

Terms and Conditions

These terms and conditions (these “Terms”) are applicable to, and incorporated by reference into, any order form or customer agreement related to the rental or sale of any products or services supplied by Francotyp-Postalia, Inc., d/b/a FP Mailing Solutions, Inc. (“FP”) to the customer (a “Customer”) listed on the applicable order form or customer agreement. The complete agreement between FP and Customer will consist of these Terms and the provisions included on any order form or customer agreement that has been accepted by FP (referred to collectively as the “Agreement”). In the event of any conflict between these Terms and the provisions on an order form or customer agreement, these Terms will control. No additional terms (including any terms included on any Customer generated forms, acknowledgments or other documents) will apply unless FP agrees to those additional terms in writing.

1. DEFINITIONS

- a. “Meter” – A device that manages the financial transactions of a mailing machine and which is rented directly from FP. A Meter may be a stand-alone unit or a device, known as a Postal Security Device (“PSD”), which is inserted into mail handling equipment.
- b. “FP Rental Equipment” – Any equipment, other than a Meter, that is rented by a Customer directly from FP. Examples of FP Rental Equipment include mailing machine bases, scales and other accessories.
- c. “FP Rental Services” – Non-tangible services that are provided by FP to a Customer pursuant to an Agreement between FP and a Customer. Examples of FP Rental Services are RateGuard services and Meter resets.
- d. “Third-Party Purchased or Leased Equipment or Services” – Any equipment or services that are designated on an order form or a customer agreement as being purchased, leased, or financed through a third-party. Examples of Third-Party Purchased or Leased Equipment or Services are products or services obtained pursuant to an FP EZ Lease. Third-Party Purchased or Leased Equipment or Services may require maintenance that FP has not agreed to perform and which maybe invoiced separately.
- e. “Maintenance” – Service that FP has agreed to perform, pursuant to an Agreement, on FP Rental Equipment to ensure that the FP Rental Equipment remains in proper operating condition. Maintenance includes, but is not limited to, the repair or replacement of non-consumable parts.

2. FP WILL:

- a. Rent to the Customer the specified FP Rental Equipment and provide the FP Rental Services at the rates set forth in the Agreement, or as otherwise agreed upon in writing by FP and Customer.
- b. If a Meter, FP Rental Equipment or Third-Party Purchased or Leased Equipment is being provided directly by FP pursuant to an Agreement, FP will ship that equipment, in good working order, to Customer’s installation address as specified in the Agreement or, if no installation address is specified, directly to the Customer’s billing address.
- c. Provide Maintenance on the FP Rental Equipment pursuant to the terms of the Agreement. If maintenance is required on Third-Party Purchased or Leased Equipment, FP may agree to provide perform that maintenance at FP’s then-current applicable rates or such rates as otherwise agreed upon, in writing, by FP and Customer.

3. CUSTOMER WILL:

- a. Be invoiced in advance of payment due dates.
- b. Pay all amounts due to FP within thirty (30) days of the invoice. Payments must be made using one of FP’s acceptable payment methods, including mailing the payment to the address stated on the invoice or paying online at www.fp-usa.com.
- c. Be responsible for the payment of all other fees assessed pursuant to this paragraph. A late fee will be charged if Customer does not pay the amounts due to FP within the thirty (30) days after the date of the invoice and an additional late fee will be charged for each subsequent thirty (30) day period that the amount due remains unpaid. Customer also agrees to pay FP the then-current fee charged by FP’s financial institution for checks returned unpaid and for ACH direct debit transactions which are rejected, also agrees to pay an additional fee equal to the lesser of \$50 or the maximum allowed by law if a check or electronic payment is returned due to non-sufficient funds, plus any changes imposed by the USPS® as a result of non-sufficient funds. Pay FP Failure to pay on-time also may, in FP’s

sole discretion, result in any of the following actions: locking of the Meter, an inability to perform resets, and FP taking steps to recover the Meter.

d. Pay all sales, use, property, lease or excise taxes, along with any fees or charges imposed on the shipment, transportation, delivery, ownership, lease, rent, sale, purchase, possession, or use of any equipment (except for Federal or State income or franchise taxes imposed on FP). Customer also shall reimburse FP upon demand for any taxes paid by or advanced by FP that are the responsibility of the Customer under this paragraph.

e. Use reasonable care in the handling and operation of all Meters and FP Rental Equipment and be responsible for any damage to, or the loss of, any Meters and FP Rental Equipment. Customer will procure adequate insurance covering all damage to, or the loss of, all Meters and FP Rental Equipment. Customer also will ensure that the insurance procured pursuant to this paragraph names FP as an "additional insured" and will deliver a current certificate of insurance to FP.

f. Not use special attachments, printing plates, or other devices, including electronic scales or supplies, with the Meters or FP Rental Equipment, unless FP supplies those items or agrees to their use in a signed writing.

g. Use postage Meters only for postage imprinting and recording purposes. Customer acknowledges that tampering with or misuse of any postage meter(s) is punishable under the federal postal laws and regulations.

h. Make immediately available for examination and audit by either FP or the United States Postal Service® ("USPS®") any Meters in their possession.

i. Notify FP of any change in location of any Meter or FP Rental Equipment, and reimburse FP for any reasonable cost incurred by FP as a result of the change. Reporting any change in Meter location is required by the USPS®.

j. Upon the termination of the Agreement, unless directed otherwise by FP, return the Meter and any FP Rented Equipment to FP, at Customer's expense. Customer will follow the return instructions provided by FP and return any Meter or FP Rented Equipment to a location designated by FP, in good condition, with normal wear and tear accepted. Billing will continue until all Meters and FP Rental Equipment are received into inventory by FP. Customer also agrees to reimburse FP for any costs that FP incurs to restore a Meter or FP Rental Equipment to good condition. In addition, Customer also agrees to pay to FP the return processing fee imposed by FP as found in the "my account" section of FP's website.

k. Be responsible for paying for rate updating software if RateGuard coverage is not purchased by Customer.

l. Be responsible for paying FP's standard shipping rates and applicable fees when Meters or FP Rental Equipment is shipped, except when an exchange is made pursuant to a warranty claim. The "my account" section of FP's website lists the current fees and www.fp-usa.com/terms-conditions/ for the standard shipping rates.

m. Make available the necessary connectivity system required for resetting the Meter. For models MyMail, OptiMail 30, UltiMail, or CentorMail, Customer agrees to make available a functioning analog telephone line (not digital) at the installation site so that the analog telephone line can be connected to the Meter and used for postage resets. For Meters utilizing the MailCredit software or PostBase Series, Customer agrees to make available a functioning high-speed internet connection at the installation site so that the connection can be connected to the Meter and used for postage resets.

n. Have the proper system requirements necessary on a PC to utilize certain software and or enhanced functions as listed on the product specifications page found at www.fp-usa.com/support/ for your Meter.

o. Adhere to the Terms and Conditions found online at www.fp-usa.com/terms-conditions/ regarding Postage Payment Options and Postage Payment Terms & Conditions.

4. ADDITIONAL TERMS FOR TELESET METER RENTALS:

a. A bank designated by the USPS® will act as a depository for Customer's advance postage payments.

b. Before resetting a Teleset Meter, Customer must have at least the amount of the reset increment in Customer's account at the designated bank.

c. In the event Customer requests an emergency advance for postage, FP may, at its sole discretion, agree to advance the Customer funds to reset its Meter. If FP provides a temporary advance of funds to Customer's account to allow a Meter to be reset, Customer agrees to repay the full amount advanced by FP within five (5) business days and also to pay FP's then-current service fee and interest.

d. FP will invoice Customer quarterly in arrears for the then current reset fee (if applicable) on each completed reset transaction.

e. If Customer discontinues its Teleset Meter rental account and over \$25.00 remains in the Customer's account, FP will use commercially reasonable efforts to have the USPS® return the funds in Customer's account within 90 days after Customer's written request, per USPS® CFR Volume 73, Number 210, pages 61255-61356 and Domestic Mail Manual 604.9.2.8 regulations (or any applicable successor regulations). FP, however, does not guarantee that Customer's funds will be returned by any specific date.

f. Teleset downloads must be performed on compatible line as specified above in Section 3.m.

5. RATEGUARD:

- a. FP RateGuard is a service that provides rate updates to Customers when a USPS® rate change occurs. If a Customer purchases RateGuard, the Customer will pay a monthly charge that is billed on the same billing cycle as their Meter or FP Rental Equipment. Customer will receive updated rates (in the form of a rate chip, rate card, software download, or other necessary products) without additional charge from FP pursuant to the RateGuard program.
- b. FP will provide eligible Customers the opportunity to receive the necessary updated rates (in the form of a rate chip, rate card, software download, or other necessary products). The Customer's account must be current and in good standing at the time of each rate change to receive a RateGuard upgrade.
- c. The RateGuard Program must remain in effect on the Customer's account for a minimum of the Initial Term. Once the Initial Term is ended, RateGuard will remain in effect until the end of the Term.
- d. RateGuard does not cover USPS® rate changes made within 60 days from the date that an existing Customer signs up for the RateGuard program. This restriction does not apply to new Customers who enter into a new Agreement fewer than 60 days before a USPS® rate change.

6. GENERAL PROVISIONS:

- a. Customer acknowledges FP's exclusive ownership of the Meters and FP Rental Equipment and that Customer has no rights except for use for the Term of the Agreement and will take all actions requested by FP in order to protect FP's ownership interest.
- b. Customer agrees to indemnify and defend FP from any claims, legal actions, and costs (including attorneys' fees) arising from Customer's use and operation of the Meters or FP Rental Equipment.
- c. UNDER NO CIRCUMSTANCES WILL FP'S LIABILITY TO CUSTOMER FOR CLAIMS OF ANY NATURE EXCEED THE AMOUNT OF FEES PAID BY CUSTOMER TO FP DURING THE SIX MONTH PERIOD IMMEDIATELY PRIOR TO THE EVENT GIVING RISE TO THE CLAIM OR CLAIMS. UNDER NO CIRCUMSTANCES WILL FP BE LIABLE TO CUSTOMER FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, OR ANY OTHER FORM OF DAMAGES, ARISING OUT OF, OR RELATED IN ANY WAY TO, ANY AGREEMENT BETWEEN FP AND CUSTOMER, REGARDLESS OF WHETHER FP WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- d. EXCEPT AS EXPRESSLY STATED HEREIN, FP MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, REGARDING ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF SUITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.
- e. THESE TERMS, ALONG WITH THE OTHER TERMS OF THE AGREEMENT (AS THAT TERM IS DEFINED ABOVE) CONSTITUTE THE ENTIRE AGREEMENT BETWEEN CUSTOMER AND FP AND SUPERSEDE ANY PRIOR UNDERSTANDINGS OR WRITINGS BETWEEN THE PARTIES.
- f. Customer acknowledges that, if it enters into any contract or agreement with a party or entity other than FP related to any postal meter, related equipment or services (for example, an agreement entered into with an FP dealer or with a third-party financing company), FP will not be deemed to be a party to that contract or agreement and FP will have no obligations or liability arising from such a contract or agreement, regardless of whether the contract or agreement relates to products produced by FP or services offered by FP and regardless of whether the contract or agreement provides that the non-FP party or entity will bill and collect amounts that are otherwise due to FP.
- g. Customer acknowledges that the use of consumables that are not provided or produced by FP in Meters or FP Rental Equipment (such as ink and rate chips) could result in damage to, or a malfunction of, Meters or FP Rental Equipment. Customer also acknowledges that it will be solely responsible for all costs associated with any repairs, maintenance or replacement that becomes necessary as a result of Customer's use of consumables that were not provided by FP.
- h. All notices provided under this Agreement must be given in writing and addressed to Customer's or FP's main office or to another address specified in writing by Customer or FP.
- i. When a Meter or FP Rental Equipment is received by a Customer, the Meter or FP Rental Equipment must be set up within fourteen (14) days and the billing cycle will begin at the end of that fourteen day period.
- j. Should the Customer require an on-site installation of a Meter or FP Rental Equipment, an additional fee may be charged.

k. FP reserves the right to replace, at any time, Meters or FP Rental Equipment with other comparable Meters or FP Rental Equipment that includes similar or enhanced features in the event that an identical Meter or FP Rental Equipment is not available or if a Meter or FP Rental Equipment has been decertified by the USPS®.

l. Customer authorizes FP, from time to time, to access and download information from any Meter to provide FP with information about Customer's postage usage and FP may disclose that information to the USPS® or any other governmental agency. FP will not otherwise share individually identifiable information that we obtain about Customer's postal usage unless otherwise required to do so by law. FP reserves the right to share aggregate data about its Customers' postage usage with third-parties.

m. Customer authorizes FP to send communications, via email, written correspondence or any other means, regarding account activity or advertising material concerning FP's products or equipment, including, but not limited to, information concerning software updates, account changes, and FP product availability.

n. In the event Customer fails to perform in accordance with the terms set forth in this Agreement, then FP may, in its sole discretion and without notice, repossess or disable any Meter and FP Rental Equipment, immediately terminate any Agreement between FP or an FP Affiliate and Customer; and pursue any other remedies available to FP at law or in equity.

7. IF CLAIMS OR DISPUTES BETWEEN CUSTOMER AND FP SHOULD ARISE:

a. If Customer fails to pay any amounts due FP in accordance with this Agreement, or if any legal action commences which may result in a third-party taking possession of any Meters or FP Rental Equipment, FP can immediately terminate this Agreement, without notice or legal action, and Customer will allow FP to enter its location for the purpose of repossessing any Meters and FP Rental Equipment. Under those circumstances, Customer will pay FP all amounts due up to the repossession date or through the end of current Term, whichever period is longer, plus a delinquency charge of 1.5% per month (but not in excess of the lawful maximum) on any unpaid amounts until FP has been paid all amounts due to it. Customer further agrees that, should FP decide to place its account with a collection agency or attorney, Customer will pay all collection costs and attorneys' fees incurred by FP, in addition to other amounts due.

b. The construction, performance and consummation of this Agreement, and any and all disputes, claims, actions or controversies of whatever nature between FP and Customer, shall be governed by the federal laws of the United States and the laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision, rule or principle that would otherwise require the application of the laws of any jurisdiction other than the federal laws of the United States or the State of Illinois. In the event of any litigation between Customer and FP, Customer and FP hereby agree that any and all disputes, claims, actions, or controversies arising between the parties of whatever nature (including, but not limited to, any and all contractual, statutory, equitable, or tort claims) shall be brought only in either the United States District Court for the Northern District of Illinois or in the Circuit Court of the 18th Judicial District, DuPage County, Illinois; and both Customer and FP hereby consent to both venue and personal jurisdiction in those courts to the exclusion of all others. Each party also waives any right to a trial by jury.

c. In the event any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.

8. ACKNOWLEDGMENT OF DEPOSIT REQUIREMENT:

a. Customer hereby acknowledges that it must transfer funds to the USPS®, through a lockbox bank ("lockbox bank") for the purpose of prepayment of postage on Computerized Meter Resetting System (CMRS)-equipped Meters ("Deposits").

b. Customer may make Deposits in the lockbox bank account, identified as United States Postal Service-CMRS-FP. The USPS® may, at its discretion, designate itself or a successor as recipient of Deposits by Customer.

c. Any Deposit made by Customer shall be credited by the USPS® only for the payment of postage through CMRS-equipped meters. Customer shall not receive or be entitled to any interest or other income earned on such Deposits.

d. The USPS® will provide a refund in accordance with the rules and regulations governing deposit of funds for CMRS, published in the Domestic Mail Manual or its successor.

e. As provided above, FP may agree to deposit funds on behalf of Customer. The USPS® will make no such advances. Any relationship concerning advances is between Customer and FP.

- f. Customer acknowledges that the terms of this Acknowledgment of Deposit section may be changed, modified, or revoked by the USPS®, with appropriate notice.
- g. Postal regulations governing the deposit of funds for CMRS are published in the Domestic Mail Manual or its successor. Customer acknowledges that it shall be subject to all applicable rules, regulations, and orders of the USPS®.
- h. By signing any Agreement between Customer and FP, Customer represents that it has read this Acknowledgement of Deposit Requirement section and is familiar with its terms. Customer agrees that, upon execution of any Agreement with FP, it also will be bound by all terms and conditions of the Acknowledgement of Deposit Requirement, as it may be amended from time to time.

9. ASSIGNMENTS:

- a. No right or interest in this Agreement may be assigned by Customer without the prior written consent of FP.

10. TERM AND TERMINATION:

- a. This Agreement shall be NON-CANCELLABLE during the Initial Term and any Renewal Term, as set forth in Section 10.b. below. The Initial Term and any Renewal Terms are collectively referred to as the “Term” of the Agreement.
- b. Provided FP has accepted the order form or customer agreement, the Agreement shall be for the Initial Term set forth on the applicable order form or Customer Agreement or as otherwise agreed upon in writing by the Customer and FP, commencing on the date the order form or Customer Agreement was signed by the Customer, and shall automatically, without any action by either party, renew for an additional period of one year (a “Renewal Term”) at the end of such Initial Term. At the end of such Renewal Term, this Agreement, again, automatically renews for an additional Renewal Term, unless terminated in accordance with the terms of Section 10. FP will not notify the Customer that the Initial Term or any Renewal Term is ending.
- c. FP can change the monthly rental rates and fees after the Initial Term upon notice to Customer.
- d. Either party to this Agreement may provide notice to the other party of its intent not to renew this Agreement pursuant to paragraph (b) above. Such notice must be in writing and must be delivered to the other party no later than ninety (90) days prior to the end of the Initial Term or then-current Renewal Term.

11. USPS® ACKNOWLEDGMENT:

- a. To the extent that the USPS® is obliged to perform particular functions with respect to the any Meter or FP Rental Equipment, those functions will be governed by the Domestic Mail Manual, as may be amended from time to time, or its successor, in effect at the time of the obligation. Specifically, to the extent that the USPS® provides refunds to Customers using postage evidencing devices, the policy and procedure governing the payment of refunds will be conducted in accordance with the Domestic Mail Manual, as amended, in effect at that time.
- b. If the Equipment is used in any fraudulent or unlawful scheme or enterprise, or is not used for any consecutive 12 month period, or if the Customer takes the Equipment or allows the Equipment to be taken outside the United States without proper written permission of the USPS®, Washington, DC 20260-6807, or if the Customer otherwise fails to abide by applicable postal regulations and this Agreement regarding care and use of Equipment, then this Agreement and any related Equipment rental may be revoked. Customer further acknowledges that any use of Equipment that fraudulently deprives the USPS® of revenue can cause Customer to be subject to civil and criminal penalties applicable to fraud and/or false claims against the United States. The submission of a false, fictitious or fraudulent statement can result in imprisonment of up to five (5) years and fines of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (3 U.S.C. 3802). A false statement in this application or the mailing of matter bearing a fraudulent postage meter imprints are examples of violations of these statutes.
- c. The Customer is responsible for immediately reporting (within twenty-four hours) the theft or loss of Equipment that is the subject of this Agreement to FP. Failure to comply with this notification provision in a timely manner may result in the denial or refund of any funds remaining on the Equipment at the time of loss or theft.
- d. The Customer understands that the rules and regulations regarding the use of the Equipment as documented in the Domestic Mail Manual may be updated from time to time by the USPS®, and it is Customer’s obligation to comply with any current and future rules and regulations regarding its use.
- e. By signing this Lease, Rental or Use agreement with your Provider, the undersigned acknowledges they are also entering into an Agreement with the United States Postal Service (USPS®) in accordance with the Domestic Mail Manual

(DMM) 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (Postage-Evidencing Systems) and accepts responsibility for control and use of the PES contained therein.

f. The undersigned also acknowledges they have read the Domestic Mail Manual 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (Postage Evidencing Systems) and agrees to abide by all rules and regulations governing its use. Failure to comply with the rules and regulations contained in the DMM or use of the PES in any fraudulent or unlawful scheme or enterprise may result in the revocation of this Lease, Rental or Use Agreement.

g. The undersigned further acknowledge that any use of this PES that fraudulently deprives the USPS® of revenue can cause me to be subject to civil and criminal penalties applicable to fraud and/or false claims against the United States. The submission of a false, fictitious or fraudulent statement can result in imprisonment of up to five (5) years and fines of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to \$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (3 U.S.C. 3802).

h. The undersigned further understands that the rules and regulations regarding the use of this PES as documented in the DMM may be updated from time to time by the USPS® and it is the undersigned obligation to comply with any current and future rules and regulations regarding its use.

THESE TERMS AND CONDITIONS APPLY ONLY TO THE METERS, FP RENTAL EQUIPMENT AND FP RENTAL SERVICES SUBJECT TO THIS AGREEMENT AND DO NOT APPLY TO ANY OTHER EQUIPMENT OBTANIED FROM A SOURCE OTHER THAN FP. Any person executing this Agreement on behalf of an organization or entity represents and warrants that he or she is a duly authorized representative and agent of the organization or entity and has the power and authority to bind such organization or entity to the Agreement.