

Annex 2 to Initial Notice dated 17 September 2008: Draft licence conditions after the Proposed Modifications



Public Postal Operator's Licence
Class II Licence
for
Jersey Post Limited

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JERSEY COMPETITION REGULATORY AUTHORITY

CLASS II LICENCE ISSUED TO

JERSEY POST LIMITED

under

THE POSTAL SERVICES (JERSEY) LAW 2004

Article 15

The JCRA, in exercise of the powers conferred on it by the Postal Services (Jersey) Law, 2004 (the “Law”), grants to the Licensee a Licence to convey Letters and to provide a Postal Service, as defined in the Law, within, to and from the Island of Jersey and subject to the conditions attached hereto (the “Conditions” or, individually, “Condition”), all lawful Directions of the JCRA and all applicable laws, rules, Regulations, ordinances and orders of the States of Jersey.

DATED

1st JULY 2006

SIGNED

EXECUTIVE DIRECTOR

JERSEY COMPETITION REGULATORY AUTHORITY

CONDITIONS

1. DEFINITIONS AND INTERPRETATION

- 1.1 A word or expression that is used in the Licence or the Conditions and is also used in the Postal Services (Jersey) Law 2004 (the “Law”), has, except where otherwise stated in the Licence or Conditions, the same meaning in the Licence and the Conditions that it has in the Law. In addition, the expressions set out below have the meanings given to them below:

“Access Point”: means any box, receptacle or other facility provided by the Licensee for the purpose of receiving Postal Packets, or any class of Postal Packets, for onwards Transmission in connection with the provision of a universal Postal Service;

“Associated Company”: means a company that controls or is controlled by the Licensee or which is under the control of the same person or persons as control the Licensee;

“Authority”: means the Jersey Competition Regulatory Authority established by Article 2 of the Competition Regulatory Authority (Jersey) Law 2001;

“Business”: includes any trade, profession, or employment, in the course of which goods are supplied or services are provided, and any activity, or undertaking of a body of persons (whether or not incorporated), in the course of which goods are supplied or services are provided;

“Change of Control”: has the meaning given in Condition 2.6;

“Christmas Period”: means the month of December;

“Collect”: in respect of a Postal Packet includes to pick it up or receive it;

“Delivery Point”: means a private household address, a business address and any other facility or receptacle which the Licensee confirms to be suitable for the acceptance of Mail;

“Direction”: means a written statement issued by the JCRA with which a Licensee must comply;

“Documents”: includes accounts, deeds, writings and Information recorded in any form, whether or not legible to the naked eye;

“Employee”: includes an employee, temporarily contracted staff, secondee, officer and servant;

“Force Majeure”: means any cause affecting the performance by the Licensee of any obligation hereunder arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control including (but without limiting the generality thereof) governmental or States’ acts or Regulations, fire, flood, inclement weather, terrorism or any disaster or an industrial dispute affecting the provision of Postal Services. Any act, event, omission, happening or non-happening will only be

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considered Force Majeure if it is not attributable to the wilful act, neglect or failure to take reasonable precautions of the affected party, its officers, contractors, sub-contractors, agents, servants or Employees;

“Information”: includes – (a) information recorded in any form; and
(b) forecasts and estimates;

“JCRA”: means the Authority;

“Land”: means any corporeal hereditament, including a building, and land covered with water, and also includes any interest in land or water and servitudes or rights in, on or over land or water;

“Letter”: means a communication in handwriting or in print (or in both) that is to be conveyed and delivered to a person, or to an address, indicated on the communication itself or its envelope or cover, and includes a packet containing such a communication, but excludes –

- (a) a book, catalogue, newspaper or periodical; and
- (b) anything that weighs more than 20 kilograms;

as such term is further defined within the relevant Postal Scheme.

“Licence”: means the licence granted to the Licensee under Part 4 of the Law of which these are the Conditions;

“Licence Commencement Date”: means the date on which the JCRA determines that it is satisfied that all material assets, both fixed and current, of which Jersey Post has beneficial use, will be transferred to the Licensee or its Subsidiaries;

“Licence Fee”: means the fee or fees prescribed by the JCRA under Article 18 of the Law;

“Licensee”: means Jersey Post Limited and its permitted assignees;

“Licensed Services”: means services authorised by this Licence;

“Mail”: means Postal Packets;

“Modify”: includes add to, amend, alter, replace, revoke and delete;

“Other Licensed Operator”: means any person who, other than the Licensee, for the time being, has the benefit of a licence granted under Article 15 of the Law;

“Parcel”: means an item of Mail which is defined as a Parcel within the relevant Postal Scheme;

“Philatelic Services”: means services provided for the collection and study of Postage Stamps;

“Post Box”: means a thing or place used by the Licensee and represented by the Licensee as a thing or place where the public may post Mail for Transmission by post,

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the public's doing so simply by placing it there without receiving any acknowledgment, or expression of agreement, on the part of the Licensee;

“Postal Development Plan”: has the meaning given in Condition 15.2;

“Postal Facilities”: means the physical and human resources and systems deployed by the Licensee and by its contractors and agents for the purpose of meeting the Licensee's obligations under this Licence to provide Postal Services;

“Postal Law”: means Postal Services (Jersey) Law 2004;

“Postal Monitoring Plan”: has the meaning given in Condition 15.2;

“Postage”: means any charge for Postal Services;

“Postage Stamp”: means any mark (or recording) recognized or authorized by a postal operator as attesting payment of a charge for a Postal Service provided by the operator, and includes an adhesive stamp, a mark printed, embossed, impressed or otherwise indicated, and a recording on an envelope, card, cover, wrapper or other article;

“Postal Packet”: means anything that weighs no more than 20 kilograms, and is for the Transmission by post or is transmitted by post and includes Letters and Parcels;

“Postal Scheme”: means a scheme made by the Licensee under Part 11 of the Law;

“Postal Services”: means the conveyance of Postal Packets, the incidental services of receiving, collecting, sorting and delivering Postal Packets, and any other service that relates to any of those services and is provided in conjunction with any of them;

“Regulations”: means Regulations made by the States;

“Service”: does not include a service rendered to an employer under a contract of employment;

“Subsidiary”: has the same meaning as in the Companies (Jersey) Law 1991;

“Term”: means subject to Condition 10 of this Licence, a period of fifteen (15) years from the Licence Commencement Date;

“Transmission”: is referred to in Article 2(1) of the Law;

“Universal Service Obligation”: means the obligation of the Licensee to provide certain Postal Services under Condition 12 of this Licence;

“User”: means a person, organization or other entity that is a consumer of Postal Services;

“Working Day”: means every day except Sunday and public holidays in the case of Letters and every day except Saturday, Sunday and public holidays in the case of all other Mail.

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- 1.2 In the Licence and these Conditions, unless the context indicates a contrary intention:
- (a) references to Conditions, paragraphs and subparagraphs are to Conditions, paragraphs and subparagraphs of the Conditions, as varied from time to time in accordance with the Conditions;
 - (b) a document will be incorporated into and form part of the Conditions if it is referred to in the Conditions, and reference to such a document is to that document as varied from time to time;
 - (c) headings used for Conditions, paragraphs and subparagraphs are for ease of reference only and will not affect the interpretation of the Conditions;
 - (d) references to any law, rule, regulation, ordinance, order or other legal instrument includes any modification, re-enactment or legislative provisions substituted for the same;
 - (e) use of the word “includes” or “including” should be construed as being without limitation; and
 - (f) the masculine gender shall include the feminine and neuter, and the singular shall include the plural, and vice versa, and words importing persons shall include firms or companies.

PART I: ESTABLISHMENT AND ENFORCEMENT

2. SCOPE OF THE LICENCE

- 2.1 The Licensee is hereby designated as a public postal operator for the purposes of the Law and for the avoidance of doubt, this Licence shall be non-exclusive.
- 2.2 The Licence is personal to the Licensee and the Licensee shall not sub-license, assign or grant any right, interest or entitlement in the Licence nor transfer the Licence to any other person without the prior written consent of the JCRA to the transaction. This Condition does not prevent the Licensee from providing Licensed Services through its Associated Companies, Subsidiaries, Employees, agents or sub-contractors. For the avoidance of doubt, any such delegation shall not release the Licensee from its obligations under Condition 5.
- 2.3 The Licensee or a Subsidiary or Associated Company of the Licensee shall not sell, mortgage, pledge or otherwise transfer or encumber any assets (including, but not limited to, the assets of a Subsidiary or Associated Company of the Licensee) which are necessary either to provide the Licensed Services or otherwise to comply with the Licensee's obligations under this Licence without the prior written consent of the JCRA to the transaction.
- 2.4 Conditions 2.2 and 2.3 do not apply to:
- (i) a transfer, assignment or other disposal of an interest in assets under an arrangement whereby the Licensee, a Subsidiary or Associated Company of the Licensee retains the use and benefit of such assets for the remainder of the useful life of such assets and for the duration of the Licence; or
 - (ii) a transfer, assignment or other disposal of assets made in the ordinary course of Business.
- 2.5 The Licensee shall notify the JCRA of the occurrence of any of the following:
- (a) any fact or event likely to materially affect the Licensee's ability to comply with any Condition including any change to the Licensed Services which may detrimentally affect the permanence, availability or quality of the Licensed Services or the fulfilment of the Universal Service Obligation;
 - (b) any insolvency-related event in respect of the Licensee or Subsidiary or Associated Company of the Licensee, or any preparatory steps being taken that might lead to an insolvency-related event, immediately upon the Licensee becoming aware of the event.
- 2.6 The Licensee shall notify the JCRA of any proposed Change of Control of the Licensee or a Subsidiary or Associated Company of the Licensee forthwith upon the Licensee, or its chairman, chief executive officer, chief operating officer or any director becoming aware of the proposed change, and in any event prior to the acceptance by the Licensee or its shareholder of any such proposal.

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2.7 Within 30 days of the JCRA's receipt of a notification from the Licensee of a Change of Control under Condition 2.4, the JCRA may:

- (a) approve, in writing, the change or the proposed change; or
- (b) disapprove, in writing, the change or the proposed change, giving reasons; or
- (c) approve the proposed change or the change subject to the Licensee accepting a modification of the Licence under Article 19 of the Law;

and, in addition to any of the above measures, the JCRA may issue such Directions to the Licensee or invoke any of the applicable sanctions, penalties or remedies in the Law or the Licence as the JCRA reasonably considers necessary and appropriate.

In taking action under this Condition, the JCRA may have regard to whether or not the JCRA would have awarded the Licence to the Licensee, had the Change of Control taken effect prior to the award.

2.8 In this Condition 2, "Control" shall mean any direct or indirect possession of any power or right that enables a person or group of persons to direct, or cause the general direction of, the management or policies of the Licensee or a Subsidiary or Associated Company of the Licensee by any means. In any event, a person or group of persons shall be deemed to Control the Licensee or a Subsidiary or Associated Company of the Licensee if:

- (a) he or they exercise(s) or control(s) the exercise of fifty (50) per cent or more of the votes able to be cast at general meetings of the Licensee or Associated Company of the Licensee on all, or substantially all, matters; or
- (b) he is or they are able to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters or he is or they are, able to appoint or remove a majority of the governing body of the Licensee or Associated Company of the Licensee; or
- (c) he or they exercise(s) or control(s) the exercise of fifty (50) per cent or more of the partnership or other ownership interests of the Licensee or Associated Company of the Licensee;

and, in each case, reference to the Licensee or an Associated Company shall include any person or group of persons who Controls the Licensee or a Subsidiary or Associated Company in any of such ways, and "Change of Control" shall mean any change as a result of which any other person or group of persons acquires Control.

2.9 The Licensee shall supply to the JCRA, in relation to itself and any Subsidiary of the Licensee:

- (a) a copy of its annual return, as required by Article 71 Companies (Jersey) Law 1991, on the same date on which it is required to be filed in accordance with that law; and
- (b) a copy of its annual report and accounts on the same date, on which it is circulated to the shareholders of the relevant body corporate; and

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- (c) where the relevant body corporate is not incorporated in the Bailiwick of Jersey, any returns, reports, accounts or other Information under the laws of any applicable jurisdiction which are, in the opinion of the JCRA, analogous or equivalent to the above, at such times and in such forms as the JCRA directs from time to time.

2.10 The Licensee shall comply with any other requirement in law to obtain any additional consents, permissions, authorisations or licences as may be necessary for the provision of the Licensed Services and for the exercise of its rights or the discharge of its obligations under this Licence.

2.11 The Licensee shall ensure that:

- (a) The administration and management of the Business associated with the running (including establishment, maintenance and operation) of the Licensed Services shall be conducted from the Island of Jersey;
- (b) Its dealings with its shareholders, Subsidiaries, or Associated Companies are conducted on a normal commercial basis and at arm's length, and this may be audited by the JCRA, having given due notice; and
- (c) To the extent that Postal Services are provided by any Subsidiary of the Licensee, such Subsidiary shall not be reorganized, transferred, wound up, liquidated, dissolved, disbanded, or otherwise merged without the prior written consent of the JCRA. For the avoidance of doubt, Condition 2.11(c) applies to reorganizations that do not result in a Change of Control.

3. LICENCE FEE

- 3.1 The Licensee shall pay such Licence Fee as may be determined by the JCRA from time to time.
- 3.2 Without prejudice to any other remedies of the JCRA under this Licence or the Law, if the Licensee fails to pay any amount due to the JCRA under this Condition 3 by the due date, the unpaid amount will accrue interest daily from the due date to the date of payment at four (4) percentage points above the published base rate of the Bank of England, and is recoverable as a debt under law.

4. PROVISION OF INFORMATION

- 4.1 For the purpose of monitoring the Licensee's compliance with the Conditions and the Law, the Licensee shall provide to the JCRA in the manner, and at the times required by the JCRA, any Documents, accounts, returns, estimates, reports or other Information (whether financial, operational, technical or otherwise) including but not limited to the Documents, accounts, returns, estimates, reports and other Information specified in this Licence.
- 4.2 The JCRA may require an examination, investigation or audit of any aspect of the Licensee's Business relating to the Licensed Services or its compliance with the

Deleted: 2.12 The Licensee's directors shall not declare or recommend a dividend, nor shall the Licensee make any other form of distribution permitted under the Companies (Jersey) Law 1991, unless the JCRA determines otherwise. The rate of interest on any loan, debenture or other financial instrument paid by the Licensee to any Associated Company or to the States of Jersey shall be subject to the JCRA's prior written approval. This Condition shall cease to have effect on the date set forth in Article 8(5) of the Law.¶
2.13 The Licensee shall not do anything by act or omission which may lead it to having insufficient financial resources to discharge its liabilities under securities issued by the company to the States of Jersey. This Condition shall cease to have effect on the date set forth in Article 8(5) of the Law.¶

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Conditions and the Law, and the Licensee shall provide any assistance requested by the JCRA in relation to any such examination, investigation or audit. The JCRA may direct the manner in which such an examination, investigation or audit is carried out, including the creation of financial and/or technical specifications or documentation.

- 4.3 In particular, the JCRA may authorise a person to carry out an examination, investigation or audit or may require the Licensee to arrange for an examination, investigation or audit of any aspect of the Licensed Services to ensure compliance with the Conditions. The Licensee shall allow the JCRA's authorised representative to attend at, enter and inspect any premises under the control of the Licensee or a Subsidiary of the Licensee and to take copies of any Documents and to acquire any Information in the control of the Licensee or a Subsidiary of the Licensee, as may be required in order to carry out the examination, investigation or audit.
- 4.4 The Licensee shall bear all reasonable costs associated with any examination, investigation or audit conducted under this Condition 4.

5. COMPLIANCE

In addition to the Conditions, the Licensee shall comply and procure its Subsidiaries' compliance, with:

- (a) any obligation imposed on it by the Law or by any law, Regulation, rule, ordinance or order of the States of Jersey; and
- (b) any Direction duly issued by the JCRA under the Law, under any other law, Regulation, rule, ordinance or order of the States of Jersey or under this Licence.

6. MODIFICATION

The JCRA may from time to time Modify any Condition in this Licence. Any modification, deletion or addition to the Conditions shall be made in accordance with Article 19 of the Law and any other requirements under any applicable law.

7. ENFORCEMENT AND REVOCATION

The JCRA may take any action to enforce any Condition of this Licence in accordance with Article 20 of the Law. The JCRA may also at any time revoke this Licence in accordance with the provisions and procedures set out in Article 21 of the Law.

8. EXCEPTIONS AND LIMITATIONS ON THE LICENSEE'S OBLIGATIONS

If the Licensee is prevented from performing any of its obligations under this Licence because of Force Majeure:

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- (a) the Licensee shall notify the JCRA of those obligations it is prevented from performing and the reason why as soon as reasonably practicable; and
- (b) the JCRA may suspend those obligations, upon which the Licensee will not be liable to perform those obligations, for so long as the Force Majeure continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this Licence, or other reasonable precautions, save where such steps or precautions are prevented by Force Majeure, and the inability cannot reasonably be circumvented by the Licensee, at its expense through the use of alternative sources, work-around plans or other means.

9. MATTERS OF INTEREST TO JERSEY

The Licensee shall, in connection with its establishment, operation and maintenance of the Postal Facilities and provision of the Licensed Services, take reasonable steps to prevent any of these from being used in, or in relation to, the commission of offences against the laws of the Bailiwick of Jersey.

10. COMMENCEMENT, TERM AND RENEWAL

- 10.1 The Licence takes effect on the Licence Commencement Date.
- 10.2 At any time after the ninth (9th) anniversary but prior to the eleventh (11th) anniversary of the Licence Commencement Date, the Licensee may serve notice on the JCRA requesting a renewal of this Licence.
- 10.3 Within fifty six (56) days of the receipt of notice under Condition 10.2 or such further period as may be agreed with the Licensee, the JCRA shall notify the Licensee, subject to the Licensee providing all necessary Information to the JCRA to enable it to make the notification within the required time, whether or not it agrees to a renewal of the Licence subject to the same Conditions or any modified, amended or additional Conditions.

11. MISUSE OF DATA

The Licensee shall not make use of data of any nature which become available to it directly or indirectly as a result of providing the Licensed Services, in any way which, in the reasonable opinion of the JCRA, would unduly prefer the interests of any Business carried on by the Licensee or Associated Company of the Licensee, or place Other Licensed Operators at an unfair disadvantage.

PART II: PUBLIC SERVICE CONDITIONS

12. UNIVERSAL SERVICE OBLIGATION

- 12.1 The Licensee shall, in the Island of Jersey, fulfil the Universal Service Obligation (“USO”) as defined in Condition 12.3. The Licensee shall comply with any Direction given from time to time by the JCRA in respect to the USO.
- 12.2 The Licensee shall defray the full cost of the USO set out in this Condition from profits generated by the Licensed Services, except when otherwise permitted by Condition 24.1. In the event that the provision of the USO can be demonstrated to represent an unfair burden on the Licensee, the JCRA may, with a view to reducing the burden associated with providing the USO, review the extent and frequency of the services comprising the USO and, in addition or as an alternative, may introduce a mechanism for Other Licensed Operators to contribute to the net cost of the USO. The determination of such net cost shall be made by the JCRA following consultation by the JCRA, on the appropriate mechanism to be used.
- 12.2.1 Subject to any Direction given by the JCRA, profits made by the Licensee in connection with Philatelic Services shall not be included in profits generated by the Licensed Services, and shall be regarded as the Licensee’s proprietary funds.
- 12.3 The USO means the following set of obligations:
- a) To provide at least one Collection of Mail, generated within the Island of Jersey, which should be made from each Access Point each Working Day;
 - b) To provide at least one Delivery of Mail, whether generated within or outside the Island of Jersey, which should be delivered to every Delivery Point in the Island of Jersey, each Working Day;
 - c) To procure, to the extent within the Licensee’s control, the delivery of Mail to destinations outside the Island of Jersey at least at the same frequency as at the Licence Commencement Date, or at such other frequency as may be agreed by the JCRA;
 - d) The Licensee shall use all reasonable endeavours to set collection times at the latest possible times to access key transport connections;
 - e) To provide preferential Postage rates for literature for the blind and partially sighted as defined in the relevant Postal Scheme up to Universal Postal Union weight limits;
 - f) To provide access, by the means of Access Points and Post Boxes or other appropriate means to allow the Users reasonable access to the Postal Services;
 - g) To provide those Postal Services which the Licensee is required to provide to satisfy the USO at affordable prices and at a uniform tariff throughout the Island of Jersey;

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- h) To provide services for registered and insured Mail;
- i) To treat Mail generated from outside the Island of Jersey no less favourably than Mail generated from within the Island of Jersey in terms of delivery times, or as otherwise agreed by the JCRA; and
- j) To procure the provision, from time to time, of preferential rates in respect of Mail to addresses within the BFPO (British Forces Post Office), or as otherwise agreed by the JCRA.

13. POSTAL SCHEMES

- 13.1 The Licensee may make Postal Schemes specifying, or in respect of, any of the charges, and other terms and conditions, that are to apply to Postal Services provided by the Licensee.
- 13.2 All Postal Schemes made by the Licensee must be in accordance with the Law and in particular the Licensee shall comply with all the requirements detailed in Part 11 of the Law.
- 13.3 The Licensee shall be permitted to conclude individual agreements with any User or class of Users, subject to the other Conditions.
- 13.4 The Licensee shall, in the manner and at the times specified by the JCRA, publish the Postal Schemes and any change, there to, including tariffs under which it provides each category of Postal Services to the Users. In the absence of any Direction to the contrary from the JCRA, the Licensee shall ensure that all current Postal Schemes are:
 - (a) filed with the JCRA at least 28 days before being implemented; and
 - (b) made available for inspection at the reasonable request of any member of the public or sent to them by post and/or electronic means on reasonable request.
- 13.5 The JCRA may direct the Licensee to change the Licensee's Postal Schemes from time to time where any term or condition thereof is contrary to the Licence, the Law or any other law, Regulation, rule, ordinance or order of the States of Jersey.

14. PROTECTING THE INTEGRITY OF THE MAIL

- 14.1 Within three (3) months of the Licence Commencement Date, the Licensee shall submit to the JCRA in writing, Mail protection procedures which shall include:
 - (a) measures for minimising the exposure of Mail conveyed by the Licensee to the risk of theft, loss, damage or interference; and
 - (b) ways of improving the performance of the Licensee in relation to the matters referred to at paragraph (a) above.
- 14.2 The Licensee shall comply with Directions issued by the JCRA in respect of Mail protection and procedures in Condition 14.1.

15. DEVELOPMENT OF POSTAL FACILITIES AND SERVICES

- 15.1 The Licensee shall develop and operate the Postal Facilities so as to progressively achieve standards in line with international best practice during the Term, and in particular, the Licensee shall achieve and comply with such established international standards and benchmarks as the JCRA may direct from time to time.
- 15.2 In order to meet the objectives set out in Condition 15.1, within three (3) months of the Licence Commencement Date, the Licensee shall submit to the JCRA a plan setting out the target levels it will achieve for Postal Services, together with specific quality of service Information requested by the JCRA (to be known as the “Postal Development Plan”) and a service monitoring plan (to be known as the “Postal Monitoring Plan”) which provides for accurate measurement of each of the target levels set out in the Postal Development Plan (together, the “Plans”).
- 15.3 The Plans will describe:
- (a) how actual performance will be monitored;
 - (b) the process for the collection and analysis of suitable data; and
 - (c) the procedures for internal review and performance improvement planning by the Licensee.
- 15.4 The JCRA may direct the Licensee to update and resubmit the Plans from time to time.
- 15.5 The JCRA may direct the Licensee as to matters to be included in the Plans and may amend or replace such Direction from time to time.
- 15.6 Within forty five (45) days of the end of each six (6) month period during the Term, the Licensee shall provide the JCRA with a written report in a form required by the JCRA on its achievements under the Postal Development Plan during the preceding six (6) month period, as set out in Condition 15.2.
- 15.7 The Licensee shall comply with any Directions issued by the JCRA from time to time regarding any other quality of service indicators and measurement methods for Postal Services and shall, as and when required, supply to the JCRA, in a form specified by the JCRA, the results of its measurements of actual performance against any quality of service indicators and measurements so specified, and the JCRA may publish or require publication of such Information as it considers appropriate.

16. CONSUMER PROTECTION

- 16.1 The Licensee shall introduce such User complaint targets based on the number of complaints per one thousand Delivery Points per year, as are agreed by the JCRA. Such targets are:
- a) to be phased in over a period of three years from the Licence Commencement Date or such period as the JCRA may otherwise determine;
 - b) exclude performance results during the Christmas Period; and

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all complaints are to be lodged in a register to which the JCRA will have access.

- 16.2 The Licensee shall safeguard the privacy and confidentiality of all Mail and shall comply with all applicable laws from time to time regarding the protection of personal data and shall comply with any Directions issued by the JCRA for the purposes of protecting the interests of its Users, having regard to relevant laws in force from time to time, and subject to Articles 47 and 48 of the Law.
- 16.3 The Licensee shall within three (3) months of the Licence Commencement Date publish an appropriate code of practice (“Consumer Code”) for the resolution of User disputes. The JCRA may from time to time issue Directions to the Licensee specifying any modifications or additions that it considers should be made to the Consumer Code.
- 16.4 The Consumer Code shall identify a transparent, simple, inexpensive procedure in order to address, inter alia, the following:
- (a) the appointment of a representative of the Licensee to be the first point of contact for members of the public;
 - (b) a means of recording complaints against and disagreements with the Licensee;
 - (c) the procedure and time frame in which the Licensee will respond to complaints and disagreements;
 - (d) the method and duration of retention of records of complaints and disagreements; and
 - (e) the level of any compensation that the Licensee may offer where complaints have been upheld or not satisfactorily resolved.

If a complaint or disagreement remains unresolved for three (3) months, either party may refer it to the JCRA for advice or determination.

- 16.5 The Consumer Code may be amended by the Licensee from time to time, provided that the Licensee shall notify the JCRA and publish the proposed changes twenty eight (28) days in advance of their coming into effect. The JCRA may issue Directions to the Licensee as to the changes, including but not limited to Directions not to make the changes, Directions to amend the changes further or Directions as to the timing of the changes.
- 16.6 The Licensee shall participate in good faith in any dispute resolution procedure established by the JCRA, following consultation with the Licensee, for the resolution of disputes.
- 16.7 The Licensee shall submit at the end of every six (6) month period or at such other intervals as the JCRA directs, a written report to the JCRA setting out:
- (a) the extent to which the Licensee has succeeded in meeting the targets described in Condition 16.1;

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- (b) the compensation that has been paid in relation to complaints or disagreements where the User complaints were upheld and why complaints were dismissed; and
 - (c) such other matters that the JCRA directs should be included in the report.
- 16.8 The Licensee shall ensure the accuracy and reliability of any systems, equipment, data or procedures, which the Licensee uses to measure or to track the provision of Licensed Services or for the calculation of related charges.
- 16.9 The JCRA may require the Licensee to set up, at Licensee's expense, a User Council or Councils for the specific purpose of obtaining and representing the views of Users.
- 16.10 The Licensee shall not promote any or all of its services in such a way as may be misleading to Users or contain unverifiable information and such promotions shall not contain information that is not independently verifiable.
- 16.11 The Licensee shall provide a facility to receive compensation for loss or damage on insured products, and to continue to provide compensation for loss or damage in respect of other Mail, on terms no less favourable than its existing practice or policy, unless otherwise agreed by the JCRA.

PART III:

GENERAL CONDITIONS RELATING TO THE PROVISION OF POSTAL SERVICES

17. INTERNATIONAL OBLIGATIONS

The Licensee shall comply with international obligations of the Bailiwick of Jersey in accordance with States' directions, including the rules and regulations of the Universal Postal Union. The Licensee shall issue Postage Stamps bearing the word "Jersey" which attests payment of Postage according to the acts of the Universal Postal Union.

18. ACCESS TO LAND

The Licensee shall be entitled to all powers and rights and subject to all such obligations as are set out in Part 8 of the Law. Nothing in this Licence shall absolve the Licensee from any requirement in law to obtain such additional consents, permissions, authorisations or Licences as may be necessary for the exercise of its rights or discharge of its obligations under this Licence.

19. CESSATION OF THE PROVISION OF THE LICENSED SERVICES

19.1 If the Licensee proposes to cease to fulfil to provide all or a material part of the Licensed Services, or to fulfil the USO, it shall give not less than four (4) months notice in writing to the JCRA of the proposal and its plans in relation to the cessation.

19.2 At any time within four (4) months before the expiry of the Licence or if the JCRA receives a notice under Condition 19.1, or if the JCRA has made a decision pursuant to Article 21 of the Law to revoke the Licence, the JCRA may, after consultation with the Licensee, direct it in writing to take such steps as the JCRA considers necessary or expedient to ensure the continuity of the Licensed Services, or the continuity and continuation of the fulfilment of the USO, or any constituent parts thereof, and the Licensee shall comply with any such Directions.

PART IV: ADDITIONAL CONDITIONS

20. PRICE REGULATED SERVICES

20.1 The Licensee shall publish all list prices and discount schemes for any Licensed Services or any Postal Services provided to fulfil the USO within twenty eight (28) days of the Licence Commencement Date.

20.2 Where the Licensee intends to introduce:

- (a) new prices for any Licensed Services or any Postal Services provided to fulfil the USO, or prices for new Licensed Services or new Postal Services provided to fulfil the USO to be introduced by the Licensee; or
- (b) any discounts to published prices for Licensed Services or Postal Services provided to fulfil the USO; or
- (c) special offers to all or any of its Users for particular categories of Licensed Services or Postal Services provided to fulfil the USO;

it shall publish the same at least twenty one (21) days prior to their coming into effect and provide full details of the same to the JCRA.

20.3 The JCRA may, after consultation with the Licensee, determine the maximum level of charges the Licensee may apply for Licensed Services or Postal Services provided to fulfil the USO in such a manner as to ensure that the prices:

- (a) enable the Licensee to have sufficient resources to fulfil the USO;
- (b) are not excessive;
- (c) are not predatory; and
- (d) in the case of Postal Services provided to fulfil the USO, are affordable.

20.4 All published prices, discount schemes and special offers of, or introduced by, the Licensee for Licensed Services shall be transparent and non-discriminatory; all prices shall be cost-justified and all special offers shall be objectively justifiable.

20.5 If the JCRA, after consulting the Licensee and such other persons as it may determine, is satisfied that any published price, discount scheme or special offer is in breach of the Law or this Licence, the JCRA may, by issuing a Direction, require the Licensee to bring the relevant prices, discount schemes or special offers, into conformity with the Law and/or the requirements of this Licence.

20.6 Condition 20 applies to a Subsidiary of the Licensee if the Licensee delegates to the Subsidiary the provision of any Licensed Services or any Postal Services provided to fulfil the USO under Condition 2.2.

20.7 The JCRA may decide to waive Condition 20 in whole or in part where the Licensee demonstrates to the satisfaction of the JCRA that it does not have a dominant position in a relevant market.

21. OTHER SERVICES

21.1 To continue to provide (unless otherwise agreed by the JCRA):

- (a) Business reply services to Users, subject to appropriate and reasonable terms and conditions as determined by the Licensee;
- (b) a redirection service for the Island of Jersey addresses subject to appropriate and reasonable terms and conditions as determined by the Licensee;
- (c) a retention service for Island of Jersey addresses subject to appropriate terms and conditions as determined by the Licensee.

21.2 The costs for the above services shall be included within the cost of the USO.

22. FAIR COMPETITION

22.1 The Licensee or any Subsidiary of the Licensee shall not, where it is in a dominant position, do or omit to do anything which would be an abuse of that dominant position under Article 16 of the Competition (Jersey) Law 2005.

22.2 The Licensee or any Subsidiary of the Licensee shall:

- (a) not abuse any position of dominance in any relevant market;
- (b) not engage in any practice or enter into any arrangement that has the object or the likely effect of preventing, restricting or distorting competition in the establishment in the provision of Postal Services; and
- (c) comply with any Direction issued by the JCRA for the purpose of preventing any market abuse or any practice or arrangement that has the object or effect of preventing, restricting or distorting competition, in the provision of the Licensed Services.

23. SEPARATION OF ACCOUNTS

23.1 Within twelve (12) months of the Licence Commencement Date, the Licensee shall ensure, and confirm to the JCRA, that it maintains accounting records in a form that enables the relevant Licensed Services specified in any Direction given by the JCRA to be separately identifiable, and which the JCRA considers to be sufficient to show and explain the transactions of each of those activities.

23.2 The JCRA may require reports on the accounting records and/or activities from time to time. The JCRA may direct the Licensee as to the basis and timing of such reports.

24. CROSS-SUBSIDISATION

- 24.1 The Licensee shall not unfairly cross-subsidise or unfairly subsidise the establishment, operation or maintenance of any Postal Facilities or Postal Services or receive any unfair cross-subsidy or any unfair subsidy. For the avoidance of doubt, cross-subsidization for the purpose of either (a) providing the USO, or (b) having sufficient financial resources to discharge the Licensee's liabilities under securities issued by the company to the States of Jersey, are permitted.
- 24.2 To assist the JCRA in evaluating whether any unfair cross-subsidisation or unfair subsidisation is taking place, the Licensee shall record at full cost in its accounting records any transfer of assets, funds, costs, rights or liabilities between a part and any other part of its Business, and between it and any Associated Company or shareholder, and shall comply with any Directions issued by the JCRA for this purpose.

25. UNDUE PREFERENCE AND UNFAIR DISCRIMINATION

The Licensee shall not, where it holds a dominant position in a relevant market, show undue preference to, or exercise unfair discrimination against, any User or Other Licensed Operator regarding the provision of the relevant Postal Services provided in that relevant market. The Licensee will be deemed to be in breach of this Condition if it favours any Business carried on by the Licensee or an Associated Company or shareholder or Other Licensed Operator, so as to place Other Licensed Operators competing with that Business, at an unfair disadvantage in relation to any licensed activity.