we deem necessary due to rising costs, to increase the Maintenance Charge, such increase to take effect on an anniversary of the date of installation.
 - Should reconditioning of the Equipment be necessary in our opinion an estimate of the cost thereof will be submitted. We reserve the right to terminate this Agreement immediately in the event that this work is not authorised by you. Reconditioning is at your cost.
 - If for any reason we are no longer authorised by the Royal Mail to maintain your Equipment and/or operate the Teleset System then we shall give you notice of that fact and our obligations to you hereunder in respect of maintenance and/or the Teleset System (as the case may be) shall forthwith cease and we shall be entitled to forthwith terminate this Agreement by notice to you
- WARRANTY.** Save for the warranties expressly set out in this Agreement all warranties, conditions, representations or other terms implied by statute, common law usage or otherwise (including without limitation as to merchantability, satisfactory quality, correspondence with description and sample) are hereby excluded to the fullest extent permitted by law. FP reserves the right to change the specifications of Equipment to comply with Royal Mail requirements. No person other than an Authorised Signatory is authorised to make representations or warranties binding on FP
- DELIVERY.** All delivery dates are approximate only and FP does not accept liability for any loss or damage resulting from delay in delivery howsoever caused. We are entitled to deliver in instalments, each of which is a separate contract and no failure or delay in delivery of or any defect in any one or more instalments shall entitle you to treat this Agreement as a whole as repudiated or to cancel any other instalment. Time for delivery is not of the essence
- ASSIGNMENT.** You shall not assign this Agreement or any rights hereunder in whole or in part without our written consent and any purported assignment without such consent will be void. We shall be entitled to assign this Agreement in whole or part and/or to appoint any sub-contractor to perform our obligations
- VALUE ADDED TAX.** Unless expressly stated otherwise all prices are exclusive of value added tax which will be payable in addition at the appropriate rate(s) at the same time
- LOSSES AND COSTS.** Under no circumstances will we be responsible for any loss of business or profit or any other indirect special contingent or consequential loss or damage, howsoever arising including without limitation by reason of our negligence. Our entire liability under this Agreement (save for death or personal injury arising out of our negligence) shall not exceed the total of all maintenance charges paid by you hereunder and any other amounts paid by you under clause 7, inclusive of all costs. Nothing in this Agreement shall limit or exclude our liability for death or personal injury arising out of our negligence
- LAW.** This Agreement will be governed and construed in accordance with the Laws of England and the parties hereby submit to the non-exclusive jurisdiction of the English Courts
- NOTICES.** Any notice may be given by sending it by prepaid first class post to the other party's address shown in this agreement or to such party's last known address
- HEALTH AND SAFETY.** You will be solely responsible for and will keep us indemnified against any loss, liability or expense arising directly or indirectly from use of the Equipment other than in accordance with our operating instructions
- WAIVER.** Any relaxation or indulgence granted by us to you will not be deemed in any way to be a waiver of or to prejudice our rights under this Agreement
- RISK.** The risk in the Equipment, consumables and all spare parts will pass to you upon delivery of the same at your premises
- PROPERTY**
 - Notwithstanding delivery of any spare parts to be sold to you hereunder the property in each item of the same will (unless the same are provided free of charge by us) remain with us until receipt by us of payment in full for each such item.
 - Until such receipt by us you will:
 - keep the same in your possession and control separately and clearly identified as our property and in a good state of repair and condition (fair wear and tear only accepted);
 - not sell, assign or let the same or any interest therein;
 - keep the same free from any charge, pledge, lien or other encumbrance and from any distress, execution or other legal process.
 - You will also comply with clause 18(b) (disregarding reference to receipt of payment) in relation to all franks and dies forming part of the Meter

If an event occurs as referred to in clause 6 and/or you fail to pay as referred to in clause 5, then we shall be entitled (without prejudice to any other remedies) to enter your premises and repossess any spare parts for which we have not been paid in full (other than those which are provided free of charge by us).
- FORCE MAJEURE.** We will not be liable for any delay, loss, damage or injury (save for death or personal injury arising out of our negligence) arising out of any cause whatsoever beyond our reasonable control
- THIRD PARTIES.** A person who is not a party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act