

JERSEY COMPETITION REGULATORY AUTHORITY

REVISED INITIAL NOTICE TO REGENCY HOLDINGS LIMITED

**CONCERNING A PROPOSED MODIFICATION TO REGENCY HOLDINGS
LIMITED'S CLASS 1 POSTAL LICENCE**

Under Articles 19 and 24 of the Postal Services (Jersey) Law 2004

On 27 July 2009, the Jersey Competition Regulatory Authority ('JCRA') published an Initial Notice concerning a proposed modification to the Class 1 Postal Licence (the 'Licence') of Regency Holdings Limited ('Regency'). On the same date, an announcement was made in the Jersey Gazette concerning the publication of the Initial Notice. Unfortunately the text of the Initial Notice as published contained some minor typographical errors and omissions.

In the interests of clarity and regulatory certainty, the JCRA has today withdrawn that Initial Notice and publishes this revised Initial Notice.

In this revised Initial Notice, the JCRA proposes to modify, pursuant to Articles 19 and 24 of the Law, the Licence issued to Regency by modifying Condition 2.1, deleting two definitions from the Definitions and Interpretation section of the Licence and making minor consequential amendments to Conditions 12, 13, 14, 16 and 17.

Background to the Proposed Licence Modification

The JCRA issued the Licence to Regency under Article 15 of the Law on 24 June 2008.

Condition 2.1 of the Licence states:

"The scope of the Licence is limited to:

- (a) the receipt, processing and delivery of Licensed Letters to addresses in the Island of Jersey; and*
- (b) the receipt, processing and delivery of Inbound Letters to addresses in the Island of Jersey sent by Mail-Order Catalogue companies, which Inbound Letters physically accompany such Mail-Order Catalogues both at the time of receipt and delivery.*

For the avoidance of doubt, this Licence is non-exclusive".

It is proposed that Condition 2.1 of the Licence will read as follows, following the modification:

“The scope of the Licence is limited to the receipt, processing and delivery of Licensed Letters to addresses in the Island of Jersey. For the avoidance of doubt, this Licence is non-exclusive.”

In addition, it is proposed to delete the definitions of “Inbound” and “Mail-Order Catalogue” from the Definitions and Interpretation section of the Licence. Finally, it is necessary to make minor consequential changes to subsequent Conditions. These involve deleting the phrase “Inbound Letter” from subsequent Conditions, plus making associated necessary grammatical changes.

The proposed changes are detailed in Annex 2, which is attached to this revised Initial Notice.

Reasons for the Proposed Licence Modification

On 12 April 2009, Regency requested that the reference to the receipt, processing and delivery of Letters accompanying Mail-Order Catalogues be removed from its Licence. The reason is that the payment Regency receives for providing such a service exceeds the licensable financial limit of £1.30 per Letter. As such, the requirement to hold a Licence for Letters accompanying Mail-Order Catalogues¹ is no longer necessary.

Grounds for the Proposed Licence Modification

The legal grounds for this revised Initial Notice and the proposed modification set out herein are Article 19 (concerning Licence modifications) and Article 24 (concerning Initial Notices) of the Law.

The JCRA has reached the preliminary conclusion that the proposed modification is consistent with its duties listed in Article 8 of the Law. In particular, the proposed modification furthers the JCRA’s secondary duty set out in Article 8(2)(d) of the Law, ‘to impose a minimum of restrictions on persons engaged in commercial activities connected with postal services in Jersey.’

Date when the Proposed Modification will take effect

The proposed Licence modification will take effect on **19 September 2009**, unless the JCRA receives written representations or objections about the proposal prior to that date, in which case the effective date will be specified in any Final Notice issued by the JCRA under Article 24(5) of the Law.

¹ Note, under the Law, the term “Catalogue” is not included in the definition of a Letter and therefore falls outside of the requirement to hold a Licence.

Documents giving effect to the Proposed Modification

The documents that would give effect to the proposed modification are attached. Specifically, Annex 1 sets out a copy of the Licence before modification, while Annex 2 is a copy in draft form of the Licence as modified. These documents are also available for inspection at the JCRA's offices and on its website (www.jcra.je).

Period for Written Representations or Objections

Any written representations or objections in respect of the proposed Licence modification may be made by midnight on **18 September 2009** to:

Paul Hamilton,
Postal Case Officer,
Jersey Competition Regulatory Authority,
2nd Floor, Salisbury House,
1-9 Union Street, St Helier,
Jersey JE2 3RF

or by email to p.hamilton@jcra.je or by fax on 01534 514991.

18 August 2009

By Order of the Board of the JCRA



CLASS I POSTAL OPERATOR'S LICENCE
FOR
REGENCY HOLDINGS LIMITED

ANNEX 1 – LICENCE BEFORE MODIFICATION

JERSEY COMPETITION REGULATORY AUTHORITY

CLASS I LICENCE ISSUED TO

REGENCY HOLDINGS LIMITED

(“THE LICENSEE”)

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 “Postal Law”) grants to the Licensee a Licence to receive, process and deliver Licensed Letters to addresses in the Island of Jersey; and to receive, process and deliver to addresses in the Island of Jersey Inbound Letters sent by Mail-Order Catalogue companies, which Inbound Letters physically accompany such Mail-Order Catalogues both at the time of receipt and delivery.

This Licence is 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 24 June 2008

SIGNED

EXECUTIVE DIRECTOR

JERSEY COMPETITION REGULATORY AUTHORITY

ANNEX 1 – LICENCE BEFORE MODIFICATION

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 “Postal 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 Postal Law. In addition, the expressions set out below have the meanings given to them below:

“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;

“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 2.8;

“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 Service. Any act, event, omission, happening or non-happening will only be 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;

“Inbound”: means coming into the Island of Jersey from another jurisdiction;

“Indicia”: means a mark or other identifier unique to the Licensee;

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

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

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“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.

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

“Licence Commencement Date”: means the date on which this Licence is signed by the JCRA;

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

“Licensed Letters”: means Letters which:

- (i) arrive in Jersey by a scheduled passenger aircraft flight, subject to Force Majeure; and
- (ii) are not processed or handled at any time by a Universal Services Provider;

“Licensee”: means Regency Holdings Limited;

“Mail-Order Catalogue”: means a system of buying and selling goods by post, whereby customers receive a catalogue or brochure which contains a list of goods for sale, and from which they choose and order their purchases and their order is delivered directly to them;

“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 Postal Law;

“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 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;

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“Postal Services”: means those services set forth in Condition 2.1;

“Regulations”: means Regulations made by the States;

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

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

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

“Universal Service Provider”: means the public or private entity providing a universal postal service or parts thereof, the identity of which has been appointed by the JCRA or notified to the European Commission.

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

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.

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PART I: ESTABLISHMENT AND ENFORCEMENT

2. SCOPE OF THE LICENCE

2.1 The scope of the Licence is limited to:

- a) the receipt, processing and delivery of Licensed Letters to addresses in the Island of Jersey; and
- b) the receipt, processing and delivery of Inbound Letters to addresses in the Island of Jersey sent by Mail-Order Catalogue companies, which Inbound Letters physically accompany such Mail-Order Catalogues both at the time of receipt and delivery.

For the avoidance of doubt, this Licence is 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 Postal Services through its 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 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 Postal 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, or a Subsidiary 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 Postal Services

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which may detrimentally affect the permanence, availability or quality of the Postal Services;

- (b) any insolvency-related event in respect of the Licensee or an Associated Company, 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 an Associated Company 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.
- 2.7 Within thirty (30) days of the JCRA’s receipt of a notification from the Licensee of a Change of Control under Condition 2.6, 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, in writing, the proposed change or the change subject to the Licensee accepting a modification of the Licence under Article 19 of the Postal 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 Postal 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 an Associated Company by any means. In any event, a person or group of persons shall be deemed to Control the Licensee or an 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 the Associated Company 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 the Associated Company; or

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- (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 the Associated Company;

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 an 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
- (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 Postal 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 Postal Services shall be conducted from the Island of Jersey;
- (b) its dealings with its shareholders, and 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;
- (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; and

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- (d) all profits earned from Postal Services by any of its Subsidiaries accrue to the benefit of the Licensee.

3. LICENCE FEE

- 3.1 The Licensee shall pay such Licence Fee as may be determined from time to time by the JCRA.
- 3.2 Without prejudice to any other remedies of the JCRA under this Licence or the Postal 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 Postal 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 Postal Services or its compliance with the Conditions and the Postal 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 with regard to 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 Postal 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.

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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 Postal 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 Postal 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 Postal 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 Postal 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 Postal 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:

- (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.

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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 Postal Services take reasonable steps to prevent any from being used in, or in relation to, the commission of offences against the laws of the Bailiwick of Jersey.

10. COMMENCEMENT AND TERM

The Licence commences on the Licence Commencement Date and continues, subject to the Licensee's compliance with the Conditions and the Postal Law, and subject to any revocation or suspension by the JCRA, for the Term.

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 Postal 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 an Associated Company, or place Other Licensed Operators at an unfair disadvantage.

12. PROTECTING THE INTEGRITY OF THE MAIL

12.1 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 Licensed Letters and/or Inbound Letters 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.

12.2 The Licensee shall comply with Directions issued by the JCRA in respect of Mail protection and procedures in Condition 12.1.

12.3 In the event that the Licensee delivers a Licensed Letter or Inbound Letter to the wrong address, which may result in that Licensed Letter or Inbound Letter being collected and delivered by an Other Licensed Operator, the Licensee shall reimburse the Other Licensed Operator for its reasonable costs incurred in collecting and delivering that Licensed Letter or Inbound Letter.

13. MAIL IDENTIFICATION

13.1 Within thirty (30) days of the Licence Commencement Date, the Licensee shall submit to the JCRA a copy of its proposed Indicia for approval by the JCRA.

13.2 Once approved by the JCRA, the Licensee shall apply the Indicia to the top right hand corner of the envelope of each Licensed Letter and Inbound Letter which it

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delivers under this Licence. The Indicia shall be applied promptly following receipt of the Licensed Letters and Inbound Letters by the Licensee.

14. REDIRECTIONS

- 14.1 Within thirty (30) days of the Licence Commencement Date, the Licensee shall submit to the JCRA in writing its procedures for handling redirected Licensed Letters or Inbound Letters.
- 14.2 Once approved by the JCRA, the Licensee shall comply with these procedures and comply with Directions issued by the JCRA in respect of redirections.
- 14.3 Notwithstanding the obligations set out in Condition 14.1, in the event that any Licensed Letter or Inbound Letter originally delivered by the Licensee is subsequently collected and redirected by an Other Licensed Operator, the Licensee shall reimburse the Other Licensed Operator for its reasonable costs incurred in collecting and redirecting that Licensed Letter or Inbound Letter.

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.

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- 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. UNDELIVERABLE LICENSED LETTERS OR INBOUND LETTERS**
- 16.1 Within thirty (30) days of the Licence Commencement Date, the Licensee shall submit for the JCRA approval its procedures for handling undeliverable Licensed Letters or Inbound Letters.
- 16.2 Once approved by the JCRA, the Licensee shall comply with these procedures and comply with Directions issued by the JCRA in respect of undeliverable Licensed Letters or undeliverable Inbound Letters.
- 16.3 Notwithstanding the obligations set out in Condition 16.1, in the event that any undelivered Licensed Letter or undelivered Inbound Letter originally delivered by the Licensee is subsequently collected and returned by an Other Licensed Operator, the Licensee shall reimburse the Other Licensed Operator for its reasonable costs incurred in collecting and returning that undelivered Licensed Letter or undelivered Inbound Letter.

PART II: PUBLIC SERVICE CONDITIONS

17. CONSUMER PROTECTION

- 17.1 The Licensee shall, in the manner and at the times specified by the JCRA, publish the standard terms and conditions, including tariffs under which it provides each category of Postal Services to Users. In the absence of any other Direction from the JCRA, the Licensee shall ensure that a current statement of all applicable terms and conditions is:
- (a) filed with the JCRA; and
 - (b) promptly made available for inspection at the request of any member of the public or promptly sent to them by post on request.

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- 17.2 The JCRA may direct the Licensee to change the Licensee's standard conditions from time to time where any condition thereof is contrary to the Licence, the Postal Law or any other law, Regulation, rule, ordinance or order of the States of Jersey.
- 17.3 The Licensee shall safeguard the privacy and confidentiality of all Licensed Letters and Inbound Letters 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 Postal Law.
- 17.4 The Licensee shall participate in good faith in any procedure established by the JCRA, following consultation with the Licensee, for the resolution of disputes.

ANNEX 1 – LICENCE BEFORE MODIFICATION

PART III: GENERAL CONDITIONS RELATING TO THE PROVISION OF POSTAL SERVICES

18. 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.

19. CESSATION OF THE PROVISION OF THE POSTAL SERVICES

19.1 If the Licensee proposes to cease to provide all or a material part of the Postal Services, 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 15.1, or if the JCRA has made a decision pursuant to Article 21 of the Postal 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 Postal Services, any constituent parts thereof, and the Licensee shall comply with any such Directions.

20. UNIVERSAL POSTAL SERVICE

The JCRA may direct the Licensee to contribute to a fund, to cover the net cost of the provision of the net universal postal service and the Licensee shall comply with such directions.



CLASS I POSTAL OPERATOR'S LICENCE
FOR
REGENCY HOLDINGS LIMITED

ANNEX 2 – PROPOSED LICENCE AFTER MODIFICATION

JERSEY COMPETITION REGULATORY AUTHORITY

CLASS I LICENCE ISSUED TO

REGENCY HOLDINGS LIMITED

(“THE LICENSEE”)

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 “Postal Law”) grants to the Licensee a Licence to receive, process and deliver Licensed Letters to addresses in the Island of Jersey; and to receive, process and deliver to addresses in the Island of Jersey Inbound Letters sent by Mail-Order Catalogue companies, which Inbound Letters physically accompany such Mail-Order Catalogues both at the time of receipt and delivery.

This Licence is 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 24 JUNE 2008

SIGNED

EXECUTIVE DIRECTOR

JERSEY COMPETITION REGULATORY AUTHORITY

ANNEX 2 – PROPOSED LICENCE AFTER MODIFICATION

CONDITIONS

2. DEFINITIONS AND INTERPRETATION

- 2.1 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 “Postal 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 Postal Law. In addition, the expressions set out below have the meanings given to them below:

“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;

“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 2.8;

“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 Service. Any act, event, omission, happening or non-happening will only be 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;

~~**“Inbound”**: means coming into the Island of Jersey from another jurisdiction;~~

“Indicia”: means a mark or other identifier unique to the Licensee;

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

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

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“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.

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

“Licence Commencement Date”: means the date on which this Licence is signed by the JCRA;

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

“Licensed Letters”: means Letters which:

- (i) arrive in Jersey by a scheduled passenger aircraft flight, subject to Force Majeure; and
- (ii) are not processed or handled at any time by a Universal Services Provider;

“Licensee”: means Regency Holdings Limited;

~~**“Mail-Order Catalogue”**: means a system of buying and selling goods by post, whereby customers receive a catalogue or brochure which contains a list of goods for sale, and from which they choose and order their purchases and their order is delivered directly to them;~~

“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 Postal Law;

“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 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;

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“Postal Services”: means those services set forth in Condition 2.1;

“Regulations”: means Regulations made by the States;

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

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

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

“Universal Service Provider”: means the public or private entity providing a universal postal service or parts thereof, the identity of which has been appointed by the JCRA or notified to the European Commission.

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

- 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.

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PART I: ESTABLISHMENT AND ENFORCEMENT

2. SCOPE OF THE LICENCE

2.1 ~~The scope of the Licence is limited to:~~

~~a) the receipt, processing and delivery of Licensed Letters to addresses in the Island of Jersey; and~~

~~b) the receipt, processing and delivery of Inbound Letters to addresses in the Island of Jersey sent by Mail Order Catalogue companies, which Inbound Letters physically accompany such Mail Order Catalogues both at the time of receipt and delivery.~~

The scope of the Licence is limited to the receipt, processing and delivery of Licensed Letters to addresses in the Island of Jersey. For the avoidance of doubt, this Licence is 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 Postal Services through its 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 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 Postal 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, or a Subsidiary 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:

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- (a) any fact or event likely to materially affect the Licensee’s ability to comply with any Condition including any change to the Postal Services which may detrimentally affect the permanence, availability or quality of the Postal Services;
 - (b) any insolvency-related event in respect of the Licensee or an Associated Company, 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 an Associated Company 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.
- 2.7 Within thirty (30) days of the JCRA’s receipt of a notification from the Licensee of a Change of Control under Condition 2.6, 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, in writing, the proposed change or the change subject to the Licensee accepting a modification of the Licence under Article 19 of the Postal 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 Postal 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 an Associated Company by any means. In any event, a person or group of persons shall be deemed to Control the Licensee or an 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 the Associated Company 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

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or they are, able to appoint or remove a majority of the governing body of the Licensee or the Associated Company; 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 the Associated Company;

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 an 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
- (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 Postal 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 Postal Services shall be conducted from the Island of Jersey;
- (b) its dealings with its shareholders, and 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;
- (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

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2.11(c) applies to reorganizations that do not result in a Change of Control; and

- (d) all profits earned from Postal Services by any of its Subsidiaries accrue to the benefit of the Licensee.

3. LICENCE FEE

3.1 The Licensee shall pay such Licence Fee as may be determined from time to time by the JCRA.

3.2 Without prejudice to any other remedies of the JCRA under this Licence or the Postal 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 Postal 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 Postal Services or its compliance with the Conditions and the Postal 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 with regard to 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 Postal 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.

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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 Postal 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 Postal 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 Postal 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 Postal 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 Postal 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:

- (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.

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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 Postal Services take reasonable steps to prevent any from being used in, or in relation to, the commission of offences against the laws of the Bailiwick of Jersey.

10. COMMENCEMENT AND TERM

The Licence commences on the Licence Commencement Date and continues, subject to the Licensee's compliance with the Conditions and the Postal Law, and subject to any revocation or suspension by the JCRA, for the Term.

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 Postal 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 an Associated Company, or place Other Licensed Operators at an unfair disadvantage.

12. PROTECTING THE INTEGRITY OF THE MAIL

12.1 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 Licensed Letters ~~and/or Inbound Letters~~ 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.

12.2 The Licensee shall comply with Directions issued by the JCRA in respect of Mail protection and procedures in Condition 12.1.

12.3 In the event that the Licensee delivers a Licensed Letter ~~or Inbound Letter~~ to the wrong address, which may result in that Licensed Letter ~~or Inbound Letter~~ being collected and delivered by an Other Licensed Operator, the Licensee shall reimburse the Other Licensed Operator for its reasonable costs incurred in collecting and delivering that Licensed Letter ~~or Inbound Letter~~.

13. MAIL IDENTIFICATION

13.1 Within thirty (30) days of the Licence Commencement Date, the Licensee shall submit to the JCRA a copy of its proposed Indicia for approval by the JCRA.

13.2 Once approved by the JCRA, the Licensee shall apply the Indicia to the top right hand corner of the envelope of each Licensed Letter ~~and Inbound Letter~~ which it

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delivers under this Licence. The Indicia shall be applied promptly following receipt of the Licensed Letters ~~and Inbound Letters~~ by the Licensee.

14. REDIRECTIONS

- 14.1 Within thirty (30) days of the Licence Commencement Date, the Licensee shall submit to the JCRA in writing its procedures for handling redirected Licensed Letters ~~or Inbound Letters~~.
- 14.2 Once approved by the JCRA, the Licensee shall comply with these procedures and comply with Directions issued by the JCRA in respect of redirections.
- 14.3 Notwithstanding the obligations set out in Condition 14.1, in the event that any Licensed Letter ~~or Inbound Letter~~ originally delivered by the Licensee is subsequently collected and redirected by an Other Licensed Operator, the Licensee shall reimburse the Other Licensed Operator for its reasonable costs incurred in collecting and redirecting that Licensed Letter ~~or Inbound Letter~~.

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.

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- 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. UNDELIVERABLE LICENSED LETTERS ~~OR INBOUND LETTERS~~**
- 16.1 Within thirty (30) days of the Licence Commencement Date, the Licensee shall submit for the JCRA approval its procedures for handling undeliverable Licensed Letters ~~or Inbound Letters~~.
- 16.2 Once approved by the JCRA, the Licensee shall comply with these procedures and comply with Directions issued by the JCRA in respect of undeliverable Licensed Letters ~~or undeliverable Inbound Letters~~.
- 16.3 Notwithstanding the obligations set out in Condition 16.1, in the event that any undelivered Licensed Letter ~~or undelivered Inbound Letter~~ originally delivered by the Licensee is subsequently collected and returned by an Other Licensed Operator, the Licensee shall reimburse the Other Licensed Operator for its reasonable costs incurred in collecting and returning that undelivered Licensed Letter ~~or undelivered Inbound Letter~~.

PART II: PUBLIC SERVICE CONDITIONS

17. CONSUMER PROTECTION

- 17.1 The Licensee shall, in the manner and at the times specified by the JCRA, publish the standard terms and conditions, including tariffs under which it provides each category of Postal Services to Users. In the absence of any other Direction from the JCRA, the Licensee shall ensure that a current statement of all applicable terms and conditions is:
- (a) filed with the JCRA; and
 - (b) promptly made available for inspection at the request of any member of the public or promptly sent to them by post on request.

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- 17.2 The JCRA may direct the Licensee to change the Licensee’s standard conditions from time to time where any condition thereof is contrary to the Licence, the Postal Law or any other law, Regulation, rule, ordinance or order of the States of Jersey.
- 17.3 The Licensee shall safeguard the privacy and confidentiality of all Licensed Letters ~~and Inbound Letters~~ 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 Postal Law.
- 17.4 The Licensee shall participate in good faith in any procedure established by the JCRA, following consultation with the Licensee, for the resolution of disputes.

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PART III: GENERAL CONDITIONS RELATING TO THE PROVISION OF POSTAL SERVICES

18. 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.

19. CESSATION OF THE PROVISION OF THE POSTAL SERVICES

19.1 If the Licensee proposes to cease to provide all or a material part of the Postal Services, 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 15.1, or if the JCRA has made a decision pursuant to Article 21 of the Postal 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 Postal Services, any constituent parts thereof, and the Licensee shall comply with any such Directions.

20. UNIVERSAL POSTAL SERVICE

The JCRA may direct the Licensee to contribute to a fund, to cover the net cost of the provision of the net universal postal service and the Licensee shall comply with such Directions.