

Incentive Lettermail™

Everywhere
you need to be



INTRODUCTION

Canada Post is in the business of providing mail and other related delivery products and services. The parties wish to set out the terms by which Canada Post will provide and the Customer will use such products and services.

1 INFORMATION SOURCES

Information on Canada Post products and services is available on the Canada Post website at:

- Addressed Admail™ – www.canadapost.ca/aasupportdocuments
- Business Reply Mail™ – www.canadapost.ca/brmsupportdocuments
- Catalogue Mail™ – www.canadapost.ca/catsupportdocuments
- Incentive Lettermail™ – www.canadapost.ca/ilmsupportdocuments
- Publications Mail™ – www.canadapost.ca/pmsupportdocuments
- Unaddressed Admail™ – www.canadapost.ca/uasupportdocuments

Table 1: Quick Reference Chart

INFORMATION SOURCES	ADDRESSED ADMAIL	BUSINESS REPLY MAIL	CATALOGUE MAIL	INCENTIVE LETTERMAIL	PUBLICATIONS MAIL	UNADDRESSED ADMAIL
AdCard™ Services www.canadapost.ca/adcard	X					X
Address Accuracy Program Customer Guide www.canadapost.ca/am	X		X	X	X	
Canada Postal Guide www.canadapost.ca/postalguide	X	X	X	X	X	X
Canadian Postal Standards www.canadapost.ca/postalstandards	X			X	X	
Customer Guide (including all amendments) www.canadapost.ca/customer_guides	X	X	X	X	X	X
Electronic Shipping Tools (EST) User Guide www.canadapost.ca/obc	X		X	X	X	X
FSA and Letter Carrier Walk Maps www.canadapost.ca/uasupportdocuments						X
GeoPost™ Plus www.canadapost.ca/uasupportdocuments						X

INFORMATION SOURCES	ADDRESSED ADMAIL	BUSINESS REPLY MAIL	CATALOGUE MAIL	INCENTIVE LETTERMAIL	PUBLICATIONS MAIL	UNADDRESSED ADMAIL
Householder Counts for Urban and Rural Delivery www.canadapost.ca/uasupportdocuments						X
Lettermail National Presortation Schematic (LPNS) www.canadapost.ca/nps				X		
List of Recognized Presortation Software Vendors www.canadapost.ca/am_list	X		X	X	X	
Mail Preparation and Presortation Guides www.canadapost.ca/mailpreparation	X		X	X	X	X
National Presortation Schematic (NPS) www.canadapost.ca/nps	X		X		X	X
Small Publisher's Guide to Mailing Your Publication www.canadapost.ca/pmsupportdocuments					X	
When to say YES – That's Addressed Admail www.canadapost.ca/aasupportdocuments	X					
Your Guide to Preparing Unaddressed Admail www.canadapost.ca/uasupportdocuments						X

1.1 Information Sources Definitions

AdCard™ Services – Provides information on Canada Post's advertising solution that combines convenience with the power of direct mail.

Address Accuracy Program Customer Guide – This Guide identifies the various requirements of the Address Accuracy Program. An address is the information required to identify the specific location of a residence/business and/or the destination where a recipient receives mail.

Canada Postal Guide – This Guide is the single source document containing detailed information on products and services offered by Canada Post.

Canadian Postal Standards – These manuals are primarily intended to assist mailers and their suppliers in properly preparing items that will have the physical characteristics necessary for effective processing by Canada Post's automated mail processing equipment.

Customer Guide (including all amendments) – An electronic version of these Guides can be found on the Canada Post website.

Electronic Shipping Tools (EST) User Guide – This Guide provides a step-by-step walk-through of the Electronic Shipping Tools (EST) software.

FSA and Letter Carrier Walk Maps – These maps will provide Direct Marketers with information on how to target their audiences by providing data associated with the Forward Sortation Area (FSA) and Letter Carrier Walk (LCW) maps.

GeoPost™ Plus – GeoPost Plus is a program that uses geographic, demographic and lifestyle data so that Customers can target their Unaddressed Admail to reach only the neighbourhoods that match their customer profiles.

Householder Counts for Urban and Rural Delivery – Provides information on the number of houses, apartments, farms and business points of call. Customers can use this information to determine the number of items to prepare their Unaddressed Admail mailing.

Lettermail National Presortation Schematic (LPNS) – This schematic will assist mailers and their suppliers in preparing their Lettermail mailings by defining how mail is consolidated to move across Canada.

List of Recognized Presortation Software Vendors – This list is the result of a program that evaluates and recognizes presortation and bar code recognition software products that are deemed acceptable by Canada Post standards.

Mail Preparation and Presortation Guides – These Guides have been developed to provide Customers with a thorough understanding of Canada Post's mail preparation and presortation requirements.

National Presortation Schematic (NPS) – This schematic will assist mailers and their suppliers in preparing their mailings by defining how mail is consolidated to move across Canada.

Small Publisher's Guide to Mailing Your Publication – This Guide is intended for people who work on small magazines. Created and published as a collaborative effort of the Canadian Magazine Publishers Association, Canadian Business Press, Canada Post and the Department of Canadian Heritage.

When to say YES – That's Addressed Admail – Provides detailed information about the Addressed Admail definition, gives examples of the various items that qualify and those that do not qualify as Addressed Admail.

Your Guide to Preparing Unaddressed Admail – Provides information required to help Customers understand and use Unaddressed Admail effectively, including but not limited to unaddressed flyers, brochures, catalogues, samples and coupons.

2 COMMUNICATING WITH CANADA POST

Table 2: How to Reach Us

FOR ENQUIRIES REGARDING	WEBSITE	CALL
General Information on Products and Services	www.canadapost.ca	Commercial Service Network 1-800-260-7678
Electronic Shipping Tools (EST)	www.canadapost.ca/obc	Technical Help Line 1-800-277-4799
Payment and Account Information	email cmg@canadapost.ca	Credit Management Group 1-800-267-7651

3 POSTAL CODE AND OTHER DATA PRODUCTS

Customers may enter into a licence agreement with Canada Post to obtain Postal Code Address data, Delivery Mode data, Householder Counts data, and Householder Counts-Plus data. These products assist Customers in address validation and correction, Mail Preparation and Presortation, as well as Unaddressed Admail targeting.

For information on subscribing to these data products, Customers can contact a Canada Post Representative, visit the Canada Post Address Management Tools web page at www.canadapost.ca/am or send an email to data.product@canadapost.ca

Customers can also write to the following address:

DATA LICENSING
CANADA POST
2701 RIVERSIDE DR SUITE B216
OTTAWA ON K1A 0B1

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INCENTIVE LETTERMAIL™

1 SERVICE OVERVIEW

1.1 The Purpose of This Incentive Lettermail Customer Guide

This *Customer Guide* has been designed to give Customers detailed information needed to get the most from Canada Post's Incentive Lettermail service.

This *Customer Guide* forms part of the Agreement between the Customer and Canada Post. It explains the qualifications and other terms and conditions under which this service is provided.

Customers should ensure they are using the most current version of the *Customer Guide*, which is posted at www.canadapost.ca/customer_guides and includes all amendments. It is the Customer's obligation to meet all the requirements outlined in this *Incentive Lettermail Customer Guide*.

1.2 What is Incentive Lettermail?

Incentive Lettermail is a category of Lettermail that consists of identical items of Standard [formerly known as Short and Long (S/L)] and Oversize mail as defined by Canada Post that must be deposited in Canada for delivery in Canada.

In order to access the applicable Incentive Lettermail price, Customers must enter into an Agreement with Canada Post and ensure that the mail meets certain requirements established by Canada Post. These requirements include, but are not limited to, mail preparation and presortation, address accuracy, mail processing acceptability and readability, size, weight, placing *Orders (Statements of Mailing)* using the Electronic Shipping Tools (EST), etc.

Within the Incentive Lettermail category there are two mail preparation and presortation options available.

- Machineable Standard and Oversize
- Presort Standard and Oversize.

Visit www.canadapost.ca/ilmsupportdocuments for a list of support documents detailing Incentive Lettermail requirements.

1.2.1 MACHINEABLE STANDARD AND OVERSIZE OVERVIEW

Machineable Mail is mail that is prepared in such a way that it can be processed through Canada Post's automated mail processing equipment. Mail must achieve a minimum machine readability target of 80% for Standard and 70% for Oversize in order to qualify for the Machineable price. A readability target of 95% for Standard and 85% for Oversize is required in order to avoid a price adjustment or surcharge. Machineable Mail may only be deposited at approved mechanized sites. A minimum of 5,000 identical items per deposit is required.

1.2.2 PRESORT STANDARD AND OVERSIZE OVERVIEW

Lettermail Presort refers to mail that is sequenced, grouped and containerized to enable Canada Post to bypass various processing steps and facilities within its mail distribution network. A minimum of 500 identical items per deposit is required.

1.3 Service Standards

Service standards are estimates of how long it will take for the mail to be delivered from the point of deposit to the destination points. These service standards are not guaranteed.

A general overview of the Incentive Lettermail service standards is as follows:

LOCAL	2 business days
WITHIN A PROVINCE	3 business days
NATIONAL	4 business days

These service standards do not apply to Northern Regions and to Remote Centres as defined by Canada Post.

NOTE 1: The number of days excludes the day of mailing, weekends and statutory holidays.

2: Weekend and statutory holiday deposits are considered deposited on the following business day.

3: Service standards are subject to change without notice.

For more information on Service Standards, visit the *Canada Postal Guide* at www.canadapost.ca/postalguide under Service Standards > Communications Services.

1.4 Service Features and Options

1.4.1 FEATURES

A feature is provided as part of the basic service.

1.4.1.1 Redirection

Incentive Lettermail items that cannot be delivered as originally addressed because the addressee has moved will be redirected to the addressee at no extra charge while there is a *Change of Address Notification* (COAN) in effect.

1.4.1.2 Return to Sender

Incentive Lettermail items that are undeliverable, or if no *Change of Address Notification* (COAN) is in effect, will be returned to the sender at no extra charge if a Canadian return address appears on the outside of the item. When the return address is on the inside of the item, it will be returned to the Customer for a fee.

1.4.2 OPTIONS

An option is a service enhancement that is not provided automatically as part of the basic service.

1.4.2.1 Do Not Forward

Do Not Forward is a service option available under separate agreement. If the item cannot be delivered as addressed because the addressee has filed a *Change of Address Notification* (COAN) with Canada Post, the Do Not Forward option enables the Customer to have domestic Incentive Lettermail returned to the return address on the item and not forwarded to the addressee.

1.4.3 UNDELIVERABLE INCENTIVE LETTERMAIL

Incentive Lettermail is treated as undeliverable if:

- the item does not bear a complete and valid address
- the item is addressed to a non-existent address
- the item is refused by the addressee
- delivery is prohibited by law
- the item cannot otherwise be delivered to the addressee.

Undeliverable Incentive Lettermail items that cannot be redirected will be disposed of or recycled, as determined by Canada Post.

2 CONTENT, FORMAT AND PHYSICAL CHARACTERISTICS

To be eligible as Incentive Lettermail, the items mailed must meet the criteria specified for Incentive Lettermail and must be prepared for mailing in such a manner as to prevent loss or damage to any item and permit easy examination of each item.

Items submitted as Incentive Lettermail that do not meet the content, format and physical characteristics specified for Incentive Lettermail and the various mail preparation and other requirements outlined in this Agreement, are not acceptable as Incentive Lettermail and may be subject to price adjustments and/or surcharges.

See Section 5 “Criteria for Qualification” and Section 6 “Surcharges” in the General Terms and Conditions at the end of this *Customer Guide*. Visit www.canadapost.ca/customer_guides for information on surcharges.

2.1 Content

2.1.1 WHAT IS ACCEPTABLE AS INCENTIVE LETTERMAIL?

Incentive Lettermail can include the following:

- a letter
- a card
- a postcard
- a self-mailer

- an annual, semi-annual or quarterly report
- a proxy
- a survey
- a notice of voting for federal, provincial or municipal events
- a receipt or invoice (or similar document containing financial information)
- a CD or DVD (must be submitted to Canada Post for testing and approval)
- product/service information.

2.1.2 ENCLOSURES

Incentive Lettermail can include enclosures, as long as they do not impede mechanized processing. Non-paper enclosures must be pre-approved, with the exception of plastic cards that meet the flexibility requirements outlined in the *Canadian Postal Standards*. Visit www.canadapost.ca/postalstandards for more information.

2.1.3 WHAT IS UNACCEPTABLE AS INCENTIVE LETTERMAIL?

To be eligible as Incentive Lettermail, the items mailed must meet the criteria specified for Incentive Lettermail and must be prepared for mailing in such a manner as to prevent loss or damage to any item and permit easy examination of each item.

Commingling of Incentive Lettermail items is not permitted. Commingling occurs when a number of separate and notably different mailings are combined to achieve the minimum deposit requirement or sufficient densities to achieve discount prices. See section “24 Ownership of Mail” on page 15.

2.1.4 NON-MAILABLE MATTER

Generally, non-mailable matter means any items that:

- is prohibited by law (e.g., illegal, obscene, fraudulent)
- is non-mailable due to the fact that it fails to meet certain physical characteristics or marking requirements
- contains products or substances that could:
 - cause injury to those handling the mail
 - cause damage to postal equipment or other items
 - cause entrapment of other items.

Any item bearing a modified postage stamp in contravention of section 52, or bearing a word or mark in contravention of section 58, of the *Canada Post Corporation Act* is also non-mailable matter.

NOTE : Solicitations that have the general appearance of a bill or statement of account must clearly indicate that there is no obligation to make a payment in relation to the offer unless it is accepted. Specific wording and format requirements are detailed in the *Solicitations by Mail Regulations* made under the *Canada Post Corporation Act*.

For further information respecting non-mailable matter restrictions, visit the *Canada Postal Guide* at www.canadapost.ca/postalguide under Non-mailable Matter.

It is the Customer’s obligation to ensure an item does not constitute non-mailable matter and is otherwise acceptable for mailing.

2.2 Format

Each item in an Incentive Lettermail mailing must be identical in design and physical characteristics. However:

- the weight, thickness and the colour of the exterior covers may vary
- Standard items cannot be mailed in transparent wrapping
- Standard items must be rectangular with a maximum length to height ratio of 2.6:1 and a minimum of 1.3:1
- Standard items must be sealed on all sides
- Oversize Machineable and Presort Lettermail must be rectangular
- the aspect ratio does not apply to Oversize Machineable and Oversize Presort Lettermail
- Oversize items can be mailed in closed transparent wrapping as long as the address label is under or affixed to the plastic film. If the plastic is such that it cannot be written upon, the plastic film must have a 20 mm-wide white opaque band. The address label must be large enough to accommodate postal endorsements. If the closed transparent material can be written upon, a sample of the envelope must be submitted to Canada Post for testing and approval.

2.2.1 ADDRESSING

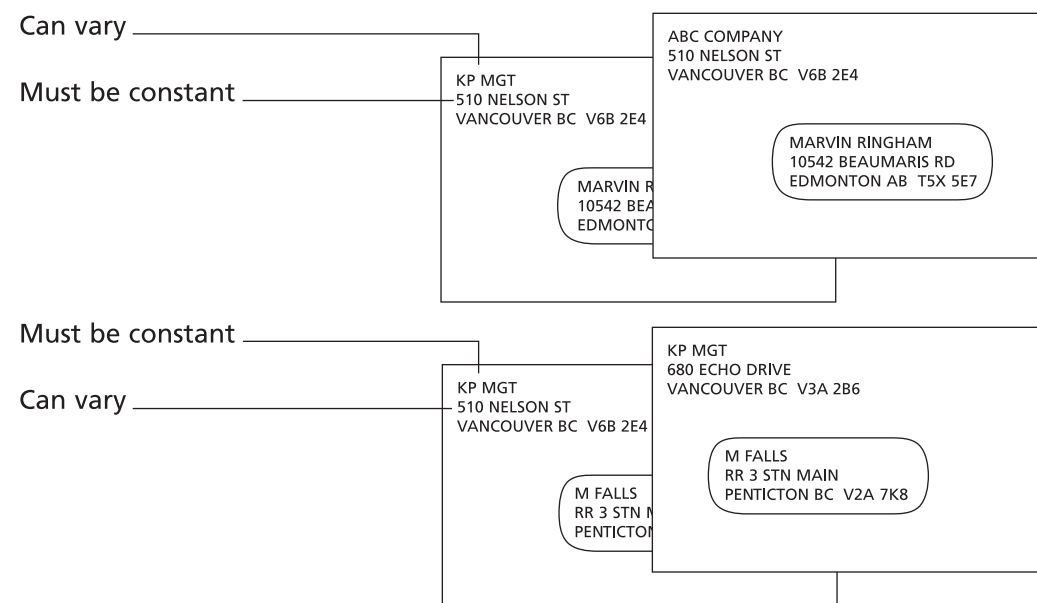
Each item of an Incentive Lettermail mailing must be addressed to a specific individual or a company, and include the complete mailing address and the valid postal code for that address.

The address location and window location must be the same on all items. The return address can vary, provided that either the address or the name or logo of the company to which items are to be returned remains constant. Only Canadian return addresses are acceptable and only one return address is permitted.

Address windows on Incentive Lettermail must be located and covered in a manner that meets the applicable requirements as established in the *Canadian Postal Standards* Lettermail.

Visit www.canadapost.ca/postalstandards for more information.

Figure 1: Example of return addresses



For more information on addressing, visit the *Canada Postal Guide* at www.canadapost.ca/postalguide under Addressing.

2.2.2 MARKINGS

Customers may only use Canada Post postal indicia, logos, trademarks or markings if the Customer has obtained the written consent of Canada Post. Any use by the Customer must then be only in strict accordance with the consent granted. Any unauthorized use is an offence under the *Canada Post Corporation Act*.

Note that an item will be non-mailable matter if, on the outside, it is marked or labelled with any of the following that were not provided or authorized by Canada Post:

- any design likely to be mistaken for a postage stamp, franking impression or service label
- any label or endorsement implying that it will be given special handling, delivered faster or be provided with any service that has not been purchased by the Customer. (However, Customers may include labels on items that are directed to the addressee as an instruction that is clearly related only to the enclosure and would not otherwise result in the item being non-mailable matter)
- any facsimile of any label, endorsement or marking used by Canada Post that might cause confusion so as to affect its handling, e.g., confusion as to the service the Customer has paid for.

It is the Customer's obligation to obtain approval for any proposed endorsement or other markings from Canada Post prior to printing.

NOTE : In no event may third parties use or replicate the tagline "From anywhere... to anyone™". This tagline is Canada Post's corporate tagline and is reserved for the exclusive use of Canada Post. No third parties will be granted permission to use or replicate this tagline or permitted to create a "spin-off" of this tagline.

2.3 Physical Characteristics

Each item of Incentive Lettermail must be completely sealed, rectangular in shape, and meet the following size and weight specifications.

Table 1: Size

CATEGORY		LENGTH	WIDTH	THICKNESS
Standard Machineable/Presort				
Envelope/Self-mailer*	max.	245 mm	156 mm	5 mm
Card	max.	235 mm	120 mm	5 mm
Envelope/Card	min.	140 mm	90 mm	0.18 mm
Oversize Machineable				
Envelope/Self-mailer*	max.	380 mm	270 mm	20 mm
	min.	140 mm	90 mm	0.5 mm
Oversize Presort				
Envelope/Self-mailer*	max.	380 mm	270 mm	20 mm
	min.	140 mm	90 mm	0.18 mm

Table 2: Weight

CATEGORY	MACHINEABLE	PRESORT
Standard Machineable and Presort		
Envelope	3 – 50 g	3 – 100 g
Self-mailer*	3 – 50 g	3 – 50 g
Card and Postcard	Can vary, according to grammage of paper used and size of card. Visit www.canadapost.ca/postalstandards for more information.	
Oversize Machineable and Presort	10 – 500 g	5 – 500 g

* Any item that does not have an outer cover, wrapping or envelope in addition to the paper or material on which the communication is placed.

3 PREPARING THE MAILING

Proper mail preparation is important to ensure that Incentive Lettermail items are processed and delivered efficiently. Adjustments and/or surcharges may be applied to improperly prepared mailings.

3.1 Mail Preparation and Presortation

Mail preparation is the process of facing and containerizing the items and labelling the containers. It helps ensure machineability of mail (where applicable), protection of mail, identification of the type of mail and ease of handling.

Mail presortation is the process of sequencing, grouping and containerizing the items and labelling the containers to allow Canada Post to bypass various processing steps and facilities within its mail distribution network.

Visit www.canadapost.ca/mailpreparation for more information on mail preparation and presortation.

3.2 Summary of Options and Key Requirements

3.2.1 MACHINEABLE MAIL

Machineable Mail is mail that is prepared in such a way that it can be processed through Canada Post's automated mail processing equipment.

Table 3: Machineable Standard – Incentive Lettermail

KEY REQUIREMENTS
<ul style="list-style-type: none"> • to access Incentive Lettermail prices, Customers must submit an <i>Order (Statement of Mailing)</i> electronically using the Canada Post Electronic Shipping Tools (EST) • a minimum of 5,000 identical items per deposit (phantom pricing is available at Machineable Standard base price) • no presortation is required • must achieve a minimum readability target of 80% on the Multi-Line Optical Character Reader (MLOCR) to access the Machineable price • must achieve a readability target of 95% on the Multi-Line Optical Character Reader (MLOCR) in order to avoid a price adjustment or surcharge • it is recommended that Customers use Canada Post's evaluation service for mail samples to test the machineability/readability of their items • a <i>Statement of Accuracy (SOA)</i> is required • meets the postal standards as set out in the <i>Canada Postal Standards Manual – Lettermail</i> • must be deposited at approved Canada Post sites for Machineable Mail • containerization: mail must be deposited in a Lettertainer, unless otherwise approved by Canada Post • container label reads: STANDARD LETTERMAIL MACHINEABLE

Table 4: Machineable Oversize – Incentive Lettermail

KEY REQUIREMENTS
<ul style="list-style-type: none"> • to access Incentive Lettermail prices, Customers must submit an <i>Order (Statement of Mailing)</i> electronically using the Canada Post Electronic Shipping Tools (EST) • a minimum of 5,000 identical items per deposit (phantom pricing is available at Machineable Oversize base price) • no presortation is required • must achieve a minimum readability target of 70% on the Flat Sortation Machine (FSM) in order to access the Machineable price • must achieve a readability target of 85% on the Flat Sortation Machine (FSM) in order to avoid a price adjustment or surcharge • it is recommended that Customers use Canada Post's evaluation service for mail samples to test the machineability/readability of their items • a <i>Statement of Accuracy (SOA)</i> is required • meets the postal standards as set out in the <i>Canada Postal Standards Manual – Lettermail</i> • must be deposited at approved Canada Post sites for Machineable Mail • containerization: mail must be deposited in a Flats Tub, unless otherwise approved by Canada Post • container label reads: OVERSIZE LETTERMAIL MACHINEABLE

Machine Readability Requirements and Evaluation of Samples

Items prepared and submitted as Machineable Incentive Lettermail must meet certain requirements, including machine readability.

Machineable Incentive Lettermail mailings with read rate levels of less than 95% for Standard and 85% for Oversize are subject to the mailing being refused, price adjustments and/or surcharges. Visit www.canadapost.ca/customer_guides for information on surcharges.

To help reduce the risk of such price adjustments and/or surcharges and permit efficient mail processing through Canada Post's automated processing equipment, Customers can submit samples of proposed mailings to Canada Post to test for readability. The Customer remains responsible for meeting all applicable requirements.

Customers wishing to have samples tested may either contact a Canada Post Representative or send 200 samples, identical to those being mailed, to:

CANADA POST
MAIL STANDARDS AND TESTING
PROCESS INNOVATION AND EQUIPMENT
2701 RIVERSIDE DR SUITE N0550
OTTAWA ON K1A 0B1

Visit www.canadapost.ca/postalstandards for more information on Machineable Incentive Lettermail.

3.2.2 PRESORT MAIL

Table 5: Standard Presort – Incentive Lettermail

KEY REQUIREMENTS
<ul style="list-style-type: none"> • to access Incentive Lettermail prices, Customers must submit an <i>Order (Statement of Mailing)</i> electronically using the Canada Post Electronic Shipping Tools (EST) • a minimum of 500 identical items per deposit • a <i>Statement of Accuracy</i> (SOA) is required* • Delivery Mode Code (DMC) on each item* • mailing must be prepared using current version of Canada Post-recognized presortation software • meets postal standards as set out in the <i>Canada Postal Standards Manual – Lettermail</i> • meets Standard Presort requirements • <i>Mailing Summary</i> must be provided • <i>Mailing Details</i> is required upon request by Canada Post • a minimum of five (5) items per Delivery Mode (DM) or Rural Delivery Facility (RDF) • minimum one (1) full container to Delivery Facility (DF) or Distribution Centre Facility (DCF) • containerization: mail must be deposited in Lettertainers, unless otherwise approved by Canada Post • container label reads: STANDARD LETTERMAIL PRESORT

* Customers who deposit Standard Presort mail in Non-Letter Carrier offices (not serviced by Letter Carriers) for delivery within that same office, are exempt from Address Accuracy and Delivery Mode Code (DMC) requirements. All other requirements to access the Presort service option must be met.

Table 6: Oversize Presort – Incentive Lettermail

KEY REQUIREMENTS
<ul style="list-style-type: none">• to access Incentive Lettermail prices, Customers must submit an <i>Order (Statement of Mailing)</i> electronically using the Canada Post Electronic Shipping Tools (EST)• a minimum of 500 identical items per deposit• a <i>Statement of Accuracy</i> (SOA) is required• Delivery Mode Code (DMC) on each item• mailing must be prepared using current version of Canada Post-recognized presortation software• meets postal standards as set out in the <i>Canada Postal Standards Manual – Lettermail</i>• meets Oversize Presort requirements• <i>Mailing Summary</i> must be provided• <i>Mailing Details</i> is required upon request by Canada Post• a minimum of five (5) items per Delivery Mode (DM) or Rural Delivery Facility (RDF)• minimum one (1) full container to Delivery Facility (DF) or Distribution Centre Facility (DCF)• containerization: mail must be deposited in Flats Tubs, unless otherwise approved by Canada Post• container label reads: OVERSIZE LETTERMAIL PRESORT

3.3 Address Accuracy

Address Accuracy is a program designed to improve delivery by encouraging Customers to accurately address mail. Every item must be addressed to a specific individual or a company and include the complete mailing address, including the valid postal code for that address. If the address is not complete, the mail may be delayed or returned.

Consistent and accurate addressing eliminates the need for extra handling and/or redelivery. For Customers, this translates into a more efficient service and lower costs. Accurate addressing helps ensure the mail is delivered on time, every time.

Participation in the Address Accuracy Program is mandatory. The minimum volume threshold for Address Accuracy is 5,000 items for Machineable and 500 items for Presort.

The standard for Address Accuracy is 95%. This means that 95% of the addresses on the Customer's database are determined to be valid. This is done by using a Canada Post-recognized address validation and/or address validation and correction software. If the percentage on the *Statement of Accuracy* (SOA) produced by the software is less than 95%, an adjustment will be applied to the mailing.

Customers must record their Address Accuracy percentage and expiry date obtained from their *Statement of Accuracy* (SOA) on their *Order (Statement of Mailing)*.

Customers who deposit Standard Presort mail in Non-Letter Carrier Offices (not serviced by Letter Carriers) for delivery within that same office, are exempt from the Address Accuracy requirements. All other requirements to access the Presort service option must be adhered to.

Customers are requested to keep a valid copy of the *Statement of Accuracy* (SOA) on file in the event that Canada Post requests a copy.

More information on the Address Accuracy Program can be found in the *Address Accuracy Program Customer Guide*, on the Canada Post website at www.canadapost.ca/am or from a Canada Post Representative.

4 DEPOSITING THE MAILING

4.1 Prior to Depositing

4.1.1 SCHEDULING

Deposits to Canada Post's processing plants are governed by pre-arranged local requirements. These requirements include, but are not limited to, advance notification, scheduling and work content.

Customers may be requested to provide a mailing plan and/or deposit schedule that includes details of the mailing such as volume, time/day of deposit, etc. This information will help efficient deposit and processing of Customers' mailings.

4.1.2 CREATING AN ORDER (STATEMENT OF MAILING)

An *Order (Statement of Mailing)* must be properly completed and submitted using the Electronic Shipping Tools (EST). Use of the Electronic Shipping Tools (EST) to prepare and submit an *Order* is mandatory to access Incentive Lettermail Contract prices.

Two (2) printed copies of the *Order (Statement of Mailing)* prepared electronically must be provided to an authorized Canada Post Representative at a postal facility approved by Canada Post at the time of mailing.

4.1.2.1 Electronic Order (Electronic Shipping Tools [EST])

An *Order (Statement of Mailing)* must be prepared and submitted using the Electronic Shipping Tools (EST) online, or the desktop version, which can be downloaded to prepare *Orders* offline and submitted later. This method reduces paperwork and opportunities for error, while providing added Customer convenience.

Customers can obtain the Electronic Shipping Tools (EST), free of charge, by registering for a user ID and password at www.canadapost.ca/obc. For technical inquiries regarding the Electronic Shipping Tools (EST), please call the Technical Help Line at 1-800-277-4799.

Customers can go to www.canadapost.ca/obc for more information.

4.1.3 MAILING SUMMARY AND MAILING DETAILS

These documents are required for Presort mail only.

The *Mailing Summary* includes general information regarding the Customer and the presortation software used for the mailing. The *Mailing Summary* is automatically generated by the presortation software and must be submitted with each deposit, except where special arrangements have been made.

The *Mailing Details* document includes a detailed breakdown of the mail preparation and presortation information and is only required upon request by Canada Post.

Visit www.canadapost.ca/am_list for a list of recognized presortation software vendors.

4.1.4 WEIGHT IDENTIFICATION

A mailing may be comprised of items of varying weights (including items above and below the base weights). Customers must identify the number of items within each weight step.

4.1.4.1 Weighted Average Weight

The Customer may choose to enter information on the *Order (Statement of Mailing)* using the weighted average weight per item.

If weighted averages are used, separate average weights must be calculated and entered on the *Order (Statement of Mailing)* for the portions of the mailing between the following weight steps:

Standard	Oversize
0 - 30 g	1 - 100 g
30 - 50 g	100 - 500 g
50 - 100 g*	N/A

* applies to Presort items only

Example: 5,000 items of Standard Presort; 2,500 items weigh 30 g and 2,500 items weigh 20 g. Therefore, the weighted average would be 5,000 at 25 g.

Table 7: Weighted Average Weight Calculation

PRESORT	A NUMBER OF ITEMS	B WEIGHT PER ITEM	C TOTAL WEIGHT	D TOTAL (C) DIVIDED BY TOTAL (A) = WEIGHTED AVERAGE WEIGHT
	2,500	30 g	75,000 g	
	2,500	20 g	50,000 g	
Total	5,000		125,000 g	25 g

4.2 At the Time of Deposit

4.2.1 WHERE TO DEPOSIT

Incentive Lettermail items must be deposited with an authorized Representative at a postal facility approved by Canada Post.

Incentive Lettermail items cannot be deposited in street letter boxes, parcel receptacles or other mail receptacles. Each deposit must be accompanied by an *Order (Statement of Mailing)*.

Machineable Incentive Lettermail must be deposited at one of the following Canada Post approved sites*:

Table 8: Machineable Mail Approved Deposit Sites

STANDARD APPROVED SITES	OVERSIZE APPROVED SITES	ADDRESS
St. John's NL	N/A**	98 KENMOUNT RD ST. JOHN'S NL A1B 3T3
Halifax NS	N/A**	6175 ALMON ST HALIFAX NS B3K 5N4
Saint John NB	N/A**	125 ROTHESAY AVE SAINT JOHN NB E2L 2B0
Québec QC	N/A**	300 ST-PAUL ST QUÉBEC QC G1K 3W0
Montréal Léo-Blanchette QC	Montréal Léo-Blanchette QC	555 MCARTHUR ST ST-LAURENT QC H4T 1T4
Ottawa ON	Ottawa ON	1424 CALEDON PL OTTAWA ON K1A 0C1
Toronto South Central ON	Toronto South Central ON	969 EASTERN AVE TORONTO ON M4L 1A5
Hamilton ON	Hamilton ON	393 MILLEN RD STONEY CREEK ON L8E 5A8
London ON	London ON	951 HIGHBURY AVE LONDON ON N5Y 1B0
Windsor ON	N/A**	4255 WALKER RD WINDSOR ON N8W 4W0
Winnipeg MB	Winnipeg MB	266 GRAHAM AVE WINNIPEG MB R3C 0K4
Regina SK	N/A**	2200 SASKATCHEWAN DR REGINA SK S4P 0B5

STANDARD APPROVED SITES	OVERSIZE APPROVED SITES	ADDRESS
Saskatoon SK	N/A **	817 51 ST E SASKATOON SK S7K 5C6
Calgary AB	Calgary AB	1100 49 AVE NE CALGARY AB T2E 0A0
Edmonton AB	Edmonton AB	12135 149 ST EDMONTON AB T5L 2J0
Vancouver BC	Vancouver BC	349 WEST GEORGIA ST VANCOUVER BC V6B 1Y9
Victoria BC	N/A **	4181 GLANFORD AVE VICTORIA BC V8Z 4B0

* Subject to change without notice.

** Not accepted at this location.

5 PRICING

5.1 Incentive Lettermail Pricing

In order to take advantage of Incentive Lettermail prices, the Customer must meet all applicable requirements, including specifications, address accuracy, and mail preparation and presentation requirements for Incentive Lettermail, as outlined in this Agreement.

The applicable published prices for Incentive Lettermail are available at www.canadapost.ca/customer_guides on the *Incentive Lettermail Price Sheet*.

5.1.1 MINIMUM VOLUME AND PHANTOM PRICING

Customers may deposit less than the minimum volume requirement provided that the difference between the actual volume and the minimum volume is entered and paid for at the phantom price.

5.1.2 PROGRESSIVE PRICING

This rating process means that the price will be calculated according to the exact weight of the item instead of by weight level. It applies to Incentive Lettermail Standard items over 50 g up to 100 g (Presort only) and for Oversize Machineable and Presort over 100 g up to 500 g.

6 INCENTIVE LETTERMAIL SPECIFIC TERMS AND CONDITIONS

6.1 Payment Terms

For general payment terms, see “Making Payment” at the end of this *Customer Guide*.

6.2 General Terms and Conditions

For general terms and conditions, see “General Terms and Conditions” at the end of this *Customer Guide*, which are modified as follows:

Add:

24 Ownership of Mail

The Customer agrees that items mailed under this Agreement will be mailed only on the Customer's or its Authorized User's behalf, and that items will not include commingled mail, being consolidated mail of a type or from sources other than those approved by Canada Post.

Making Payment

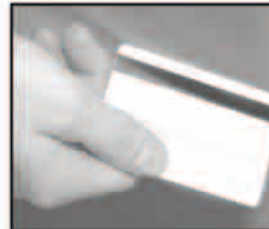


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MAKING PAYMENT

The Making Payment information below applies to the following products: Addressed Admail™, Catalogue Mail™, Incentive Lettermail™, Publications Mail™ and Unaddressed Admail™.

For Business Reply Mail™, the Making Payment information can be found in the *Business Reply Mail Customer Guide* under section 6.1, Payment for Business Reply Mail.

1 PAYMENT OPTIONS

The following describes various methods of payment acceptable to Canada Post, however, not all methods of payment may be accepted at all Canada Post facilities.

1.1 Credit Card

VISA, MasterCard and American Express credit cards may be available as a method of payment:

- when the Canada Post Electronic Shipping Tools (EST) is used and the Customer chooses credit card. The credit card will be charged at the time of mailing
- as set out in the *Canada Postal Guide* or other material published by Canada Post and of general application to Canada Post's Customers, as amended from time to time.

NOTE 1: Some conditions and restrictions apply.

- 2: With the exception of Customers enrolled for pre-authorized credit card payment, credit cards are not accepted in payment of invoices or for settlement of Account balances.
- 3: Credit cards are accepted at Canada Post facilities only where credit card authorization facilities are available.

1.2 Postage Meter

Payment by postage meter impression is an available method of payment only for the following:

- Addressed Admail items, with the exception of Addressed Admail items weighing over 50 g, and for Dimensional Addressed Admail items
- Incentive Lettermail items, with the exception of Incentive Lettermail Short and Long (S/L) items over 50 g and Incentive Lettermail Oversize (O/S) items over 100 g up to 500 g, and
- Business Reply Mail Postage Due Receipt.

NOTE 1: Payment by postage meter impression on the item cannot be used to pay for Publications Mail, Unaddressed Admail or Catalogue Mail items.

- 2: The Return to Sender and Address Correction service options are not available if postage meter payment is used.

The Customer may elect “meter” as a method of payment for qualifying items:

- by placing a postage meter impression on each item to sufficiently cover the cost of mailing, or
- for Addressed Admail items by placing a postage meter impression on each item at the lowest price. The Customer will be invoiced for the additional postage.

NOTE 1: Payment by postage meter impression is not an acceptable method of payment for certain products and services as set out in the *Canada Postal Guide* or other material published by Canada Post and of general application to Canada Post’s Customers, as amended from time to time.

2: The postage meter impression must meet requirements as outlined in the *Canada Postal Guide*.

1.3 Account

Qualifying Customers may elect “Account” as a method of payment if the mailing is to be invoiced and charged to the Customer’s Account and for applicable credit terms to apply. Following approval by Canada Post and continued credit worthiness as determined by Canada Post, at its discretion, credit terms of net fifteen days from date of invoice will apply.

Accounts may be settled using one of the following:

- pre-authorized bank payment
- pre-authorized credit card payment, upon Canada Post approval
- payment by cheque or money order
- online payment, upon Canada Post approval.

Customers wishing to sign up for pre-authorized or online payment need to complete and submit the applicable form, which can be obtained at www.canadapost.ca/caf or from a Canada Post Representative.

If the Customer does not qualify for credit, the Customer must provide full payment at the time of mailing, otherwise, the items will not be accepted. See section 1.4 “Payment at Time of Mailing” for more information.

Use of the Electronic Shipping Tools (EST) to prepare and submit an *Order (Statement of Mailing)* is mandatory to access:

- Addressed Admail Machineable and Letter Carrier Presort (LCP) prices
- Incentive Lettermail Machineable and Presort prices
- Publications Mail Machineable and Letter Carrier Presort (LCP) prices
- Unaddressed Admail contract prices.

1.4 Payment at Time of Mailing

For Customers without pre-approved credit terms, full payment at the time of mailing must be made by:

- certified business cheque (payment by uncertified business cheque is subject to approval by Canada Post)
- cash (Retail Outlets only)
- money order
- meter (some conditions apply)
- credit card (some conditions apply)
- debit card (some conditions apply)

2 PAYMENT REMITTANCE

Cheques or money orders must be made payable to “Canada Post Corporation”, include the Canada Post Customer number, and be accompanied by the remittance information. Payment must be sent to the following address:

PAYMENT PROCESSING
CANADA POST
2701 RIVERSIDE DR STATION 0680A
OTTAWA ON K1A 1L7

Customers should allow up to three (3) business days for payment processing.

3 INVOICE AND STATEMENT OF ACCOUNT

Canada Post will provide the Customer with an invoice that summarizes the charges posted to their commercial Account. Customers who elect to pay for services via credit card may receive an electronic invoice using Canada Post's epost service. Visit www.epost.ca for more details on epost.

A *Statement of Account* (SOA) will be provided monthly to the Customer providing the Customer has elected to use their Account to pay for their mailing. The *Statement of Account* (SOA) will summarize each of the invoices processed, any related adjustments and payments made during the month, as well as any balance owing at the end of the month.

NOTE 1: For details supporting credit card transactions, Customers may sign up for epost (visit www.epost.ca for details) or rely on their credit card statement for information.

2: A manual *Order (Statement of Mailing)* for Unaddressed Admail items submitted at Retail Outlet and Depot (locations approved to accept Unaddressed Admail) is also not reflected on the *Statement of Account*.

The Customer should advise the Credit Management group at 1-800-267-7651 of any discrepancies within fifteen days of the invoice date.

4 MANAGE MY ACCOUNT

Customers may view the status of their Accounts and make payment online by visiting www.canadapost.ca/obc through the “Manage My Accounts” page.

Call the Credit Management group at 1-800-267-7651 to obtain a user ID and password.

5 LATE PAYMENT FEES

Past due amounts will be subject to a late payment fee. The late payment fee will be calculated at a rate of 1.5% per month (18% per annum). Canada Post may amend the late payment fee rate at any time upon Notice to the Customer.

An administrative fee of \$25 will be applied on any payment that is dishonoured for any reason, including a payment returned due to Not Sufficient Funds (NSF). Canada Post may amend the amount of this fee at any time upon Notice to the Customer. The Customer agrees to reimburse Canada Post for all costs, including legal fees and bank charges, incurred as a result of late or dishonoured payments.

If an amount becomes past due, Canada Post may elect to apply any money otherwise received from the Customer or any money due to the Customer by Canada Post towards bad debts first. Such right of set off shall be without prejudice and in addition to any other rights Canada Post may have.

6 AUTHORIZED USERS

The Customer may wish to allow another party to use their Agreement or Customer number. Please refer to the *Agreement Activation Form* and to Section 1 “Definitions” and Section 9 “Authorized Users” in the General Terms and Conditions at the end of this *Customer Guide*. A Canada Post Representative can explain under what conditions this is possible and who may be considered as an Authorized User.

For Customers who receive subsidies through the Publications Assistance Program (PAP) administered by the Department of Canadian Heritage (DCH), postage for PAP-eligible publications must be paid by the Customer who has been assigned the Registration number by DCH.

7 PROOF OF PAYMENT

For all methods of payment, except for postage meter impressions, Addressed Admail, Catalogue Mail, Incentive Lettermail and Business Reply Mail, items must bear the appropriate postal indicia on the addressed side of each item. For Publications Mail, the use of a postal indicia is optional, however, the applicable “identifying information” described in the *Publications Mail Customer Guide* is required (refer to Section 2.2.1 of the *Publications Mail Customer Guide*). No postal indicia applies to Unaddressed Admail items (refer to Section 2.2.4.1 of the *Unaddressed Admail Customer Guide*).

The postal indicia must meet the requirements as outlined in the *Canada Postal Guide* for the applicable service.

NOTE 1: Camera-ready artwork for postal indicia can be obtained through a Canada Post Representative or electronically at www.canadapost.ca/postalservices under Postal Indicia.

2: Business Reply Mail artwork is obtained at www.canadapost.ca/obc through the Business Reply Mail Artwork Online tool, which includes the postal indicia.

3: Payment by postage meter refers to payment by placing a postage meter impression on each item of mail qualifying for meter payment. See section 1.2 “Postage Meter” on page 1.

General Terms and Conditions



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GENERAL TERMS AND CONDITIONS

Also see the Specific Terms and Conditions for each product or service in each *Customer Guide*.

Canada Post is in the business of providing mail and other related delivery products and services. The parties wish to set out the terms by which Canada Post will provide and the Customer will use such products and services. In consideration of the mutual obligations specified in this Agreement, the parties agree to the following:

1 DEFINITIONS

1.1

“**Affiliate**” means an affiliated body corporate as defined by the *Canada Business Corporations Act* as amended from time to time.

1.2

“**Agreement**” has the meaning set out in section 13 “Entire Agreement and Alterations” on page 7.

1.3

“**Agreement Year**” means twelve (12) consecutive calendar months falling between two (2) anniversary dates.

1.4

“**Applicable Published Prices**” means, with respect to each Product and Service, the applicable prices, including any applicable fees, charges or surcharges, and less any applicable rebates, set by Canada Post and in effect at the time of mailing, as published and/or made available by Canada Post for general application to its customers, as amended from time to time.

1.5

“**Authorized User**” means a party designated by the Customer and who is approved by Canada Post to have access to the Products and Services offered under this Agreement. Unless otherwise specified in this Agreement, an Authorized User has full access to the Products and Services offered under this Agreement.

1.6

“**Business Day**” means a day other than Saturday, Sunday, a statutory holiday and any day normally observed as a holiday by Canada Post.

1.7

“**Customer Guide**” means the document of the same name issued by Canada Post for each of the Products and Services, as amended from time to time.

1.8

“**Electronic Shipping Tools (EST)**” means the software system made available under license by Canada Post or a third party shipping system approved by Canada Post, which allows for automated preparation of shipping documentation including labels and contains other features to facilitate shipping with Canada Post, and which is further described on the www.canadapost.ca website.

1.9

“**Item**” means a single item or mail piece prepared and mailed using one of the Products and Services in accordance with this Agreement.

1.10

“**Products and Services**” means any of the products and services offered for sale as described in the *Canada Postal Guide* or other Canada Post publication of application to commercial Customers generally, including the applicable *Customer Guide*.

1.11

“**Subsidiary**” means a subsidiary body corporate as defined by the *Canada Business Corporations Act* as amended from time to time.

1.12

“**Term**” means the period set out in the *Customer Guide* for each Product or Service.

1.13

Other terms not specifically defined in this Agreement have the meanings defined in the applicable *Customer Guide*, the *Canada Postal Guide* or other Canada Post publication of application to customers generally.

2 CANADA POST'S OBLIGATIONS

2.1

Canada Post agrees to deliver Items of each Product and Service mailed under this Agreement according to the applicable service standards set out in the *Canada Postal Guide*, or other material published by Canada Post and of general application to Canada Post's customers, as amended from time to time. Unless expressly stated in this Agreement, service standards established by Canada Post for its Products and Services are not performance guarantees.

2.2

Canada Post agrees to provide or make available to the Customer upon execution of this Agreement the *Canada Postal Guide* or other material published by Canada Post, including the *Customer Guide* corresponding to a particular Product and Service, of general application to customers and any subsequent amendment thereto.

3 CUSTOMER'S OBLIGATIONS

3.1

The Customer agrees to prepare and mail Items in accordance with this Agreement.

3.2

The Customer agrees to purchase and pay for the Products and Services at the Applicable Published Prices specified in the *Price Sheet*, subject to any applicable rebates and including all applicable fees, charges, surcharges and taxes. The Applicable Published Prices charged are subject to verification, correction and adjustment for any applicable fees, charges, surcharges and taxes.

3.3

The Customer agrees to pay for the Products and Services purchased using the payment method(s) specified in the applicable *Customer Guide*.

3.4

The Customer agrees to meet the minimum volume of Items required per deposit or per annual commitment for each Product and Service as specified in the applicable *Customer Guide*.

3.5

If so specified in the *Customer Guide* for a Product or Service and if Canada Post determines that the Customer's pattern of business is not consistent with any agreed volume commitment, then Canada Post may amend the applicable prices on thirty (30) calendar days' written Notice.

3.6

If so specified in the *Customer Guide* for a Product or Service, the Customer shall include an electronic *Order*, in such form as approved or stipulated by Canada Post, with each mailing. Only volumes captured through an electronic *Order* will count toward the Customer's minimum volume commitment for the Product or Service.

4 EXCLUSIVE PRIVILEGE

4.1

The Customer acknowledges that Canada Post has, pursuant to and in accordance with the *Canada Post Corporation Act and Regulations*, the sole and exclusive privilege of collecting, transmitting and delivering letters within Canada. Without prejudicing any other rights or remedies Canada Post may otherwise have, the Customer agrees that Canada Post may terminate the Agreement if the Customer, or any Authorized User of the Customer, directly or indirectly contravenes this privilege. If the Agreement is terminated for contravention of this privilege, then, in addition to any amounts otherwise due, the Customer shall pay to Canada Post an amount equal to the difference between the amount paid or payable for all Items mailed up to the date of termination and the amount that would have been payable for that volume, at current prices, had the Agreement not been signed.

5 CRITERIA FOR QUALIFICATION

5.1

All Items must comply with the requirements set out in this Agreement and, except for Purolator International Services, the *Canada Post Corporation Act and Regulations*; and, for international Items, the *Universal Postal Union (UPU)* requirements and any receiving Postal Administration requirements and the laws of the country of destination; all as may be amended from time to time. Items not complying with these requirements may not be mailed under this Agreement. Each of Canada Post and Purolator retains the right to refuse to accept any Item that either Canada Post or Purolator, in its sole discretion, deems unacceptable.

5.2

Mailings not previously approved by Canada Post and assessed by the Customer, or on behalf of the Customer, are subject to pricing verification and correction by Canada Post.

5.3

Items presented for mailing to Canada Post may be verified to determine compliance with applicable terms and conditions. Items determined not to be compliant may, at the discretion of Canada Post, be:

- returned at the Customer's expense, to be made compliant by the Customer, where possible
- processed and charged at the next or most appropriate Product or Service category, where available
- subject to a surcharge
- refused for mailing.

5.4

Canada Post may correct the Customer's *Order* documentation for incomplete or incorrect information.

5.5

Canada Post shall not be responsible for meeting any service standard or delivery commitment, where applicable, for delays arising from the mailing of non-compliant Items.

6 SURCHARGES

6.1 Oversize and Volumetric Weight (Density)

Items mailed under this Agreement may be subject to Oversize and/or Volumetric Weight (Density) surcharges established by Canada Post from time to time, applicable generally to its commercial customers and as set out in the *Customer Guide*. Canada Post may amend the Oversize and/or Volumetric Weight (Density) surcharges at any time immediately upon Notice to the Customer.

6.2 Fuel Surcharge

Items mailed under this Agreement may be subject to a fuel surcharge, established by Canada Post from time to time, applicable generally to its commercial customers and as set out in the *Customer Guide*. Canada Post may amend the fuel surcharge at any time immediately upon Notice to the Customer.

6.3 Non-compliance Surcharge

If so specified in the applicable *Customer Guide*, Items mailed under this Agreement may be subject to surcharges for non-compliance with mail specification or preparation requirements. Canada Post may amend the non-compliance surcharge at any time immediately upon Notice to the Customer.

7 CURRENCY

7.1

Unless expressly noted to the contrary, all monetary amounts are stated and shall be paid in Canadian currency.

8 AUDITS

8.1

On request, the Customer shall permit Canada Post and its authorized representatives access to its premises, and if applicable those of Authorized Users and the Mailer, On Behalf Of the Customer, during the Term, and for a reasonable period of time after the expiry or earlier termination of this Agreement. The Customer agrees to facilitate Canada Post's access, examination and audit of the records, databases and information relating to the Items mailed under this Agreement and the Customer's obligations including if applicable those of Authorized Users and Mailer, On Behalf of the Customer, under this Agreement.

9 AUTHORIZED USERS

9.1

All references to the Customer include the Customer's Authorized Users and any actions taken by an Authorized User are deemed to be the actions of the Customer. The List of Authorized Users is set out in an appendix to this Agreement.

9.2

The Customer may amend the List of Authorized Users upon consent of Canada Post.

9.3

An Authorized User who ceases to be an Affiliate, Subsidiary or a franchisee of the Customer will no longer be entitled to mail Items under this Agreement as of the date upon which it ceases to be the Affiliate, Subsidiary or franchisee of the Customer. In the event that an Authorized User ceases to be an Affiliate, Subsidiary or a franchisee of the Customer, the Customer shall give notice to Canada Post within thirty (30) calendar days of such change in relationship.

9.4

The Customer is responsible for the compliance by each Authorized User with this Agreement. In the event that an Authorized User fails to pay for Products or Services provided under this Agreement, the Customer shall pay the amount owing.

10 MAILERS, ON BEHALF OF

10.1

Canada Post will accept Items mailed by another party on behalf of the Customer provided that the mailing of such Items complies with the terms and conditions of this Agreement. The Customer shall require a Mailer, On Behalf Of, to abide by the Agreement. The actions taken by the Mailer, On Behalf Of, are deemed to be the actions of the Customer.

11 RESALE OR INTERLINING

11.1

The Customer agrees that any Products and Services purchased under this Agreement are for its own use as an end user or for the use of an Authorized User and that it will not sell or permit the resale of any services, nor use the Products and Services offered under this Agreement for the purposes of interlining. Interlining is the process in which a carrier uses another carrier's transportation service in the course of a continuous freight movement.

12 ASSIGNMENT

12.1

The Customer shall not assign this Agreement without the prior written consent of Canada Post and any purported assignment without prior consent is void. Canada Post may assign the benefits of this Agreement or make any arrangements that would result in the performance, in whole or in part, of the obligations of Canada Post under this Agreement by a person other than Canada Post.

12.2

If the Customer amalgamates, merges or enters into a similar business combination with any other entity, including without limitation by means of (a) acquisition of all or substantially all of the assets of another entity; or (b) the sale of all or substantially all of the assets to another party, then, for the purpose of this Agreement, such amalgamation, merger or combination will be deemed to be an assignment requiring the prior written consent of Canada Post.

13 ENTIRE AGREEMENT AND ALTERATIONS

13.1

All references to this Agreement shall be deemed to include:

- the applicable *Agreement Activation Form(s)*
- these General Terms and Conditions
- the applicable *Customer Guide(s)*
- the applicable *Price Sheet(s)*
- the *Credit Application Form*, if applicable
- the *Canada Postal Guide*, and
- any appendices and any documents referenced therein, as all may be amended from time to time.

13.2

Without limiting the generality of the above, in the event of any inconsistency between this Agreement, and any document other than the *Canada Post Corporation Act* or its *Regulations* referred to herein, the terms of this Agreement shall prevail and be interpreted in the order of priority listed above.

13.3

No representations, negotiations, or conditions either verbal or written will bind the parties except as expressly set out in this Agreement. Except as set out in section 14 “Waiver” on page 8, no agent or representative of either party to this Agreement has authority to alter the provisions of this Agreement, and any such purported alteration shall not be binding.

14 WAIVER

14.1

Except as specifically stated in this Agreement, no waiver or amendment of this Agreement shall be binding unless executed in writing by the appropriate party's authorized representative. No waiver of any provision of this Agreement shall constitute a continuing waiver unless otherwise expressly provided. Acceptance of Items for mailing shall not constitute a waiver by Canada Post of the Customer's obligations under this Agreement.

15 AMENDMENTS

15.1

Canada Post reserves the right to modify, discontinue Products or Services or otherwise amend this Agreement, including prices, by giving the Customer thirty (30) calendar days' written Notice as specified in this Agreement.

15.2

Canada Post reserves the right to amend the *Canada Postal Guide* without Notice to the Customer.

16 SURVIVAL

16.1

The termination or expiry of this Agreement will not affect the survival and enforceability of any provision of this Agreement that is expressly or implicitly intended to remain in force after such termination or expiry.

17 GOVERNING LAW

17.1

This Agreement is made subject to and in accordance with the *Canada Post Corporation Act* (the "*Act*"), R.S.C. 1985, c. C-10, as amended from time to time and any of the *Regulations*, which are or may be from time to time made under the *Act*.

17.2

If the Customer's address is not in a Canadian province or territory, this Agreement shall be governed by, and interpreted under, the laws in force in the province of Ontario, Canada.

18 LANGUAGE

18.1

It is the express wish of the parties that this Agreement, as well as all related documents, be written in the English language. Les parties ont demandé expressément que la présente ainsi que tout document afférent soient rédigés en anglais.

19 EXCUSABLE DELAY

19.1

Except for the Customer's payment obligations, neither party shall be liable to the other for any failure to perform, or delay in the performance of, any obligation under the Agreement due to causes beyond its reasonable control, including but not limited to, acts of God, labour disruptions or, if applicable, delays caused by customs authorities, provided that the party experiencing such circumstances immediately notifies the other party in writing of the circumstances and minimizes, to the extent reasonably practicable, the impact of such circumstances on the performance of the obligations under the Agreement.

20 LIMITATION OF LIABILITY

20.1

Canada Post reserves the right to independently review and verify any and all claims made by the Customer arising from missed delivery and/or service commitments.

20.2

Except as specified in the *Customer Guide* for the Product or Service, Canada Post shall not be responsible for any direct, indirect, general, special or consequential damages arising out of the Agreement regardless of whether such damages result from loss, mishandling or delay in delivery of any Item.

21 TERMINATION

21.1

Either party may terminate this Agreement at any time, without cause, by giving thirty (30) calendar days' written Notice to the other.

21.2

Either party may immediately terminate this Agreement upon written Notice to the other party if at any time during the Term:

- either party ceases to carry on business or makes a sale in bulk of all or substantially all of its assets; or
- either party becomes insolvent or bankrupt, or files any proposal or makes any assignment for the benefit of creditors; or
- a receiver, trustee or other person with like powers is appointed to handle the affairs or property of either party; or
- an order is made for the winding up or liquidation of either party; or
- either party continues to be in default of any of its obligations after being provided thirty (30) calendar days' Notice of the default.

21.3

Should the Customer fail to purchase Product and Services under this Agreement for a period of more than twenty-four (24) consecutive months, Canada Post may terminate the Agreement or amend the List of Authorized Users without notice.

21.4

Termination of this Agreement shall be without prejudice to any rights of the Customer or Canada Post that have accrued prior to the date of termination.

21.5

Neither party shall have a right to damages as a result of termination of this Agreement.

22 NOTICES

22.1

Any Notice given by either party shall be in writing and delivered personally, by Registered Mail™, by Priority Courier™ with signature or by Xpresspost™ with signature. Alternatively Notices regarding Amendments to this Agreement by Canada Post may be sent to the Customer via e-mail or by Canada Post posting such changes on the Canada Post website (www.canadapost.ca) which will be deemed received upon posting.

Notices to Canada Post shall be sent to:

AGREEMENT MONITORING
CANADA POST CORPORATION
2710 RIVERSIDE DR SUITE CO157
OTTAWA ON K1A 0B1

Notices to the Customer shall be sent to the Customer's general contact at the mailing or e-mail address set out in the *Agreement Activation Form*.

22.2

Notices delivered personally shall be deemed received at the time of delivery, Notices sent by Registered Mail shall be deemed received on the fourth Business Day following the date of mailing, and Notices sent by Priority Courier or Xpresspost with signature shall be deemed received on the second Business Day following the date of mailing. Weekends and statutory holiday mailings will count as originating on the following Business Day.

22.3

Either party may change its address by giving Notice to the other party.

22.4

The Customer agrees that Canada Post may update the Customer's address information obtained from any source, including any Change of Address Notification form submitted to Canada Post, for the purpose of contacting the Customer with respect to this Agreement.

23 CONFIDENTIALITY

23.1

Except as may be required by law or for those terms and conditions that have been made publicly available by Canada Post, neither party nor their employees (including directors and officers) or agents shall disclose to any third-party, with the exception of Authorized Users, prices or any other terms or conditions contained in this Agreement.

23.2

Canada Post has policies and procedures in place to protect the confidential information that it handles. Canada Post is subject to the federal *Privacy Act* and the *Canada Post Corporation Act*. Any third parties who are involved in handling confidential information on behalf of Canada Post are required to agree to appropriate contractual provisions.