

# Guide to Postage Meters - Canada

What to buy \* How to buy \* What to Watch For \* Understanding Agreements

let's talk about mail  
[www.francotyp.ca](http://www.francotyp.ca)



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Businesses of all sizes can find postage machines or meters a useful tool. Their primary benefit is to provide security of a costly resource, stamps. They also can make sure that you use your postage efficiently, only putting the amount on each envelope that is needed, without over posting. Over posting even a few cents per letter or parcel can lead to hundreds of dollars of unnecessary cost.

### **So how do you decide what meter to buy?**

#### *SMALL OFFICES:*

Each of the three vendors in Canada offer a meter that is targeted to small businesses sending only a few letters each day. Typically these meters use an impression method requiring the user to insert the envelope, wait a few seconds while the [indicia](#) is printed on the letter and then you manually remove it from the meter. Due to the slowness of this process if you regularly mail a larger number of documents, even 100 at a time, you will find the entry level meters too tedious.

The next step is a manual meter that can pull the letters through the imprint section and which can process a stack of letters as long as the operator manually feeds the stack. These meters offer more efficiency, integrated rating scales, automatic moisteners and often a series of buttons for frequently used rates. A typical unit of this type is a [Francotyp-Postalia Optimail](#). These meters are less costly to run as well. Doing a stack of 300 or more letters once in a while will be okay on one of these, but don't plan on doing it weekly or you will wish you chose a more efficient unit.

#### *WORKGROUP – MEDIUM DUTY*

The next step up are meters which are designed with semi-automatic or automatic feeders ([learn more about early days of machine processing of mail](#)) so that a stack of mail can be placed on the postage machine and processed without the operator having to hold the stack. These machines will process larger volumes on steady runs and will offer various speed ranges to reflect the throughput needs of your office. An example of this level of machine would be the [Ultimail series from FP](#).

#### *PRODUCTION MAILING*

Top end postage machines provide many advanced features and can suit environments where many thousands of envelopes are processed. They can include automatic weighing and sizing of envelopes so mixed product can be efficiently handled. They have output conveyors so mail does not bind up as it is processed. [See how this level of mailing is handled with the short Centormail video on this page.](#)

No matter what your mailing volume, there is a mailing meter that can match your need. It is a tool which can make a daily process more efficient, provide security of postage and a quality output for your envelopes.

## *POSTAGE METER PRICING*

There are three companies in the Canadian market for postage meters. Francotyp-Postalia, Neopost and Pitney Bowes.

The industry is highly regulated by Canada Post Corporation since a mailing meter is actually able to print money. Industry practices with regard to pricing of equipment can be confusing. This can lead to confusion when comparing alternatives. Each of the companies have their own approach to pricing and costs, however there are common elements which every mailing meter operator needs to know. Each company has different names for components but the pieces of the pricing model are always there and you should be aware so you do not receive surprises down the road.

### THE COMPONENTS OF MAILING METER PRICING

- **Postage:** This is controlled by the purchaser uploading dollars (\$) into the vendor's trust site for credit to the user's postage meter for printing postage. Prepayment or permission for automatic bank withdrawal will be required for this to work. Some vendors will accept credit card purchases by phone or pre-authorization.

All postage will have to be loaded from the specific postage meter vendor's site. Reloading dollars for postage to the vendor's site is called **Postage Resets** which you are charged a fee for doing. You will be required to put money on deposit with the vendor's trust account prior to being able to use your new postage meter.

- **Meter Rental:** Meters are controlled by the vendors (Manufacturers) under agreement with Canada Post Corporation. They cannot be bought by end users, only rented on an agreement with the individual vendors. **Meter rentals** are quoted monthly but usually payable quarterly or annually. Rates quoted will be for an annual payment and up-charges will apply for more frequent billing.
- **Equipment: Postage machines or equipment,** the parts which actually stamp the envelopes, scales and sealers can be acquired in several ways. Most small units are only offered on a rental basis, bundled with the meter rental. Mid range and larger units can be bought outright, leased or rented. Terms vary but usually are for 36, 48, 60 or 66 months. Owned equipment can be operated as long as it provides you with suitable service, although you must rent a compatible meter to go with your device. At times some of the vendors put pressure on purchasers to renew their agreement with in a shorter timeframe, indicating that there could be service issues if they try to run the device longer. This helps to "lock" the purchaser into the individual manufacturer's model without ability to compare price and performance.
- **Extended Maintenance Agreement (EMA):** Vendors offer extended maintenance agreements for the equipment. These agreements cover repairs and support needed. For smaller machines the agreement is a return/replacement agreement where the unit is diagnosed electronically or by phone and if not functioning, then it is shipped back to the vendor for replacement with another unit. For rental equipment, **EMA costs** are usually included in the quoted monthly rate. For leased or purchased devices this will be a separate charge and must then be factored into your overall cost.
- **Digital Rate Fees:** With the development of digital postage meters, Canada Post Corporation has required the postal vendors to report on a regular basis all postage being processed through their meters. This statistical data is used to monitor postage in Canada. The vendors have created a fee charged to postal meter customers to recover the costs of this reporting.

- **Postal Rate Changes:** Generally done on an annual basis, but occurring on a schedule which is set by Canada Post Corporation, there are charges levied by the postal vendors for reprogramming meters in client locations with new postal rates. In addition some of the vendors charge for different levels of postal rate updates; local, international and parcel rates. You need to be aware of what your rate changes will cost. Vendors usually provide an option to pay a fee when rates change or to have a rate insurance charge booked into your monthly meter rate to protect your costs.

#### *THE SUMMARY FORMULA FOR YOUR TOTAL POSTAL METER COSTS:*

Meter rental cost + Resets + Rate Changes + Equipment Costs + Digital Rate Fees + EMA = **Total Cost** of the postage meter/equipment.

Postage is over and above these costs on an as used basis.

**Costs can be quoted monthly, quarterly or annually.** Payments made monthly or quarterly will include a handling charge for frequency of billing. Postage used on the device will always be extra as will consumables such as labels, ribbons, ink cartridges etc. The cost per impression can be a key item to consider if the size of device you need is borderline. Larger devices can have considerably lower operating costs.

**Finally**, be cautious that you know when your current (or any proposed) agreement will expire. It is common practice for some vendors to request an updated agreement before the current agreement expires....even as much as two years ahead. When you sign the new agreement you extend your rental and equipment agreement by the new term period, often without realizing this has happened. This could lead to double payment as the costs of the balance of the previous agreement will be bundled into the new plan. If in doubt, always ask for a summary of your current obligations and know your vendor.

#### *POSTAGE RATE CHANGES*

Postage meter users in Canada have to get their postage rate schedules updated whenever Canada Post announces new pricing (recently January 17, 2011). Users of postage machines had to follow the rate upgrade plan based upon their meter vendor.

For Francotyp-Postalia customers, meter users simply logged onto their online connection to the postage reset service and did what is called a "zero value reset". This permits the service to download the new software and upgrade the rates for all types of postage, including letter, international and parcel rates. Depending upon their contract a charge for the reset is applied, or if they have opted for the monthly reset protection coverage they get the reset "free".

This process pricing is established at the time that you set up your meter rental agreement. It is one of the components of postage meter pricing that I find confuses users the most.

#### *YOUR POSTAL METER CONTRACT*



One of the common industry practices in the postage machine rental business is the early renewal of agreements. Similar to our recent blog post on [rolling your copier lease](#) many businesses can find themselves over paying for their postage meter due to the way that some companies handle renewals.

Most postage machines are sold as a rental contract. The contract combines the price of the actual physical unit with the rental fee for the meter head, the part which is regulated by the postal authority, Canada Post. The meter head can only be rented even if you buy or lease the physical machine. Since one company is the dominant player in the industry they have essentially forced most customers to rent their equipment.

### *Early Renewal*

It is the next step in the process that gets dangerous for you as a customer. Most postage machine contracts are for 60 or 66 months. The equipment is quite robust and can easily be maintained for this term and unless the business need changes substantially a properly chosen device will give decent service for the term.

However, it is common practice for customers to be approached as much as 18 months before their contract is up with an offer for renewal. Many times the "new" machine is very similar or exactly the same as the one they have but they are told it is time to renew....with no mention of the additional months in their current contract. Why is this done? One reason is it freezes out the ability for the client to go to other suppliers looking for competitive pricing. Also, it permits the sales rep to get a new deal and receive their bonus on that deal. In fact it is the practice of one the major companies in this field to change their reps' territories on a very short basis (every two years or less) so that they are hungry to do upgrades and so they do not build an affinity to their customers.

Why is this not good for a customer? The simple answer is that they end up paying for the **balance of the first agreement as part of the second one** and over time they end up paying more for their machine than they need to.

How bad is this? Let me tell you a quick story we received from one of our contacts.

They had an existing agreement with the biggest player in the field. There was a persistent problem with the postage machine and the supplier offered to replace it with another machine. Great, thought the client. When the replacement was delivered (a smaller unit than the one being replaced and at a higher price) the receptionist was asked to sign a document for the replacement, which she did. The client subsequently found out this document was a new rental agreement with a new term. He is now trying to get it canceled....but how unscrupulous can a supplier be?

The moral of the story is; insist on checking the term and actual renewal date on any postage machine agreement. The chances are very good that someone is trying to sell you early. If the device is working ok then why should you double pay for a unit?

Don't get me wrong. There are many responsible dealers of postage equipment who will look out for your interests and assist you honestly with your acquisition. You just need to check out the details so you understand your options fully.

### *AGREEMENT TERMS*

In the attached appendix there is a brief outline of some of the terms which are included in each of the three Canadian manufacturers of mailing meters. The summaries provided highlight significant terms that readers should be aware of prior to signing any agreements. The collection of clauses has been selected from the agreements to show ones which it is thought are of most concern, however purchasers should review the complete contract prior to any signature. The information provided is for information purposes only and does not reflect a legal analysis of the contracts. If you have questions you are advised to seek your own legal advice.

### *WHAT OTHER MAILING EQUIPMENT SHOULD BE CONSIDERED*

Getting more value out of your time at work is an important part of every person's day. When it comes to doing the daily mail there are a number of ways which this can be accomplished.



The first thing that is thought of is the postage meter. The meter provides security and ease of adding postage when the volume of envelopes or parcels starts to grow. For many offices this is the only mailing productivity tool that is used.

### *Folder/Inserters*

There are many more potential ways to increase your mailing productivity. One of the most valuable is the folder inserter. These wondrous devices take the tedium out of folding mail and inserting it into the envelope. We see them deployed where there are larger volumes of payroll documents, invoices, marketing flyers and other transactional focused mail.



The ROI for a folder inserter can be substantial. These devices have a normal lifespan of at least 5 years if the right unit for your workload is obtained. When you spread the capital cost and the low maintenance costs over the 60 month period it does not take many minutes saved per day to show a great ROI.

In one account I saw the cashflow pay back period on a \$33,000 device (the volume for this office was over 15,000 pieces per month) was just over one year on a purchase plan and was only 5 months on a lease plan.

From those dates forward the saving in labour costs, net of the labour to run the device, was a bottom line profit to the company or a potential to redeploy that labour to more valuable use. The employees affected loved the new tool and saw it as a way to be relieved of a thankless and tedious task.

### *Electronic Letter Opener*

Another really useful device is the electronic letter opener. If someone in your office is taking more than 15 minutes to open your daily mail then leasing an opener is the answer. Your payback for reducing their time used to seconds will cover the cost of the device in months.

### *Self Sealing Mailer*

Offices with large payrolls and payment systems can receive significant benefit and cost reductions through the use of self-sealing mailing systems. These ingenious devices permit the information to be printed on a pre-designed form which is then folded and sealed by the device ready for postage. The cost for the device is remarkably low when the impact is measured. They eliminate the need for envelopes, folding and stuffing as well as providing a secure delivery of the information on the document. This type of device is excellent for the delivery of payroll stub information when an automatic deposit system is used.

### *WHAT KIND OF VENDOR? MANUFACTURER DIRECT OR DEALER, WHICH IS BEST?*

Depending upon your geographic location you may have a choice between purchasing/leasing through a dealer or directly from the manufacturer. If you have this choice it may be better to have someone in your court and pulling for you as an intermediary. Dealing directly with the three manufacturers can be difficult and the motivation is to close a deal and get you on the rental agreement. From that point on the manufacturer has more control of the environment. Each of the three manufacturers in Canada have different approaches to the business and may give you different experience.

Dealing through a dealer (often found in smaller centres) may at least give you a local presence to help deal with any questions which might arise. The choice may not be yours as territories are quite tightly held in the business and for your local the structure of the channel may be established without your ability to influence the decision.

## *CONCLUSION*

Office document strategies involve much more than minimizing production costs of printing or finding better ways to store your filing. They involve looking at all of the ways you interact with your documents and finding usable tools to improve the processes involved. All of the tools available to help with mail focused activities are part of this process.....it is all about fitting the right product to match your needs.

For a simple piece of office equipment the postage meter seems to create more questions about how the pricing is established and what is included in an agreement than almost every other category of office document focused tool. I sometimes wonder if this is intentional? I think the confusion around the acquisition of a postage machine causes many purchasers to avoid the area as a productivity improvement project and then miss opportunities which could be provided by other tools of the field.

## *WHAT HAS BEEN YOUR EXPERIENCE- QUESTIONS TO CONSIDER*

How are you doing with your meter contract?

Any horror stories to tell?

Any great experiences?

Do you understand your postage meter agreement?

Do you know when your rental agreement expires or do you count on the vendor to manage this for you?

Who do you rent from?

Have you looked at how to improve the productivity of your total mailing system?

Do you know what you are paying for?

Have you been inadvertently paying insurance fees?



APPENDIX:

MAILING MACHINE CONTRACT TERMS YOU SHOULD BE AWARE OF:

PITNEY BOWES (4 PAGE AGREEMENT PLUS SIGNATURE PAGE)

Ptiney Bowes Rental/lease Contract	What it says and what you should know
<p><b>Your Acknowledgement</b></p> <p>Your signature below constitutes an offer to Lease the Equipment/Product that you have selected. Your signature also acknowledges that you have read and agree to all applicable terms and conditions and are authorized to sign this Agreement. This Agreement will become binding on us only after it is signed by our authorized representative.</p> <p>Your signature below also signifies that you and any of your authorized representatives agree to use the Equipment or services ordered pursuant to the Lease Agreement, the Comprehensive Service Plan Agreement, the Postage by Phone™ Agreement, the Pitney Works™ Terms and Conditions, the Equipment Guide or any other related document (collectively, the "Pitney Bowes Agreements") only for commercial, industrial and/or business purposes (the "Authorized Uses"), and not for any personal, family or household purposes, or for farming, ranching, feed-lot, fishing or other related operations (the "Excluded Uses"). Should your proposed use of the Equipment or services change from an Authorized Use to an Excluded Use, you will immediately notify Pitney Bowes of Canada Ltd. of the change, cease to order any Equipment or services, and immediately repay all outstanding balances that you owe pursuant to the Pitney Bowes Agreements.</p>	<p>Beware who is signing at the front door for Equipment</p> <p>Your signature below constitutes an offer to lease the equipment/product that you have selected. Your signature also acknowledges that you have read the agree to all applicable items and conditions and are authorized to sign this agreement</p> <p>Your signature below signifies that you or any of your authorized representatives agree to use the equipment or services ordered pursuant to the Lease Agreement the Comprehensive Service Plan Agreement, the Postage by Phone™ Agreement, the Pitney Works™ Terms and conditions</p>
<p>9. <b>Late Payments, Returned Items, and Other Charges.</b> If any payment under this Lease is not paid in full on or before its due date, you will be charged, unless prohibited by applicable law, the applicable administrative fee assessed on delinquent accounts. You also agree to pay interest on any payment delinquent under this Lease from its due date until paid in full at the lesser of 24% per year or the maximum rate allowed by law. Unless prohibited by applicable law, you agree to pay: (i) the applicable returned item fee for each payment item, cheque or draft you give as payment in relation to this Lease which is returned unpaid for any reason; (ii) credit and filing fees as may be assessed by us as a result of our credit approval process related to this Lease and any governmental or other filings related hereto; (iii) if you have any special invoicing requirements and we are able to accommodate you, the agreed fee for such special requirements; and (iv) upon termination of the Lease for any reason, including completion of all of your payments and other obligations thereunder, payment of the then applicable administrative return fee with respect to the return of the Equipment to us.</p>	<p>#9 on back <b>Late Payments, Returned Payments and Other Charges 24% per year or the maximum rate allowed</b></p>
<p>13. <b>Equipment Warranty.</b> You shall use the Equipment only in the manner specified in the manuals and instructions covering the Equipment. You shall comply with all laws and regulations relating to the Equipment. PBGCS AND PBC MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE EQUIPMENT IS LEASED TO YOU ON AN "AS IS", "WHERE IS" BASIS AND "WITH ALL FAULTS".</p>	<p>#13 on back <b>Equipment Warranty You shall use the equipment only in the manner specified in the manuals and instructions covering the equipment. PBGCS AND PBC MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE EQUIPMENT IS LEASED TO YOU AS AN "AS IS". "WHERE IS" BASIS "WITH ALL FAULTS"</b></p>
<p>15. <b>Risk of Loss.</b> You assume and agree to bear the entire risk of loss, theft, destruction or other impairment of the equipment (excluding normal wear and tear) regardless of cause (collectively "Loss") from the date of shipment by PBC and for the entire term of this Lease. No Loss shall relieve you of any of your obligations under this Lease. You shall immediately notify us in writing of the occurrence of any Loss. You shall, at your expense, keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement satisfactory to us ("Insurance"). You or your agent must call us at 1-800-672-6937 and provide us with such evidence. If you fail to provide such evidence, we may, in our sole discretion, refrain from requiring evidence of insurance and include the Equipment in our own risk management program (currently called ValueMAX®) and charge you a fee, which will be separately reflected as an additional charge on our invoices to you. Before including the Equipment in the ValueMAX® program and charging you the fee, we will provide written notification reminding you of your obligations to insure the Equipment and provide evidence of insurance. The notification may be included in a welcome letter containing other Pitney Bowes information. If you do not respond with evidence of insurance within the time specified in the notification, we may immediately include the Equipment in the ValueMAX® program. If we include the Equipment in our program and any loss, damage or destruction to the Equipment occurs that does not result from your gross negligence or willful misconduct, we shall (provided you are not in Default under this Lease) repair or replace the Equipment and your Lease obligations will remain unchanged. Title to the original or any replacement Equipment will at all times remain with us. We will not be liable to you if we terminate the ValueMAX® program.</p>	<p>#15 on back <b>Beware of "ValueMax®" You shall, at your expense keep the equipment insured against loss for its full replacement value. You or your agent must call us 1-800-672-6937 and provide us with such evidence. If you fail to provide such evidence we may, in our sole discretion enroll you in our own risk management program (currently called ValueMax®) a multiplier of the value of the equipment and may fluctuate and charge you a fee on top of original agreed amount</b></p>

**PITNEYWORKS® TERMS AND CONDITIONS**

The PitneyWorks™ program is operated by Pitney Bowes Global Credit Services ("PBGCS") a division of Pitney Bowes of Canada Ltd. ("Pitney Bowes") and allows you or an employee or agent of yours with express, implied or apparent authority (an "authorized user") to order office supplies or other products (collectively, "Products") or postage meter resets or other services (collectively, "Services") Pitney Bowes may offer on the terms and conditions set out herein. If you are an existing customer of Pitney Bowes, who leases postage meter equipment or other equipment from Pitney Bowes (collectively, "Equipment"), you are automatically enrolled in the PitneyWorks™ program and your execution of the master lease agreement, to which these PitneyWorks® Terms and Conditions relate, signifies your acceptance of these PitneyWorks® Terms and Conditions.

1. **HOW THE PROGRAM WORKS.** PBGCS may honour requests by authorized users and you agree to be liable for all such Products and Services provided upon the request of an authorized user until PBGCS receives written notice from you revoking the authority of that authorized user. PitneyWorks™ is not available to individuals for personal, family or household purposes, or to individuals or businesses that conduct farming, ranching, feed-lot, fishing, or other related types of operations.

Each time any Products or Services are ordered by you or an authorized user, your PitneyWorks™ account ("Account") will be automatically charged for the total amount of all such Products and Services so ordered, as well as all applicable fees and charges due hereunder. A list of the fees and charges applicable to your Account will be included in the PitneyWorks™ welcome letter that will be provided to you before you gain access to the PitneyWorks™ program, and this list will form part of these PitneyWorks® Terms and Conditions.

This paragraph applies only to customers who rent a Pitney Bowes meter. When you order a postage meter reset, any funds on deposit in the Postage By Phone™ Account credited to your account will be automatically withdrawn to cover payment of the amount of postage which you desire to be reset in accordance with the provisions of your Postage By Phone™ Agreement. If you have insufficient funds on deposit in the Postage By Phone™ Account credited to your account, the amount due for postage settings, less the amount of funds on deposit, will be automatically charged to your Account. You also agree to pay a transaction fee for the PitneyWorks™ service. This transaction fee is in addition to the postage meter reset fee, if any, which you pay under the Postage By Phone™ program and will be established by PBGCS and may be changed by PBGCS from time to time in its sole discretion.

You will receive a billing statement for each billing cycle in which you have any activity on your Account. A billing statement will not be issued in any billing cycle in which there is no activity on your Account, or in which the outstanding balance or credit to your Account is less than \$5.00, or in which the only activity on the billing statement is a customer service adjustment, such as a fee reversal. If you request to have a copy of a billing statement that was issued to you reprinted, or if you request to have a copy of a billing statement printed for a billing cycle in which a billing statement was not issued for your Account, you will be charged \$5.00 per copy that you request. You agree to review each billing statement you receive and to notify us within thirty (30) days of the billing statement date of any errors on the billing statement or it will be deemed correct.

**PITNEYWORKS® Read your welcome letter to better understand a *plethora of extra fees and charges* that are above and beyond what you might have thought you were paying**

- **Reset fee** **\$8**
- **Transaction fee** **\$15**
- **Paper bill fee** **\$5**
- **Late fee** **24% annual or 6% quarterly**
- **Return payment** **\$40**
- **Over limit fee** **\$15**
- **Advance postage** **\$15 or 1% whatever greater**
- **Rate changes annually** **\$399 ouch**

**SUBSCRIPTIONMETER RENTAL PBC may increase the subscription and/or rental fees after the 1<sup>st</sup> year upon a 30 day prior written notice**  
**Postage refill fees, if any will not increase during the initial term, but thereafter refill fees may be increased upon 30 day prior written notice**

2. **Lease Term.** This Lease shall commence on the Lease Start Date indicated on page 1 of the Lease and shall continue for the number of months indicated on page 1 of the Lease as the Initial Term and end after you have fulfilled all of your obligations. If you enter into a new lease at any time during the Initial Term which incorporates the remaining payments under this Lease and the new lease does not become effective, or is subsequently terminated, we may reinstate this Lease.

6. **Renewal.** After the Initial Term and assuming that no Default has occurred and is continuing, and if you have not sent to us written notice by registered mail, no later than 90 days prior to the end of the Initial Term, of your intention to terminate the Lease at the end of the Initial Term, then you will be deemed to have entered into successive month-to-month extensions of the Lease, on the terms and conditions hereof and at the same rental rates as the Initial Term with the exception that (i) we reserve the right to terminate the month-to-month extensions and the right to modify the rental rates at our sole discretion, in each case upon providing you with notice thereof and (ii) the right to renew shall extend to the IntelliLink™ Control Centre or a postage meter, as applicable, Comprehensive Service Plan Agreement and IntelliLink Rate Download Agreement (with respect to the IntelliLink Control Centre) or Rating Software Agreement (with respect to postage meters), if selected, at the then prevailing rates. During any month-to-month extensions of the Lease, you may elect (effective upon 90 days prior written notice to us by registered mail) to terminate the Lease.

**End of lease If you do not submit a 90 day written notice by registered mail no later than 90 days prior to the end of your initial term you will be subject to being renewed month to month and any charges that also relate to your attached plans ex: Intellilink Rate download agreement or Rating Software agreement, Comprehensive service plan charges will still apply. Pitney Bowes reserves the right to modify the rental rates at their sole discretion**

Notes: Images from PB contract, wording is provided for guidance only. If you have concerns about your contract you should seek legal assistance if needed. E&OE 04-2011

**MAILING CONTRACT TERMS YOU SHOULD BE AWARE OF: NEOPOST CANADA (2 PAGE AGREEMENT PLUS SIGNATURE PAGE)**

<p><b>TERM AND TERMINATION</b>          This agreement shall be in effect from the Installation Date to the end of the initial Term and for successive one year renewal terms thereafter, unless it is terminated in accordance with the provisions of this agreement. We may terminate this agreement at any time for default as provided as elsewhere in this agreement. Unless we so termi-</p>	<p>Unless termination notice is provided at the end of a lease/rental you automatically renew for one more year.</p>
<p>90th day prior to the end of the initial term, either party may terminate this agreement upon giving the other party at least 90 days prior written notice.</p>	<p>After the 90<sup>th</sup> day before the end of a lease or rental you can terminate the agreement upon 90 days written notice</p>
<p>4. <b>MAINTENANCE:</b> CUSTOMER shall at all times and at its expense keep the Equipment in good and efficient working order and repair. All parts and repairs supplied to the Equipment shall become the property of NEOPOST LEASING which is leased under this Lease without compensation to CUSTOMER.</p>	<p>Customer is responsible for keeping unit serviced and in good condition at customer's expense</p>
<p>10. <b>PRICING:</b> All pricing as represented on the reverse side of this document takes effect with the start date of this contract and will remain fixed for the first year. Pricing for meter, maintenance and rate change following the first year is subject to change unless price protection is selected through NEOPOST LEASING.</p>	<p>After one year price for the meter, rate changes, and maintenance can increase. A provision called "price protection" can be obtained.</p>
<p>2. <b>WARRANTY:</b> NEOPOST warrants that the Equipment will be free from defects in material and workmanship for 90 days after delivery and hereby disclaims all other express and all implied representations, conditions and warranties including merchantability and fitness for a particular purpose.</p>	<p>Equipment warranty and suitability is only provided for 90 days after delivery.</p>
<p>(a) the amount of reset increment;          (b) the applicable transaction charge as established by NEOPOST from time to time as per published prices;          (c) any service charge associated with deposits of cheques (or rejection) as per published prices;          (d) any charges established by Canada Post Corporation from time to time;          (e) any other charges established by NEOPOST from time to time as per published prices;          (f) any rental or other payments owing to NEOPOST or NEOPOST LEASING by CUSTOMER under this Agreement; and          (g) applicable goods and services and other taxes on the foregoing items. Customer agrees that its participation in EPS is subject to NEOPOST's policies in effect from time to time for all users.</p>	<p>Customer should be aware of the elements of the billing process which are being authorized for payment through the EPS (electronic funds transfer system) of Neopost. Rates are supposed to be published.</p>
<p>11. CUSTOMER hereby acknowledges that it may be charged transaction fees, which fees may be amended from time to time, for any service provided by NEOPOST or the Corporation with respect to the administration of a meter.</p>	<p>Neopost may charge transaction fees for any service...unspecified what they are.</p>
<p>18. Pricing for postage meter shall be subject to change yearly unless (PPP) Price Protection Program is selected through NEOPOST LEASING. Pricing increases will reflect Canada's inflation rate during the initial term.</p>	<p>Prices for meter can be increased annually unless Price Protection Program is selected. Increases limited to Canadian inflation rate (unspecified).</p>
<p>4. Pricing for maintenance shall be subject to change yearly unless (PPP) Price Protection Program is selected through NEOPOST LEASING. Pricing increases will reflect Canada's inflation rate during the initial term.</p>	<p>Similarly, prices for maintenance can increase unless the PPP plan is selected, again limited to Canadian inflation.</p>
<p>Notes: Images from Neopost contract, wording is provided for guidance only. If you have concerns about your contract you should seek legal assistance if needed. E&amp;OE 04-2011</p>	

**MAILING CONTRACT TERMS YOU SHOULD BE AWARE OF: FRANCO TYP-POSTALIA CANADA (1 PAGE AGREEMENT PLUS SIGNATURE PAGE)**

<p>c) Notices must be in writing and are given when sent by mail to your or our main office, or to another address of which you or we later give notice.</p>	<p>Sending a written notice is adequate for dealing with the contract.</p>
<p>10. Renter hereby acknowledges that it may be charged transaction fees, which fees may be amended from time to time, from any service provided by Francotyp-Postalia or the Corporation which respect to the administration of a meter.</p>	<p>Transaction fees may be charged. Be sure to find out the amounts for various actions</p>
<p>7. TRANSFER OF FUNDS AND CHARGES</p> <p>There will be a transaction charge for each completed reset transaction, Francotyp-Postalia, shall have no obligation to complete any resetting transaction unless the following amounts have been previously deposited into the trust account by Renter, and Francotyp-Postalia, shall be entitled to deduct and keep the following amounts from the Renter's trust funds at any time:</p> <ul style="list-style-type: none"> <li>a) the amount of the reset increment;</li> <li>b) any service charges associated with deposits of cheques (or rejection) as per published prices;</li> <li>c) any charges established by Canada Post Corporation from time to time;</li> <li>d) applicable goods and services and other taxes on the foregoing items;</li> <li>e) any amount owing to Francotyp-Postalia, including balance of payments, Renter agrees that its participation in EPSS is subject to Postalia, policies in effect from time to time for all users.</li> </ul>	<p>Fee schedule should be known or have fees included in your monthly/quarterly/annual pricing.</p>

Notes: Images from Francotyp-Postalia Canada contract, wording is provided for guidance only. If you have concerns about your contract you should seek legal assistance if needed. E&OE 04-2011