



NEWS RETAIL SERVICES LIMITED TERMS AND CONDITIONS OF BUSINESS Conditions of Sale

Customers are urged to read these terms and conditions of business as acceptance of supplies will constitute evidence of agreement to these conditions. These terms and conditions shall be binding on the Company and the Customer and supersede any prior terms, conditions or agreements relating thereto or verbal representations, warranties or undertakings given to the customer by the Company or on its behalf.

The terms of the Industry Standard of Service Agreement, which sets out the minimum criteria relating to the standard of service to be provided by wholesalers to retailers of newspapers and magazines, are incorporated into these Terms and Conditions of Business. These standards will not be excluded by any of these Terms and Conditions of Business or by the terms of Publishers' existing or future wholesale contracts.

Although the text of our Terms and Conditions of Business is, by necessity, legalistic, we have wherever possible used plain English. However, if any item is unclear, our local Manager will be pleased to help.

JANUARY 2006

NRSLS COPY

PLEASE SIGN THE BACK PAGE AND RETURN



1. INTERPRETATION

In these Terms and Conditions, unless the context otherwise requires, the following words shall have the following meanings;

“Code of Practice”	shall mean the Industry Code of Practice (further to the Monopolies and Mergers Commission Report on the Supply of National Newspapers in England and Wales) effect from 1st October 1994 as amended from time to time.
“Company”	shall mean News Retail Services Limited or any holding subsidiary or associate of the Company.
“Customer”	shall mean retailers supplied by the Company.
“Effect Date”	shall mean 1st March 2004, or, if later, the date that the Customer first receives supplies or products from the Company.
“ISSA”	shall mean the Industry Standard Service Agreement as compiled and agreed by various industry associations, which was published and implemented on 1st October 1996 as amended from time to time.
“SOR”	shall mean Sale or Return.
“Material”	shall mean loose supplements, promotional items, bingo cards, cover-mounted gifts and other non-news items supplied by a Publisher for including in a Title.
“Vouchers”	shall mean free or discounted price promotions, either by direct marketing campaigns or as part of the Titles’ in-paper activities.
“Titles”	shall mean Daily and/or Sunday newspapers, periodicals, magazines and ancillary products (including Vouchers) distributed by the Company to the Customer.
“Minimum Entry Level”	shall mean, with respect to each wholesale area, the Company’s published minimum order value for supplies of national newspapers in that wholesale area for the six months ending 31st March 1994, subject to review by the Office of Fair Trade in 1996 and annually thereafter. The Company may apply a surcharge in respect of those MEL accounts that do not meet the required trading level(s).
“Publishers”	shall mean Organisation(s) supplying the Titles to the Company for distribution.
“Sub-Retailing”	shall mean the practice whereby a Customer offers or transfers supplies for sale to another retailer or selling outlet.
“Premises”	shall mean the Customer’s retail premises or recognised vendor selling point recorded in the Company’s records.
“Unpaid Credits”	shall mean unpaid cheques, direct debits or any unpaid weekly invoice payments
“Admin. Charges”	shall mean the charge(s) levied on the Customer’s weekly invoice resulting from the administration of all unpaid cheques, payments and/or direct debits, and other administration costs.
“T&C”	shall mean the Terms and Conditions of Business with our Customers.

The headings in these Terms and Conditions are for convenience only and shall not affect their interpretation.



2. PRINCIPLES OF SUPPLY

(COMPANY UNDERTAKINGS)

- 2.1 The Company has undertaken to abide by the provisions of the Industry Code of Practice for the supply of newspapers. New Customers will automatically be supplied with newspapers providing they meet the Minimum Entry Level and deposit conditions set out in Section 3 hereof.
- 2.2 Orders for Titles are accepted subject to supplies being received from Publishers and subject to normal working prevailing at the Company and at any other Company or organisation involved in the distribution of the titles.
- 2.3 The prices charged on the invoices are for supplies ex-warehouse.
- 2.4 Normally, supplies are delivered to the Customers premises. Our invoice charges include charges for delivery and/or collection which are subject to periodic review. The Company will give Customers six weeks' notice of any change to delivery rates.
- 2.5 The Company is committed to achieving the minimum criteria of the ISSA published to all UK retail customers on 1st October 1996, and as updated thereafter.

3. NEW ACCOUNTS

- 3.1 All new accounts shall pay their invoices weekly by banker's Direct Debit. The amount will be invoiced by Wednesday of each week and the same amount will be deducted from Customers' bank accounts seven days later, i.e., by the Wednesday following receipt of the initial invoice. A cleared deposit will be required from all new accounts equal to three times the Company's Minimum Entry Level for national newspapers, or £750, whichever is the lesser; after which, and subject to the SOR facilities being granted, the initial (MEL) deposit will be refunded. However, before the initial (MEL) deposit is refunded, and the initial (MEL) Account is afforded SOR status, the standard New Account deposit is required. The New Account deposit is usually equal to the average of three week's invoices or a maximum of £750, whichever is the lesser. The deposit for magazines will be based on the average supply of each issue. Such deposits will be held in a separate interest-bearing account and shall entitle the Customer to receive interest, payable annually in arrears, at National Westminster Bank Plc base rate less an administrative charge of 1.5 per cent. calculated on the total sum of the accrued deposit. The Deposit will be retained by The Company for the full period of trading, and will be returned to The Customer only after the full period of trading with The Company has ceased and all monies owed to The Company have been paid. The Company promises that, in the event of The Customer ceasing trading with The Company, and all monies owed to The Company have been cleared, the Deposit will be refunded with any interest that is due to The Customer, as referred to above.

The holding of deposits beyond the twelve-month period will be subject to review every six months. Should any account be closed or transferred, any remaining deposit shall be refunded subject to the Customer's trading account being cleared in full. This policy is in line with the Industry Code of Practice further to the Monopolies and Mergers Commission Report on the supply of National Newspapers in England & Wales October 1994.

- 3.2 There is a Minimum Entry Level for all newspaper accounts and the Customer must maintain an order of at least an equivalent value to the Minimum Entry Level (MEL).
- 3.3 The level will be 50 per cent. of the average weekly value of newspapers invoiced to existing Customers in the area, for six months ending 31st March 1994 (this figure will be adjusted to compensate for Publisher boundary differences). The Minimum Entry Level for each wholesale area will be published by the Company and updated on a regular basis.
- 3.4 The Company has the discretion to supply below the Minimum Entry Level.
- 3.5 Provided that the Customer has sustained an order in excess of the Minimum Entry Level for at least six months, the Company will extend SOR facilities where they are made available and approved by the Publisher or distributor, subject to the guaranteed minimum net weekly charge being maintained.
- 3.6 The Company has the discretion to apply a weekly surcharge to the Customer's invoice equal to the amount that falls below the required M.E.L. after the initial trial period has expired.



4. SUB-RETAILING

The Company shall not refuse to supply a retailer on the grounds that the retailer intends to sell or transfer newspapers to another retail outlet (known as a sub-retailer). To ensure that sub-retailing is properly monitored the following conditions apply.

- 4.1 Sub-Retailing arrangements must be notified by the Customer to the Company using the industry standard form to provide details of all sub-retail locations, including the name, address and type of outlet. NRSL have a separately published list of those areas that are considered “urban central”. This list is available to any Retailer, Sub-Retailer or Applicant upon request.
- 4.2 The distance in which sub-retailed newspapers can be transferred will normally be limited to within five hundred metres of the Company-supplied retailer’s premises in central urban areas, and one kilometre in all other areas. Any dispute on the categorisation of areas can be referred to the Independent Appeal Body as set out in The Industry Code of Practice for the Supply of Newspapers, full details of which are provided in the Application For News Supply (guidelines (Part 10)).
- 4.3 The Customer is solely responsible for the payments to the Company for all newspapers sold or transferred to the sub-retailer and for the sub-retailer’s compliance with these terms and conditions of business.
- 4.4 Customers and sub-retailers will not be permitted to sell or transfer newspapers to locations outside the Company’s area of distribution as defined by the newspapers’ Publisher or distributor.
- 4.5 The Customer shall not permit a sub-retailer to sell or transfer newspapers to another retailer or sub-retailer.
- 4.6 The Customer may supply sub-retailers with newspapers only up to the Minimum Entry Level. Such newspapers are to be firm sale.
- 4.7 Where a sale or transfer to a sub-retailer is in excess of the Minimum Entry Level, the sub-retailer must apply to the Company for a direct wholesale supply.
- 4.8 Sub-Retailing will normally be restricted to Customers who have traded with the Company for at least 18 months, other than at the Company’s discretion.
- 4.9 The sale of Titles charged on the invoice is normally restricted to the address recorded in the Company’s records. They must not be displayed or sold from any other premise without the prior agreement of the Company. Should a Customer wish to transfer supplies, they should request an industry standard form to register full details of the transfer.

5. PRINCIPLES OF SUPPLY (CUSTOMER UNDERTAKINGS)

- 5.1 **Standing Order Adjustments – Newspapers**
 - Customers agree to accept extras of the Titles supplied by the Company in support of newsbreaks or promotional activity.
 - The Company may also adjust customers’ orders responsibly in order to improve the level of newspaper availability.
 - Any extra copies provided by the Company will be SOR.
 - Customers agree to take all reasonable steps to provide poster displays in accordance with any reasonable request from the Company.
 - The positioning of such advertising material should comply with Planning Regulations and local authority by-laws.
- 5.2 **Standing Order Adjustments – Magazines**

The Company may adjust customer orders responsibly in order to improve the level of availability. Extra copies provided will be SOR unless the Company notifies the Customer otherwise in advance.
- 5.3 **Inclusion of Material with Titles**
 - The Company will credit the Customer with any handling payments as determined by the Publisher, provided the Customer has inserted the Material correctly. Material which is to be included with the Titles must be merged by the Customer prior to sale.
 - With the exception of Material supplied by the Company for inclusion with the Titles, the Customer shall not insert or attach any advertising or other material in or to any Titles without the prior written consent of the Publisher of such Title.



5.4 **Supplements and Material**

- Where a Title or Material to be included in a Title is not published, or for whatever reason copies of any Title or Material are not available, Customers are required to deliver whatever Material or Title that is available to their delivery customers and make such Material available at their Premises.
- The Company will credit the Customer with any handling payments determined by the Publisher for the distribution of such Material and Titles.

5.5 **Unsold Copies Returned for Credit**

- The Customer shall have their recalled unsold Titles available for collection on the days and times reasonably requested by the Company.
- If the Customer does not make recalled unsold Titles available for collection or does not return them by the times agreed, the Company may not be able to accept such Titles for credit.
- Vouchers will be returned and credited on a weekly basis. It is the Customer's responsibility to ensure all Vouchers are returned and/or made available for collection on the days and times reasonably requested by the Company.

5.6 **Availability of Titles – Day of Sale Magazines**

- Magazines are supplied on the condition that they are not displayed or distributed to the public before the recognised day of sale.
- The Company may withhold supplies until the day of sale if this condition is not observed.

5.7 **Availability of Titles – Days of Sale Newspapers**

- The Customer is expected to trade each and every day on which Daily or Sunday newspaper titles are published, including bank holidays. Where the Customer is unable to do so, the Company requires not less than three days' notice of any days on which they will be closed, unless the closure has been agreed by prior agreement.

5.8 **Sales Promotion**

- The Customer agrees to actively promote the sale of the Titles and agrees to participate in sales promotions organised by Publishers or the Company.
- The Customer agrees to accept and participate in the handling of free or discounted vouchers providing full recompense is offered to the Customer and, where applicable, the appropriate handling payment is given. The Customer agrees that claims and recompense for the exchange of these vouchers, not withstanding the Customer's right of refusal, are subject to the T & C outlined in Section 5, Paragraph 5 hereof.
- The Customer agrees to display and distribute newspapers and magazines from the recognised day of sale until the recognised off-sale date, or until otherwise advised by the Company.
- The Customer will endeavour to increase display space for particular Titles when requested to do so by the Company and to display promotional/point-of-sale material where it is practicable to do so.
- The Customer agrees to provide sales and marketing information when requested to by the Company or the Publisher to enable Publishers to maximise the effectiveness of promotions or new Title launches.
- The Customer agrees that data held either on computer, or otherwise concerning the retail outlet and Titles supplied by or returned to the Company, may be transferred by electronic or other means to the Publisher or its agents for marketing purposes. Any information or data transfer concerning the retail outlet shall not infringe the requirements of the Data Protection Act, 1984 and 1998.
- Customers agree to display Titles on appropriate fittings.

5.9 **Commercial and/or Home Delivery Services**

Publishers and wholesalers place great importance on the regular sales of newspapers and magazines through home and commercial delivery. The Customer is expected to provide a delivery service wherever practical. Reasonable notice must be given to the Company before delivery services are terminated. The Company will endeavour to assist the Customer to maintain the delivery service, or to ensure its continuity by relocating the service at another outlet.

5.10 **Special Orders (Shop Saves)**

Where practicable, Customers should provide a special order and "shop collection" service for newspapers and magazines

5.11 **Claims for Shortages**

Claims for shortages must be made as soon as possible after delivery. Claims for newspapers and magazines can be accepted within two hours of delivery or of the shop opening time, whichever occurs latest.



6. DISCRIMINATION

The Customer shall not discriminate against any Title other than on good commercial grounds as agreed with the Company or to comply with legal requirements notified to the Customer by the Company.

7. PAYMENT OF ACCOUNTS

- 7.1 Customers' accounts are payable weekly during the week following supplies. Invoices are usually delivered by Wednesday and shall be paid by Direct Debit. The invoice amount will be requested from Customers' bank accounts seven days after receipt of the invoice. Supplies will be withheld if accounts are not paid on time.
- 7.2 NRSL will levy an administration charge to the Customer in the event of returned monies (e.g. unpaid cheques) and, where applicable, this charge will apply to each and every payment that is deemed by NRSL to be an 'unpaid credit' and levied via the Customer's normal weekly invoice.
- 7.3 NRSL will charge a fee associated with the administration cost(s) of advice letters (such as Warning Letters and Stop Letters) that arise from late payment of weekly accounts/invoices.
- 7.4 Customers must not make deductions from the total amount of the account. Any error will be rectified and any credit will be given on the next possible invoice.
- 7.5 Customers agree that queries or errors relating to invoices are not to be used as a reason for delaying payment.
- 7.6 The Company will apply to the Customer's invoice a charge for those costs associated with the administration of 'copy invoices' etc. The Company undertakes to publish a "Charges & Tariffs" list that will be available to the Customer on demand.

8. OWNERSHIP / RISK

The Company regrets it cannot be responsible for any losses the Customer incurs as a result of delays over which the Company has no direct control, nor for the safety of parcels after they have been left at the Premises.

9. RECEIVERSHIP

- 9.1 In the event of a Customer's business going into receivership, the Company reserves the right to charge interest on the Customer's frozen debt with the Company from the date of receivership at 3 per cent. above the National Westminster Bank Plc base rate.
- 9.2 If, before payment, the court shall make an order for the Customer to be wound up or a receiver appointed, the Company reserves the right to repossess any goods up to the value of the outstanding amount.

10. TERMINATION OF SUPPLIES

- 10.1 Whereas the Company will endeavour to ensure to supply the Customer in accordance with these conditions, it will in no circumstances be liable for any loss suffered by the Customer as a result of any failure to so supply.
- 10.2 The Customer agrees to give six weeks' notice in writing to the Company before the closing of their account or substantially reducing supplies.
- 10.3 In the event of an actual or proposed permanent cessation of supplies of a Title to the Company, and irrespective of the circumstances giving rise thereto, the Company may terminate supplies to the Customer of that Title without liability by giving the Customer not less than six weeks' notice in writing, provided that such notice does not take effect prior to the date when the Publisher ceases to supply the Company.
- 10.4 Notwithstanding the provision of section 11 and without prejudice to the Company's other rights and remedies, a Customer's supplies of one or all Titles may be terminated forthwith without liability for the Company in the following circumstances:
 - On the termination of the Company's agreement with the Publisher in respect of such Titles.
 - Upon the Customer's failure to remedy any breach of any of these terms and conditions where such a breach is capable of remedy within three days of being given written notice of such breach by the Company.
 - The Customer has made false claims in respect of non-receipt, shortage of supplies or returns or in respect of other documents where in the Company's reasonable opinion that the claim has been made other than through genuine error.
 - The Customer has a receiver, administrator, trustee in bankruptcy or similar official appointed over all or any of its assets, or is wound up, becomes bankrupt, or is dissolved.
 - The Customer fails to pay their account in full on the due day.



11. FORCE MAJEURE - SUSPENSION OF SUPPLIES

- 11.1 Whilst the Company takes all reasonable steps to ensure continuation of supplies, it may be necessary for the Company to partially or totally suspend, with or without notice, the supply of any title during any period which the supply of such title to the Company may be either prevented, delayed or hindered through action by any Publisher, or any circumstances beyond the Company's reasonable control including (but without prejudice to the generality of the foregoing) strikes, lock-outs, labour disputes of any kind, industrial action of any nature whatsoever (whether any of the foregoing relate to the Company's employee's or others) fire, floods, storms, acts of God, delays or cancellations on the road/rail network, traffic accidents, serious traffic congestion or any shortage of paper or fuel supply and Customers will have no claim against the Company and the Company will not be liable to Customers for any loss or damage howsoever arising or sustained as a result.
- 11.2 If in any strike, lock-out, labour dispute or industrial action by the employees of the Company, any part of the Company's normal business is in any way affected, the Company shall be at liberty with or without notice and without liability to withhold, reduce, suspend or delay the supply of Titles to such an extent as the Company shall at its absolute discretion think fit with a view to securing a return to normal business.

12. ASSIGNMENT - TRANSFER OF ACCOUNT

- 12.1 The Company must be given 14 days' notice of a proposed change of ownership by completing and returning the appropriate company transfer form:
- change of proprietor;
 - change of trading name; and
 - date of transfer.
- Transfer of the news account cannot be recognised by the Company unless it has been given 14 days' written notice of the intention to transfer. The new owner will be required to provide a cleared deposit based on three weeks' supplies or £750 whichever is the lesser, in which monies will be held in a separate interest-bearing account. Such deposit shall entitle the retailer to receive interest, payable annually in arrears, at the National Westminster Bank Plc base rate, less an administration charge of 1.5 per cent. calculated on the total accrued sum of the deposit. The Deposit will be retained by The Company for the full period of trading, and will be returned to The Customer only after the full period of trading with The Company has ceased, and all monies owed to The Company have been paid.
- 12.2 The holding of deposits beyond a twelve-month period will be subject to review every six months. Should any account be closed or transferred, any remaining deposit shall be refunded subject only to the Customer's trading account being cleared in full.
- 12.3 The Company will charge interest at 3 per cent. above the National Westminster Bank Plc base rate on any amount outstanding from the 14th day following a transfer or closure of an account.

13. AGENCY / PARTNERSHIP

Nothing in these terms and conditions of business shall be taken as constituting the Customer as an agent or partner of the Company.

14. INVALIDITY

The invalidity of unforceability for any reason of any of these terms and conditions of business shall not prejudice or affect the validity of the remainder.



15. WAIVER

No failure by the Company to exercise nor any delay in the Company exercising any right or remedy under these terms and conditions of business in respect of a breach by the Customer shall operate as a waiver of such rights or remedy or any other right of remedy.

16. NOTICES

- 16.1 Any notice required or permitted to be given by either party to the other under these terms and conditions shall be in writing addressed to the other party in the case of the Company at its supplying warehouse or, in the case of the Customer, at the address of its Premises recorded on the Company's records or such address previously notified in writing to the party giving the notice. Such notice is to be delivered either by hand or by first class post.
- 16.2 The notice will be deemed to have been received at the time of delivery by hand or within 48 hours of posting (not including Saturdays, Sundays or public holidays) if sent by post.
- 16.3 If any part of these Terms & Conditions of Business is found to be invalid, or unenforceable, then the remainder of the conditions will not be affected, and remain valid and enforceable.
- 16.4 This agreement is governed by, and shall be construed in accordance with, English law.
- 16.5 The Company reserves the right to amend these Terms & Conditions as and when is required in accordance with the needs of the business. Customers will be advised of all such amendments in writing and with at least 7 days prior notice.

17. DECLARATION

I have read, understand and agree to abide by the Terms and Conditions of Business as laid out in this document. I accept the Company's terms on deposit(s) required and that, should I be party to a New Account or and Transfer of Account, I am full liable for any remaining balance(s) that relate to the previous owner/tenant and/or the previous company and/or premises.

Signature of Applicant:

Date:

Name (Block capitals):

Applicant's Address:

Post Code:

New Customer Number:

Date of Commencement: