LETTERS

1.1 LETTERS, DOMESTIC MAIL (0-50 g)

Letters (0–50 g), are all letters within the designated weight limits that are addressed with the recipient's name and are no larger than the general size limit of a letter box. No responsibility is taken for these letters, and they are not traceable.

Letters, 0–50 g. Can be sent by domestic mail priority A or B.

1.1.1 Size limits

The maximum size is based on the general size limit of a letter box:

Length x width x height: 260 x 350 x 25 mm.

The size limit of the letter box is according to building regulations.

Maximum size, sorted by machine: Length x width x height: 250 x 180 x 5 mm.

Minimum size: Envelope: 90 x 140 mm.

Minimum size, sorted by machine:

Length x width x height: 160 x 90 x 0.2 mm.

1.1.2 Weight categories

0-50 g.

1.1.3 Contents

It is not permissible to send the following in Iceland:

- 1. Materials that can cause fires or explosions and other dangerous substances.
- 2. Drugs and hallucinogens, except for medical or scientific use.
- 3. Radioactive materials.
- 5. Items that due to their content or because of careless packaging can harm postal workers or stain or damage other shipments or Iceland Post equipment.
- 7. Fresh food, frozen, smoked or uncooked, cf. meat, fish, eggs or other food items, which can be damaged in transport.

If you must send organic materials, e.g. biological samples, by mail, such items must be sent by registered mail or by parcel post. See sections 1.7 and 2.1.

1.1.4 Service and quality standards

<u>Domestic A post</u>:

Quality of service is based on a minimum of 85% of letters being delivered to the recipient on the first working day after posting (D+1), so long as the letter is posted before the last posting time, except to and from places that generally have one day in addition for transportation between regions, see Appendix A.

Domestic B post:

Quality of service is based on a minimum of 85% of letters being delivered to the recipient within three working days after posting (D+3), so long as the letter is posted before the last posting time, except to and from places that generally have one day in addition for transportation between regions, see Appendix A.

The above requirements are based on quality measurements over a three-month period.

1.1.5 Last defined posting time for letters

If posted at the post office, in a post box or with Iceland Post's Corporate Service in the capital region, the last posting time is 16:30. At individual post offices in rural areas, the time limit can be different due to transit in the region. If posted at a post office in rural areas, more information can be found on last posting times on the Iceland Post website, www.postur.is. When a letter is posted in a post box, the last posting time is specified on the post box.

1.1.6 Delivery

Generally, letters are delivered to recipients between 9:00–17:00, Monday to Friday. Exceptions to the rule are individual places in rural areas where delivery is three days a week. See Appendix A.

1.1.7 Postage fees and mode of posting

Postage is considered paid if the letter has a postage stamp, has the 5-digit numeric code of an SMS stamp or with so-called postage franking. Postage franking includes stamps, SMS stamps and markings from a franking machine. Customers who do their own stamping with a franking machine must make sure that the date fits the date of delivery to Iceland Post.

Payment of postage may be made by SMS stamps, postage stamps or stamped by a franking machine, provided that the amount stated on the franking is in accordance with the applicable tariff. The value of SMS stamps are confirmed after posting. Letters with such frankings can be mailed at the post box, the post office and with Iceland Post's Corporate Service. Price: See price list and www.postur.is.

1.1.8 Discounts

No discounts are given on letters, 0–50 g, unless large amounts are involved; then the amount of discount given is based on the posted amount of uniform letters at the same time and are defined as bulk mail. The minimum amount posted to define letters as bulk mail is 500 pcs (there is a different basic price for bulk mail), and the discount is given at 1000 pcs. See section 1.4 for the terms on bulk mail.

1.1.9 Address and markings

The address of the recipient shall be written in an area that is at least 4 cm below the upper edge of the letter on the front and at least 1.5 cm from the left side, at least 4 cm from the right side and 2.5 from the bottom edge. In the area, there should be no information other than that related directly to the address of the recipient.

If the sender address is on the letter, it shall be placed in the upper left corner of the letter and not extend more than 4 cm from the upper edge.

The recipient's name should be written in the nominative case. Below, the address is written in the dative form, and below the address, the postcode and the name of the municipality/city is written also in the dative. If the recipient wishes to receive the letter to a post office box, then the post office box number is written instead of the address, and the postcode of the post office box is written instead of the postcode of the municipality as appropriate. See section 3.2.

Fee label should be glued/stamped/written in the top right corner of the letter outside the redirect.

If the content of the letter is sensitive and the envelope cannot be folded together to put it through the letter box, it is important to mark the letter with the words "Má ekki brjóta / Do not fold" in the bottom right corner of the letter.

If letters can be machine sorted and the sender wants to receive the terms for bulk mail, then the rules on endorsement according to Appendix B should be followed.

1.1.10 Domestic B post identifier

B post shall be identified with a B sticker. When domestic B mail is stamped, it is possible to buy stamps with the B markings, and this also applies to SMS stamps, as they are also identified with the B marking.

1.1.11 Return to sender, forwarded or poste restante

Return to sender / default shipment:

If the recipient cannot be found from the address on the letter and attempts to find a new residence of the recipient prove ineffective, the message will be returned to the sender. If the sender is not known, then the letter is kept for at least one year; at the end of that time, it is destroyed. Iceland Post's employees always endeavour to try to get these letters to the recipients.

The sender can stick a label or pre-print on the envelope, a request for the letter to be resent to the sender with the correct address of the recipient, if the recipient is not found using the address on the letter. Iceland Post will then return the letter to the sender, who will then have the opportunity to update their information.

Forwarding:

If the recipient has relocated and asks for forwarding to the new mailing address, a monthly fee must be paid.

You can announce the relocation without paying the service fee, but forwarding will then not take effect and the letters received at the old address will be returned.

Forwarding abroad:

Letters are collected together, placed in a collector's envelope and sent to the recipient if he/she has paid the weekly forwarding fee.

Price: See price list.

Poste restante:

Recipients who receive shipments addressed as poste restante to a specific post office, e.g. travellers, can pick it up there. Post restante is also available to those who temporarily wish to have letters kept for them. Iceland Post will redirect shipments to arrive at the specific address of the requested post office. Once the paid-for time period is completed, the letters that have been received will be delivered to the address on the letter, 1–2 working days later.

Storage time for poste restante for private unregistered shipments is 60 days unless otherwise agreed and 30 days for registered shipments.

Poste restante should be retrieved regularly, during longer time periods, to prevent the inconvenience of accumulated mail. Another person may retrieve the mail with a power of attorney in the case of a long stay abroad or if it is not possible to access your mail yourself for other reasons.

Price: See price list.

1.1.12 Compensation

No compensation is paid for letters, neither for damage nor delays. This applies to both the domestic A and B mail. Letters are not traceable. No responsibility is taken for derived loss.

1.1.13 Additional services

Reply letters. See section 1.10.10.

1.2 LETTERS, DOMESTIC (51-2000 g)

Domestic letters (51–2000 g), are all letters that are addressed with the recipient's name, weigh more than 51 g and less than 2 kg and are no larger than the general size limit of a letter box. No responsibility is taken for these letters and they are not traceable.

Letters, 51–2000 g are treated as domestic A post.

1.2.1 Size limits

The maximum size is based on the general size limit of a letter box: Length x width x height: 260 x 350 x 25 mm. Minimum size: Envelope: 90 x 140 mm.

1.2.2 Weight categories

51-100 g

101-250 g

251-500 g

501-1000 g

1001-1500 g

1501-2000 g

1.2.3 Contents

It is not permissible to send the following in Iceland:

- 1. Materials that can cause fires or explosions and other dangerous substances.
- 2. Drugs and hallucinogens, except for medical or scientific use.
- 3. Radioactive materials.
- 4. Pornographic or immoral items.
- 5. Items that due to their content or because of careless packaging can harm postal workers contaminate or damage other shipments or Iceland Post's equipment.
 - 6. Live animals.
- 7. Fresh food, frozen, smoked or uncooked, cf. meat, fish, eggs or other food items, which can be damaged in transport.

8. Banknotes, coins* or any form of negotiable documents of the holder; precious metals; jewellery; comparable items of value.

*Coin collectors are excluded from this list.

If you must send organic materials, e.g. biological samples by mail, such items must be sent by registered mail or by parcel post. See sections 1.7 and 2.1.

1.2.3 Service and quality standards

Domestic private mail is delivered one working day after posting, if posted before the last defined posting time.

If posted at the post office, in a post box or with Iceland Post's Corporate Service in the capital region, the last posting time is 16:30. At individual post offices in rural areas, the time limit can be different due to transit in the region. If posted at a post office in rural areas, more information can be found on last posting times on the Iceland Post website, www.postur.is. When a letter is posted in a post box, the last posting time is specified on the post box.

Iceland Post's quality standards are based on at least 85% of letters being delivered to the recipient on the first working day after posting, so long as the letter is posted before the last posting time. The above requirements are based on quality measurements over a three-month period, see Appendix A.

1.2.4 Delivery

Generally, letters are delivered to recipients between 9:00–17:00, Monday to Friday. Exceptions to the rule are individual places in rural areas where delivery is three days a week. See Appendix A.

1.2.5 Postage rates and mode of posting

Postage is considered paid if the letter has a postage stamp, has the 5-digit numeric code of an SMS stamp or with so-called postage franking. Postage franking includes stamps, SMS stamps and markings from a franking machine. Customers who do their own stamping with a franking machine must make sure that the date fits the date of delivery to Iceland Post.

Payment of postage may be made by SMS stamps, postage stamps or stamped by a franking machine, provided that the amount stated on the franking is in accordance with the applicable tariff. The value of SMS stamps are confirmed after posting. Letters with such frankings can be mailed at the post box, the post office and with Iceland Post's Corporate Service. Price: See price list and www.postur.is.

1.2.6 Discounts

No discounts are given on letters, unless large amounts are involved; then the amount of discount given is based on the posted amount of uniform letters at the same time. Bulk discounts are given for a certain minimum number of letters which are all identical in shape and weight, addressed by name and all mailed at the same time.

1.2.7 Discount prices are based on the following:

250 pcs. or more are mailed at the same time.

Shipments are grouped and separated by postcode.

Shipments should all be the same shape, the same weight and no larger than 260 \times 350 \times 25 mm.

Discount prices can be found on the price list or at postur.is.

1.2.8 Address and markings

The address of the recipient shall be written in an area that is at least 4 cm below the upper edge of the letter on the front and at least 1.5 cm from the left side, at least 4 cm from the right side and 2.5 from the bottom edge. In the area, there should be no information other than that related directly to the address of the recipient.

If the sender address is on the letter, it shall be placed in the upper left corner of the letter and not extend more than 4 cm from the upper edge.

The recipient's name should be written in the nominative case. Below, the address is written in the dative form, and below the address, the postcode and the name of the municipality/city is written also in the dative. If the recipient wishes to receive the letter to a post office box, then the post office box number is written instead of the address, and the postcode of the post office box is written instead of the postcode of the municipality as appropriate.

See section 3.2.

Franking should be glued/stamped/written in the top right corner of the letter outside the redirect. If the content of the letter is sensitive and the envelope cannot be folded together to put it through the letter box, it is important to mark the letter with the words "Má ekki brjóta / Do not fold" in the bottom right corner of the letter.

1.2.9 Return to sender, forwarded or poste restante

Return to sender / default shipment:

If the recipient cannot be found from the address on the letter and attempts to find a new residence of the recipient prove ineffective, the message will be returned to the sender. If the sender is not known, then the letter is kept for at least one year; at the end of that time, it is destroyed. Iceland Post's employees always endeavour to try to get these letters to the recipients. The sender can stick a label or pre-print on the envelope, a request for the letter to be resent to the sender with the correct address of the recipient, if the recipient is not found using the address on the letter. Iceland Post will then return the letter to the sender, who will then have the opportunity to update their information.

Forwarding:

If the recipient has relocated and asks for forwarding to the new mailing address, a monthly fee must be paid. You can announce the relocation without paying the service fee, but forwarding will then not take effect and the letters received at the old address will be returned.

Forwarding abroad:

Letters are collected together, placed in a collector's envelope and sent to the recipient if he/she has paid the weekly forwarding fee. Price: See price list.

Poste restante:

Recipients who receive shipments addressed as poste restante to a specific post office, e.g. travellers, can pick it up there.

Poste restante is also available to those who temporarily wish to have letters kept for them. Iceland Post will redirect shipments to arrive at the specific address of the requested post office.

Once the paid-for time period is completed, the letters that have been received will be delivered to the address on the letter, 1–2 working days later.

Storage time for poste restante for private unregistered shipments is 60 days unless otherwise agreed and 30 days for registered shipments.

Poste restante should be retrieved regularly, during longer time periods, to prevent the inconvenience of accumulated mail. Another person may retrieve the mail with a power of attorney in the case of a long stay abroad or if it is not possible to access your mail yourself for other reasons. Price: See price list.

Compensation

No compensation is paid for letters, neither for damage nor delays. Letters are not traceable. No responsibility is taken for derived loss.

1.2.10 Additional services

Reply letters. See section 1.10.10.

1.3 DOMESTIC BULKY LETTERS

Domestic bulky letters are shipments that cannot be placed through the letter box but which are less than 2 kg.

Recipients of bulky letters are notified, and items are handed over at the post office.

1.3.1 Size limits

Maximum size: length x width x height: 900 mm.

Maximum length: 600 mm.

1.3.2 Weight categories

0-2,000 g

1.3.3 Contents

It is not permissible to send the following in Iceland:

- 1. Materials that can cause fires or explosions and other dangerous substances.
- 2. Drugs and hallucinogens, except for medical or scientific use.
- 3. Radioactive materials.
- 4. Pornographic or immoral items.
- 5. Items that due to their content or because of careless packaging, can harm postal workers, contaminate or damage other shipments or Iceland Post's equipment.
- 6. Live animals.
- 7. Fresh food, frozen, smoked or uncooked, cf. meat, fish, eggs or other food items, which can be damaged in transport.
- 8. Banknotes, coins* or any form of negotiable documents of the holder; precious metals; jewellery; comparable items of value.

^{*}Coin collectors are excluded from this list.

If you must send organic materials, e.g. biological samples by mail, such items must be sent by registered mail or by parcel post. See sections 1.7 and 2.1.

1.3.4 Service and quality standards

Recipients of bulky letters are notified, and items are handed over at the post office. If the item is posted before the last posting time (see 1.1.4), the notification will be delivered according to quality standards for 0-50 g letters, see section 1.1.4.

1.3.5 Delivery

Bulky letters can be collected from the post office, on presentation of the notification. You can have the shipment sent home, for a fee, where Iceland Post has established its home delivery service. See section 1.9.7

1.3.6 Mode of posting

Bulky letters must not be posted in post boxes. If bulky letters are posted in such a way, it is not possible to ensure that they receive the correct handling.

1.3.7 Discounts

For significant business, a discount can be given depending on frequency and volume.

1.3.8 Address and markings

The address of the recipient shall be written on the front of the shipment. In this area, there should be no information other than that related directly to the address of the recipient. If the sender address is included, it should be on the back of the shipment, crossed over, so that it can be seen that this is the sender address.

The recipient's name should be written in the nominative case. Below the name of the recipient, the address is written in the dative form, and below the address, the postcode and the name of the municipality/city is written also in the dative. If the recipient wishes to receive the shipment to a post office box, then the post office box number is written instead of the address, and the postcode of the post office box is written instead of the postcode of the municipality as appropriate. See section 3.2.

1.3.9 Return to sender, forwarded or poste restante

Return to sender/default shipment:

If the shipment cannot be delivered to the recipient, a notification is left behind, and if the recipient does not collect the shipment within 30 days from the date of the notification, it is returned. A reminder will have then been sent once.

If the recipient cannot be found from the address on the shipment and attempts to find a new residence of the recipient prove ineffective, the shipment is returned to the sender. If the sender is not known, then the shipment is kept for at least one year; at the end of that time, it is destroyed. Iceland Post's employees always endeavour to try to get these shipments to the recipients.

<u>Forwarding:</u> If the recipient has relocated and asks for forwarding to the new mailing address, a monthly fee must be paid.

You can announce the relocation without paying the service fee, but forwarding will then not take effect and the letters received at the old address will be returned. Price: See price list.

<u>Poste restante</u>: Recipients who receive shipments addressed as poste restante to a specific post office, e.g. travellers, can pick it up there.

Poste restante is also available to those who temporarily wish to have letters kept for them. Iceland Post will redirect shipments to arrive at the specific address of the requested post office.

Once the paid-for time period is completed, the letters that have been received will be delivered to the address on the letter, 1–2 working days later.

Storage time for poste restante for private unregistered shipments is 60 days unless otherwise agreed and 30 days for registered shipments.

Poste restante should be retrieved regularly, during longer time periods, to prevent the inconvenience of accumulated mail. Another person may retrieve the mail with a power of attorney in the case of a long stay abroad or if it is not possible to access your mail yourself for other reasons.

Price: See price list.

1.3.10 Compensation

No compensation is paid for bulky letters, neither for damage nor delays. Bulky letters are not traceable. No responsibility is taken for derived loss.

1.3.11 Additional services

Home delivery service, See section 1.9.7.

Reply letters. See section 1.10.10.

1.4 SMALL PACKET (LETTER)

Small packets is a special made service for web shops. Sender has to use Poststod to label the shipment, only available for Poststod's users.

1.4.1 Size limits

• Maximum weight: 2kg.

• Maximum size: I + w + h: 900 mm.

• Maximum length: 600 mm.

1.4.2 Service and quality standards

A <u>Small packet</u> is delivered unregistered with the mailman aprox. between 9-16:15 with lettermail. If the delivery is not successful the adressee can pick the shipment up at the next post office, next working day.

1.4.3 Identifying mode of delivery

An identifying label is used, printed by using Poststod

1.4.4 Other

Same rules apply for small packet as for bulky mail, e.g. in weight categories, content, discounts, return to sender, forwarded or poste restante, compensation and additional service

1.5 BULK MAIL 0-50 g

It is assumed that the collector/company/individual needs to deliver a minimum of 500 pcs. in one go^1 so that the shipment falls under the terms of bulk mail.

Discounts from the basic price for bulk mail start at 1000 pcs. For further details, see price list and www.postur.is.

Bulk mail, 0–50 g can be sent as A bulk mail or B bulk mail.

A bulk mail and B bulk mail (hereafter referred to as AM and BM) can be hand or machine sorted, see Appendix B. In other respects, reference is made to:

- section 1.4.5 on finalising of bulk mail.
- section 1.4.6 on discounts for bulk mail.
- section 1.1.1 on size limits.
- section 1.1.3 on contents.
- section 1.1.9 on addresses and markings.
- section 1.1.11 on return to sender, forwarded and poste restante.
- section 1.1.12 on compensation.
- section 1.1.13 about additional services.

1.4.1 Service and quality standards

Domestic AM: Quality of service is based on a minimum of 85% of letters being distributed to the recipient on the first working day after posting (D+1), so long as the letter is posted before the last posting time, except to and from places that generally have one day in addition for transit between regions, see Appendix A.

Domestic BM: Quality of service is based on a minimum of 85% of letters being distributed to the recipient within three working days after posting (D+3), so long as the letter is posted before the last posting time, except to and from places that generally have one day in addition for transit between regions, see Appendix A.

The above requirements are based on quality measurements over a three-month period.

1.4.2 Mode of posting

Items should be posted at the counter at Iceland Post's sorting and distribution centre or with Iceland Post's Corporate Services in the capital region.

Outside of the capital Reykjavik, items should be posted at the post office or with Iceland Post's Corporate Services, where it is available, see section 3.1.

¹ It is considered posting in one go when Iceland Post receives the total amount to be charged in one go, not in parts throughout the day. The total amount must be charged to one national ID number/sub ID number or by cash payment on posting.

1.4.3 Last defined posting time for letters

If posted at Iceland Post's sorting and distribution centre or with Iceland Post's Corporate Services in the capital region, the last posting time is 16:30. Posting after this time is considered as posting the next working day. If posted outside the capital region at a post office, the last posting time is also defined as 16:30, except in certain post offices in rural areas, where time limits may be other because of transport to the region and/or opening times.

1.5.4 Delivery

Domestic bulk mail is delivered to recipients, weekdays, generally between the hours of 9:00–17:00, in accordance with the standards that the sender has chosen (quality standard A or quality standard B). Exceptions to the rule are individual places in rural areas where delivery is three days a week.

1.5.5 Conditions for finalising of bulk mail

Machine-sorted bulk mail: Machine-sorted bulk mail must fulfil the conditions according to Appendix B; in addition, the bulk mail should be delivered to Iceland Post in trays that Iceland Post provides the sender, free of charge. Letters should be arranged as the below picture shows:

All letters should:

- face the same way.
- be the same shape.
- be in the same weight category.
- international letters should be in separate trays from the domestic letters.
- each tray should only contain letters that are from the same sender (one national ID number / sub ID number)².

- if there is such a large amount that the trays are placed in racks, then each rack must contain the same type of letters of one order.
- The sub-ID number is part of the client's customer number. The customer number constitutes the company's ID number as well as its sub-ID numbers. Number of active ID numbers that are free of charge is limited to 30 sub-ID numbers.

It is permitted to have weight differences between posted letters that are together in a tray, i.e. so long as they are within the same weight class. Each tray should only contain one type of letter, e.g. bulk mail type A or B.

Hand-sorted bulk mail: Shipments should be unstamped, face the same way in the tray, be separated by postcode and within the postcode, and the street names should be in alphabetical order. Shipments should be all the same shape, in the same weight category and no larger than 260 \times 350 \times 25 mm.

1.4.6 Discounts for AM and BM

Bulk discounts are given for a certain minimum number of unstamped letters that are all identical in shape and within the same weight category, addressed by name and all mailed at the same time, i.e. arrive at Iceland Post at the same time.

Discount for bulk mail is split into two categories, machine-sorted 0–50 g and hand-sorted 0–50 g.

Machine—sorted mail is sorted and date stamped in Iceland Post's sorting machine.

Calculated discount is based on delivery to Iceland Post's sorting and distribution centre or to post offices outside the capital.

Discounts are based on the following conditions:

Machine-sorted letters 0-50 g

- Shipments are always machine sorted and unstamped, see Appendix B.

Hand-sorted letters 0-50 g

- Shipments should be unstamped, separated by postcode and within the postcode, the street names should be in alphabetical order.

Other conditions for bulk discount on AM and BM are:

- The finishing is in accordance with the conditions set out in section 1.4.5.
- An accompanying request should be sent confirming whether the shipment should be posted as AM (D+1) or BM (D+3).
- If the quantity is not in accordance with the request, the difference is charged to the registered company ID number. If more than one request is included with the posted amount, then it is considered to be more than one posting, i.e. each request equals one posting.
- -The request forms can be found on <u>www.postur.is</u> or with Icelandic Post Corporate Services, telephone 580 1100.
- The request should include the customer number (ID number and/or sub-ID number) that the shipment should be charged to.

Discount for total volume:

- Customers with account sales have the option of additional discounts if the total mail quantity for letters exclusively within 0–50 g (AM and/or BM mail) exceeds certain limits.

Additional discount conditions:

- A minimum of 20,000 pcs a month must be posted for each three-month period.
- Discounts are incremental, see price list.
- Business must be booked to the account sales. After each three-month period, a review/correction of the accounts for the increase/decrease in accordance with the quantity handed over in the period is conducted.

Deviation – sorting fee

When additional work is needed for sorting/separating international letters from domestic bulk mail and analysing them separately, the sender pays extra for this service.

Those customers who charge on one national ID account for bulk mail for many senders and require a breakdown of the international letters down to each sender shall be charged for additional services. Additional services include letters being sent abroad being sorted from domestic bulk mail, analysing them according to sender and sending this information to the sender in electronic form. When international letters are mixed with domestic bulk mail, a delay of one working day in transit should be allowed for.

DOMESTIC UNADDRESSED MAIL

You can send unaddressed mail to individuals and companies in certain postcodes or areas.

The same rules apply for unaddressed mail as for domestic private mail in respect to size limits, contents and compensation.

Prices are based on the following:

- 100 pcs. or more are mailed at the same time.
- Shipments are all the same shape, the same weight or no larger than 260 x 350 x 25 mm.

Shipments need to be sent before 13:00 on the day (working) before distribution is to begin.

If the shipment is not sorted according to postcode, then a sorting fee will be added according to the number of pieces.

If the unaddressed mail is delivered to the Iceland Post sorting and distribution centre, Reykjavik, or to the post office after 15:00, an exceptional rate is added according to the number of pieces.

Number of households, see: www.postur.is.

1.5.1 Weight categories

0-10 g

11-20 g

21-50 g

51-100 g

101-250 g

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251-500 g

501-750 g

750-1000 g

1.5.2 Postage rates and mode of posting

Unaddressed mail should not be stamped or dated. It must not be posted in post boxes. It is possible to post unaddressed mail at post offices throughout Iceland and corporate post offices.

It is recommended that unaddressed mail is posted folded if the size exceeds A4.

Distribution should be ordered by calling Iceland Post's Corporate Services, telephone 580-1100 or by sending an email to thjonusta@postur.is. An exemption is granted from this in the case of regional distribution in rural areas. It must be booked with a minimum of a day's notice. Iceland Post cannot guarantee that the sender will receive the requested distribution date if it is fully booked.

Price: www.postur.is.

1.5.3 Delivery

Generally, unaddressed mail is delivered to recipients between 9:00–16:15, Monday to Friday. Exceptions to the rule are individual places in rural areas where delivery is three days a week. See Appendix A.

We offer the following distribution days:

- Monday and Tuesday
- o distribution takes place on two days
 - Tuesday and Wednesday
- distribution takes place on two days
 - Wednesday and Thursday
- distribution takes place on two days
 - Thursday
- o distribution takes place on one day
 - Thursday and Friday
- distribution takes place on two days

If a public holiday falls on the above-defined distribution days, then the delivery of pre-booked distribution is automatically moved to the next working day.

Places with an extra distribution day have the main distribution on Fridays and not on Thursdays as in other places. See Appendix A. Distribution in these places takes place a day later.

1.5.4 Address and markings

The name of the company / responsible party must appear on the unaddressed mail.

1.5.5 Discounts

Discounts should be negotiated with Iceland Post's Corporate Services. An offer for shipment is based on amount, weight, frequency and the area.

1.5.6 Compensation and quality

Unaddressed mail is not traceable and therefore is not liable for damages. Iceland Post distributes according to a distribution plan but cannot guarantee 100% coverage.

1.5.7 Additional services

Reply letters. See section 1.10.10.

PARCELS 2.1

DOMESTIC PARCELS

All parcels receive a unique number that is recorded in Iceland Post's computer system. Registration ensures traceability and confirmation of receipt.

Iceland Post offers three types of parcel delivery, at home, at the post office or to a post box. Post Office Parcel can be collected at all post offices and Iceland Post service counters, Home Delivery Parcel is only available where Iceland Post has built up its home delivery service and Parcel Post Box can be delivered to post boxes in the capital area.

2.1.1 Size limits

Minimum size: Envelope: 90 x 140 mm.

Maximum weight: There is no maximum weight for Home Delivery Parcel or Parcel Post Box. Maximum weight for Post Office Parcel is 20 kg.

Home Delivery Parcel and Post Office Parcel

Volumetric weight:

The fee is based on the volumetric weight when it is higher than the actual weight of the item . To work out the volumetric weight of the shipment, the following calculation is used:

(Length x width x height)/3000 = volumetric weight

Volumetric weight is measured when the shipment is larger than packaging box no. 5 (50 cm x 30 cm x 20 cm). The volume measurement is skipped when shipments are less than 0.03 m³ (based on box 5), i.e. Iceland Post does not measure volumetric weight on small parcels.

If the shipment is unmeasurable, a special fee is charged.

Parcel Post Box

Three sizes of compartments are on offer:

Small 8 x 38 x 64 cm.

Medium 19 x 38 x 64 cm.

Large 41 x 38 x 64 cm.

If shipments exceed the size limit of the Parcel Post Box and are addressed there, they are sent to the next post office.

2.1.2 Fragile

You can send fragile parcels domestically for a special rate. It is important to choose this service for parcels that are fragile so that they receive special handling. The packaging should be appropriate to the contents. Fragile parcels must be marked with a special label.

Appendix C. Price: See price list.

2.1.3 Contents

It is not permissible to send the following:

- 1. Materials that can cause fires or explosions and other dangerous substances.
- 2. Drugs and hallucinogens, except for medical or scientific use.
- 3. Radioactive materials.
- 5. Items that due to their content or because of careless packaging, can harm postal workers, contaminate or damage other shipments or Iceland Post's equipment.
- 6. Live animals.
- 7. Fresh food, frozen, smoked or uncooked, cf. meat, fish, eggs or other food items, which can be damaged in transport.

Postal items other than registered items may not contain organic materials e.g. biological samples must also be sent by parcel post if applicable. See Appendix C

2.1.4 Service and quality standards

<u>Home delivery parcels</u> are driven out to recipients where Iceland Post has home delivery services. If the item is posted before the last posting time (see 1.1.4), the parcel will be delivered $1 \bullet 3$ days after posting. Iceland Post's quality standards aim for delivery attempts in at least 85% of cases on the first day after posting, where possible. See Appendix A.

A <u>Post Office Parcel</u> is handed over at the respective post office on presentation of the notification (printed or SMS text message) and photo identification. The recipient may also give written permission for another person to collect the parcel from the post office on their behalf.

Enquiries regarding parcels are answered by the call centre, but you can also look up a parcel on Iceland Post's website (Find shipment).

A <u>Parcel Post Box</u> is considered delivered to the recipient when the QR code has been scanned or the PIN number entered and the compartment opened.

Iceland Post's quality standards aim for delivery to post box the day after in at least 90% of cases. Post boxes are filled at least twice a day, every day except Sunday.

Customers can only receive the following parcel shipments at post box:

- Domestic parcel shipments under size limits, see section 2.1.1.
- Domestic parcel shipments with no charges that the recipient has to pay.
- Domestic parcel shipments without additional services, excluding fragile, see section 2.1.2.

• Foreign registered shipments to individuals.

o With and without charges

To be allocated a post box and a fixed P number to use when a customer orders a product online, they must first register as a post box user on postur.is/post box. When registering, the electronic signature must be used and the post box terms and conditions accepted (section 2.1 in terms and conditions, the text concerning post box).

If the shipment is received with a post box number and the name of the recipient of the shipment does not match the name that is registered for the box, then the P code is used. The shipment is delivered to the compartment that is listed on the shipment, and the owner of the post box number receives an electronic notification. If the owner of the number notifies Iceland Post that he does not own the shipment, then Iceland Post's staff will do their utmost to find the right owner of the shipment.

2.1.5 Delivery

<u>Home Delivery Parcels</u> are delivered to individuals from Monday to Friday, 17:00–22:00 and to businesses from Monday to Friday, 9:00–17:00 where a delivery service is available and in larger areas³. In less densely populated areas where home delivery is available, the timing may vary, see postur.is.

³ Capital area except postcode 116, Akureyri, Akranes, Ísafjörður, Reykjanesbær, Sauðárkrókur, Selfoss, Vestmannaeyjar

One attempt is made at delivery to companies and individuals. If it is not possible to deliver the parcel, a notification is left. In such cases, the parcel can be collected from the relevant post office on the next working day by presenting the notification.

A <u>Post Office Parcel</u> is notified to the recipient with a notification that is delivered the day after the post office has received the parcel, and then recipient can then collect the parcel.

<u>Parcel Post Box</u> is delivered to the post boxes that are located around the capital region. The recipient must collect the parcel within three days before the parcel is sent to the Iceland Post sorting and distribution centre, where the recipient has 27 days to collect it.

If the shipment is addressed to a post box and it is too large or there are domestic fees that need to be paid (postage requirement and/or cash on delivery), then the shipment goes to the next post office, i.e. the closest to the post box according to address.

Notifications are only sent electronically by SMS and by e-mail to the recipient.

Notification by SMS and/or email:

<u>Post Office Parcel</u>: If the sender registers a GSM number for the recipient, an SMS notification will be sent to him as soon as the parcel is received at the post office, and he can then access it the same day. This also applies in places where no home delivery is available.

<u>Home delivery parcel</u>: The recipient receives an SMS before an attempt at home delivery is made, and the recipient can then make the appropriate arrangements.

<u>Parcel Post Box</u>: The recipient receives an SMS and an e-mail informing him of when he may collect the shipment. A day later, the recipient receives a reminder if the shipment has not been collected.

In the SMS and e-mail is the QR code and PIN number. The recipient can use either to open the appropriate compartment.

If the recipient has not collected the shipment within three days after it is placed in the compartment, then the recipient receives an SMS and e-mail notifying them that they can collect the shipment at Iceland Post Customs Centre, Stórhöfdi 32, 110 Reykjavík, see section 2.1.11 on Return to sender.

<u>Distribution by rural postmen</u>: Where rural postmen take care of delivery, all registered mail up to 30 kg in weight and/or 0.125 m³ is driven to the recipients' homes. If a mail item is received in a rural area that exceeds these measurements, then the post office will contact the customer and ask them to collect the mail or accept delivery for an additional fee. Rural Postmen provide a 3- to 5-day delivery service in a limited number of urban areas and in all rural areas. See Appendix H.

2.1.6 Fee category

Home Delivery Parcels and Post Office Parcels: Tariffs are divided into Post Office Parcels and Home Delivery Parcels. Each price list has six charge categories based on the distance from the place of dispatch to its destination. The fee for parcel shipments is based on the type of delivery, destination, weight or volume weight of the parcel.

Price: See price list.

Parcel Post Box: Price: See price list.

2.1.7 Mode of posting

Parcels must not be posted in post boxes. If parcels are posted in such a way, it is not possible to ensure that they receive the correct handling.

2.1.8 Discounts

For significant business, a discount can be given depending on frequency and volume.

2.1.9 Address and markings

The address of the recipient shall be written on the front of the shipment. In this area, there should be no information other than that related directly to the address of the recipient. If the sender address is added to the parcel, it should be on the back of the parcel, crossed over, so that it can be seen that this is the sender address. The sender address can also be added elsewhere but always with an X covering it. It should be located so that the difference between sender and recipient address is obvious.

The recipient's name should be written in the nominative case. Below the name of the recipient, the address is written in the dative form, and below the address, the postcode and the name of the municipality/city is written also in the dative. If the recipient wishes to receive the parcel to a post office box or to a post box, then the post office box / post box number is written instead of the address, and the postcode of the post office box is written instead of the postcode of the municipality. For post box, the postcode of the municipality should be written. If both the P code and address are written on the shipment, then the P number decides the place of delivery.

Example

Parcel sent to an address:

Jón Jónsson

Nonnagötu 5

101 Reykjavík

November 2015

Parcel addressed to post office box:

Jón Jónsson

PO Box 15

121 Reykjavík

<u>Parcel addressed to a post box (pre-registered user as recipient):</u>

Jón Jónsson

P016537 Póstbox Höfðabakka

110 Reykjavík

If an online registration for the P number and Postbox destination is not the same as the label on the package – the online registration should rule.

Parcel addressed to a post box (non-registered recipient in the post box service):

Jón Jónsson

Póstbox Höfðabakka

GSM 6116611

110 Reykjavík

NOTE! The P code must contain six digits. If it starts with a 0, it should be included.

Package labels should be glued to the top left corner of the parcel, as far as possible. A label should be added to the left of the parcel label, which indicates whether the Parcel Home Delivery or Parcel Post Office service is to be used. When a packet is forwarded from the post office to the post box, then that type of label should be added. See section 2.1.10.

Domestic parcels can have 4 types of labels:

- 1) Airwaybill.
- 2) Póststoð label.
- 3) Parcel number.
- 4) Electronic air waybill (from postur.is).

All parcels are registered in Iceland Post's computer system using a unique number with a bar code that ensures correct handling and traceability.

1) Air waybill:

The air waybill is used when sending a parcel with additional services. It is not necessary to fill out the air waybill if there are no extra services for the parcel. Information on completing the air waybill can be found on the reverse. The barcode is located at the bottom right of the air waybill (not shown in the figure).

2) Póststoð label:

Póststoð is mailing software that Iceland Post provides its customers, free of charge. The software creates labels with information that is obtained from the sender's information system. When all the

shipments are ready, Iceland Post is sent the information about them electronically. The label is stuck onto the shipment and replaces the airway bill.

3) Parcel number:

It is not necessary to fill out the air waybill if there are no extra services for the parcel. It is sufficient to label the parcel with the information about recipient and sender. A unique number is stuck onto the shipment.

4) Register shipment (Electronic air waybill):

At postur.is, customers can pre-register shipments and print out the airway bill to stick on shipments.

Picture: Airway bill, domestic parcel, electronic registration

2.1.10 Identifying mode of delivery

Post Office Parcel

On the shipments labelled with an airway bill or parcel number, a sticker must be added that identifies the parcel as a Post Office Parcel.

Home Delivery Parcels

On the shipments labelled with an airway bill or parcel number, a sticker must be added that identifies the parcel as Parcel Home Delivery. If a parcel has an airway bill or parcel number but no sticker identifying the mode of delivery, the parcel is invariably defined as Post Office Parcel.

Parcel Post Box

An identifying label is used when shipments are forwarded from the post office or Iceland Post Customs Centre to a post box. Iceland Post's employees stick the label on the shipment.

Sorting and distribution centre

If the customer collects a shipment for themselves, which has been mailed as Parcel Home Delivery or Post Office Parcel, at the Iceland Post sorting and distribution centre, it is only permitted if the exact location is known and for a fee. Iceland Post reserves the right to refuse to hand over shipments from the sorting and distribution centre.

Shipments that are registered as Parcel Post Box can be collected from the sorting and distribution centre after they has been left uncollected in the post box for three days. It can be accessed there for 27 days before it is returned to sender, see section 2.1.11.

2.1.11 Return to sender, forwarded and poste restante

Return to sender / default shipment:

If the Home Delivery Parcel cannot be delivered to the recipient, a notification is left behind, and if the recipient does not collect the parcel within 30 days from the date of the notification, it is returned to sender. The same applies to Parcel Post Office, i.e. a notification is sent out after the shipment has been scanned on the shelves at the post office, and if the parcel is not picked up within 30 days, it is returned to sender. A reminder will have been sent once.

If a parcel is not picked up by the recipient from the post box within three days after being placed in the compartment, then it is sent to the sorting and distribution centre. The recipient then has 27

days to collect the shipment from there at the Iceland Post Customs Centre reception before it is returned.

If the recipient of the parcel cannot be found from the address on the parcel and attempts to find a new residence of the recipient prove ineffective, the shipment is returned to the sender. If the sender is not known, then the parcel is kept for at least one year; at the end of that time, it is destroyed. Iceland Post's employees always endeavour to get these parcels to the recipients.

Return to sender after delivery—inbound registered parcels—default content

Businesses using Poststod are able to make a return ticket for registered inbound parcels. This service is for their customers to return the shipments on the business' cost f.x. if the content has a default

The return ticket is connected with the original shipment with the tracking number.

Forwarding:

If the recipient of Home Delivery or Post Office Parcel has moved and asks for forwarding to the new mailing address or another post office, then this is carried out. Forwarding to a post box can only be done if the recipient is already registered as a user and a delivery fee is paid.

It is possible to request forwarding from a Post Office or post box to home delivery, by ordering the home delivery; this is relevant only where home delivery is available.

Poste restante:

Recipients who receive shipments addressed as poste restante to a specific post office, e.g. travellers, can pick it up there.

Domestic parcel shipments are not categorised as poste restante as they are with letters when poste restante is paid for. A notification is left if no one is home, and the shipment is available at the appropriate post office for 30 days. Notifications therefore wait with the poste restante letters until the recipient collects them.

2.1.12 Compensation

If a parcel is lost or damaged by Iceland Post, the sender can claim damages of up to ISK 22,500. Those who are sending more valuable shipments are advised to insure them especially for up to ISK 3,000,000 ISK see section on postal insurance, section 3:10. When the parcel is registered with an additional parcel(s), then the shipment is considered to be one parcel delivery.

Iceland Post does not accept responsibility for indirect damage caused by delays in delivery.

The post box compartments are not heated nor air conditioned, and no compensation is paid for damage caused by temperature (heat/cold).

2.1.13 Cargo Insurance

Iceland Post offers in co operation with the insurance compay Sjova, to insure all registered inbound parcels for sent from businesses. A contract has to be made through Iceland Post's sales department (tel. 5801090, email: sala@postur.is) for Cargo insurance to come into effect. Flat insurance fee is for every shipment.

Cargo Insurance covers value for all up to 10,000,000 ISK.

<u>Sjova's terms and conditions are available on their website</u> (only in Icelandic). Among other things the terms state that Sjova does not insure following; Vehicles, paintings, glass, household inventory and food

2.2 ADDITIONAL SERVICES – DOMESTIC PACKAGES

2.2.1 Domestic cash on delivery

Domestic cash on delivery is a service where you can have the recipient pay for the contents or other services on delivery of the shipment. At the top on the front side of the shipment, the sender must write the words "Póstkrafa" along with the cash-on-delivery amount. Any correction or strike through of the amount is not allowed. The parcels shall be marked with an orange triangle-shaped label. Any cash-on-delivery shipment must have a cash-on-delivery form. While the cash-on-delivery parcel is in the care of Iceland Post, the sender can, in writing, ask for the parcel to be delivered to the addressee without collection of the cash-on-delivery amount or against the collection of a different cash-on-delivery amount than stated on the parcel. Cash-on-delivery parcels must be collected within 30 days from their arrival at the post office; the sender can extend the time for a further 30 days. Cash-on-delivery parcels should be registered at the time of mailing at the post office and at the time of delivery or return to sender.

The cash-on-delivery amount is paid into a bank account:

Within 3 working days from the redemption of the cash-on-delivery parcel, the amount is paid into the sender's bank account.

Size limits:

The size limits of cash-on-delivery parcels are the same as domestic parcels.

See section 2.1.1.

Delivery of cash-on-delivery parcel:

The cash-on-delivery parcel is delivered to the destination following the payment of the amount.

Maximum amount for cash-on-delivery parcel:

There is no maximum limit of the amount.

Payment options:

The recipient can pay the cash-on-delivery parcel upon receipt of the shipment, whether at the post office or through home delivery, by debit card or cash. Price: See price list.

2.2.2 Postage is paid by the recipient

It is possible to send a parcel domestically and let the recipient pay the transportation costs. If the recipient refuses to pay the transportation costs, the parcel is returned to sender and the sender must pay the transportation costs.

2.2.3. Deliver to the recipient only

Parcels are generally delivered to anyone present at the delivery address. As an additional service, parcels can be delivered to the specified recipient only. Such parcels must be marked with a special label.

Shipments with this service are only delivered to the recipient upon the presentation of an issued photo identification or a representative with power of attorney and valid ID. Parents of children under 18 are automatically their representatives.

An employee on the front line of the company, for example, in reception or on the switchboard, is authorised to accept responsibility for registered letters at the registered address of the company. It is not necessary to request ID. Delivery should always be signed for.

Shipments known to contain firearms or alcohol should be sent as "deliver to recipient only". It is the sender's responsibility to inform Iceland Post about the contents and to ensure that the above service is used. The recipient must be twenty years of age, so that it is permissible for them to receive the shipment. Price: See price list.

2.2.4 Express service

It is possible to send a parcel express, and it therefore receives delivery priority. In areas where Iceland Post does not offer home delivery, express parcels are, however, delivered to the door. Such parcels must be marked with a special label. Price: See price list.

2.2.5 Confirmation receipt report

It is possible to buy a confirmation receipt report with registered shipments, i.e., written confirmation that the recipient has received the shipment. The confirmation receipt report is filled out by the sender and attached to the shipment. The receipt, signed by the recipient and confirmed by an Iceland Post employee, is sent to the sender after the parcel has been delivered. The postage of the confirmation receipt report to the sender is included in the price. Price: See price list.

2.2.6 Home delivery service

Home delivery can be ordered on registered parcel shipments. Shipments are driven out and delivered the next working day. See price list. Price list is based on 30 kg.

If the shipment weighs more than 30 kg, it is delivered in the system and registered again, as home delivery, according to Parcel Home Delivery to area 1, must be paid. If the postage to be paid by recipient request is on the shipment, the recipient must pay for the shipping from the posting origin to the receiving post office and then additionally the home delivery.

This service is available where Iceland Post has established home delivery services. See Appendix D.

2.2.7 Sent at the responsibility of the sender

Parcel shipments which are fragile and where packaging is not according to the terms and conditions, see Appendix C, are the responsibility of the sender. These shipments are therefore not insured by Iceland Post, but they can be insured with Postal Insurance, see section on postal insurance, section 3.10.

Iceland Post ships paintings if they are within the size limits and well packaged but always at the responsibility of the sender. This also applies to motorised vehicles. It is important that all flammable liquids are removed from motorised vehicles.

2.7 INTERNATIONAL PARCELS

All parcels receive a unique number that is recorded in Iceland Post's computer system. Registration ensures traceability and confirmation of receipt. Iceland Post offers two service levels for parcels sent abroad: airmail and surface mail.

2.7.1 Airmail

Airmail parcels are sent by the first flight abroad on the next working day after posting, if posted before the last defined posting time (see section 1.1.4).

2.7.2 Surface mail

Sending a parcel by surface mail takes longer than by air mail, but the postage fee is lower.

2.7.3 Price, size- and weight limits

In the appendix, information on the permissible size- and weight limits for parcels shipments can be found. These vary by country. The maximum length of the parcel (L) is given, and the maximum size is calculated by adding the length of the parcel and its circumference (L+U). See Appendix E. The price for international parcels is calculated according to the following formula: Base price + number of kilos x kilo price). The price is always rounded up to the next kilo, i.e. for a shipment that is 1.1 kg, the price will be for 2 kg^4 .

2.7.4 Bulky and fragile

If the parcels are larger than the given size limit, it possible to send those bulky parcels for an additional fee to countries that receive such shipments. Countries that provide this service are listed in Appendix E. Some countries also take fragile parcels, which for an additional fee receive special handling. Postage fees for bulky and fragile parcels is 50% higher than the normal postage fee. Fragile parcels must be marked with a special label. The packaging should be appropriate to the content of the parcel. See Appendix E.

2.7.5 Areas

In the price list for international parcels, the name of the country refers to a specific area code. The areas are also identified by different colours. When the correct area has been found, the postage fee is calculated using a formula. In the information brochure, the estimated transit time to each country is given, but it should be taken into account that customs in the destination country can delay its delivery after arrival. To prevent delays, it is important to fill in the airway bill carefully. See Appendix E.

2.7.6 Air waybill

It is important to carefully fill out the airway bill and to do so in the language that is requested at the destination country; instructions for filling out the airway bill can be found on its reverse.

Picture:

<u>Register shipment (Electronic air waybill)</u>:

At postur.is, customers can pre-register international parcel shipments and print out the airway bill to stick on shipments.

Picture: Airway bill, international parcel, electronic registration

⁴ In accordance with Article 33, Convention of the Universal Postal Union on Terminal Dues.

2.7.7 Restrictions on content for exports

The restrictions on the content of international parcels are the same as for domestic parcels. See section 2.1.3. There may also be various additional restrictions in the destination country concerning the content of shipments. It is the responsibility of the sender to obtain information about import restrictions in the shipment's destination country. Further information can be obtained at post offices or on the website of the respective country of destination.

Please note that in many countries, it is not permitted to send letters in packets.

See Appendix C.

2.7.8 Commercial products

All commercial products sent by international post should include an invoice. In addition, an export report (see section 3.14.4) should be sent electronically to customs. Information regarding the finalisation of the export report is available from the customs authorities.

2.7.9 Return to sender

If the parcel, for some reason, does not reach the recipient in the destination country, there are two options. On one hand, the parcel will be returned after the storage period applicable in the country of destination, see Appendix E, or it will be treated as relinquished (sent for destruction). If the first option is chosen, then the sender can decide whether the parcel is returned to sender by airmail or surface mail. Returns are paid for by the sender.

2.7.10 Compensation

The postage fees for international parcels include a liability for up to ISK 22,500 if the parcel is lost or damaged. Those who are sending more valuable shipments are advised to insure them especially, see the section on postal insurance, section 3.10.

Iceland Post does not accept responsibility for indirect damage caused by delays in delivery.

2.8 ADDITIONAL SERVICES – INTERNATIONAL PARCELS

2.8.1 Express service. In some destination countries, an express service is on offer, which means that parcels are driven out or notified about, immediately upon arrival of the shipment at the post office in the country of destination. Price: See price list.

2.8.2 Confirmation receipt report

It is possible to buy a receiving report with registered shipments, i.e. written confirmation that the recipient has received the shipment. The confirmation receipt report is filled out by the sender and attached to the shipment. The receipt, signed by the recipient and confirmed by an Iceland Post employee, is sent to the sender after the parcel has been delivered. The postage of the receiving report to the sender is included in the price. If a receiving report is to be sent with an international parcel, the letters A.R. must be written in the lower left corner, on the redirection side. Price: See price list.

2.8.3 Sent at the responsibility of the sender

Parcel shipments that are fragile and where the packaging is not according to the terms and conditions, see Appendix C, are the responsibility of the sender. These shipments are therefore not insured, and it is not possible to insure them with Postal Insurance. Iceland Post ships paintings if they are within the size limits and well packaged but always at the responsibility of the sender. The sender must have the paintings assessed and insured specifically in advance with the insurance

company. The Postal Insurance does not cover shipments that are the responsibility of the sender, see section 3.10.

2.9 PARCELS FROM ABROAD

2.9.1 Size limits

The declared size- and weight limits to UPU (Universal Postal Union) on parcel shipment to Iceland are as follows:

Maximum weight: 30 kg.

Maximum length: 1.5 m.

Maximum length + circumference: 3 m.

Iceland does not accept fragile shipments.

The terms and conditions on receiving parcels in sender countries can be within the size limits of Iceland and these counties can nevertheless refuse to accept shipments with the above limits. e.g. USPS, (US postal service) only accepts the following size and weight limits:

Maximum weight: 30 kg.

Maximum length: 1.05 m.

Maximum length + circumference: 2 m.

Sorting and distribution centre

If the customer collects the shipment themselves at the Iceland Post sorting and distribution centre, it is only permitted if the exact location is known and for a fee. Iceland Post reserves the right to refuse to hand over shipments from the sorting and distribution centre.

Post box

It is possible for the recipient of a parcel from abroad (product purchased from online store) to get it delivered to post box. See further details in section 2.1 and other sections for domestic parcels in post box. The recipient must register ahead of time at postur.is/post box, and here, the customs-related charges should be paid after the shipment arrives in Iceland, so that it can be delivered to post box. The recipient will receive a notification from Iceland Post's Customs Centre, if the invoice for customs assessment is missing and also when it is possible to pay the charges.

Credit card numbers are not stored. The virtual number of the card is stored, but it is possible to delete it after each transaction.

Delivery to post box, see section 2.5. It is expected that charges have been paid.

2.10 INTERNATIONAL BUSINESS PARCELS

All parcels receive a unique number that is recorded in Iceland Post's computer system. Registration ensures traceability and confirmation of receipt. International business parcels can be sent to countries that have concluded agreements on preferential treatment of such ship ments. Agreement countries are all EU countries except Bulgaria, Cyprus, Latvia, Malta and Romania. It is also available to Luxembourg, Norway and Switzerland, see Appendix I.

2.10.1 Sizes- and weight limits

In the appendix, information on the permissible size- and weight limits for parcels shipments can be found. These vary by country. The maximum length of the parcel (L) is given, and the maximum size is calculated by adding the length of the parcel and its circumference (L+U). See Appendix I.

2.10.2 Price list and transit time

The price list for international business parcels is categorised by country. Each country has a certain base price that is added to the kg price.

Formula: Base price + (number of kg X kg price) = postage rate.

International business parcels are sent with the first flight abroad on the next working day after posting, if posted before the last defined posting time. See section 1.1.4. In the information table, the estimated transit time to each country is given, but it should be taken into account that customs in the destination country can delay the delivery of the shipment after arrival. To prevent delays, it is important to fill in the airway bill carefully. See Appendix I.

2.10.3 Services

Included in the business parcel postage rate is the preparation of the customs declarations in the destination country and home delivery, except in Denmark and Sweden if there are customs fees and VAT on the shipment, unless the recipient has an account with postal services in DK and SE and has customs credit (VAT/imports number), according to rules in the destination country. Shipments are registered and traceable. The sender can request a delivery receipt (Proof of Delivery) up to a year from posting.

There are no additional services available for international business parcels. It is therefore not possible to insure for fragile handling; no bulky shipments or confirmation receipt reports are available.

2.10.4 The air waybill

International business parcels can only be sent with an electronic air waybill filled out online on the website of Iceland Post. It is important to carefully fill out, electronically, the airway bill and ensure it is in the language that is requested at the destination country. The air waybill should be placed in the plastic envelope on the outside of the shipment.

Picture: International airway bill, electronic registration

2.10.5 Restrictions on content in exports

The restrictions on the content of international parcels are the same as for domestic parcels. See section 2.1.3. There may also be various additional restrictions in the destination country concerning the content of shipments. It is the responsibility of the sender to obtain information about import restrictions in the shipment's destination country. Further information can be obtained at post offices or on the website of the respective country of destination. Please note that in many countries, it is not permitted to send letters in packets. See Appendix C.

2.10.6 Commercial products

All commercial products sent by international post must include an invoice. To accelerate customs clearance, it is important that the invoice is in the plastic envelope on the outside of the shipment. In addition, an export report should be sent electronically to customs authorities. Information regarding the finalisation of the export report is available from the customs authorities.

2.10.7 Return to sender

If the business parcel, for some reason, does not reach the recipient in the destination country, there are two options. On one hand, the business parcel will be returned after the storage period applicable in the country of destination, see Appendix I, or it will be treated as relinquished (sent for destruction). Returns are by airmail and are paid for by the sender.

2.10.8 Compensation

The postage fees for business parcels include a liability for up to ISK 82,000 if the parcel is lost or damaged. Those who are sending more valuable shipments are advised to insure them especially, see section 3.10 on postal insurance. Iceland Post does not accept responsibility for indirect damage caused by delays in delivery.

3.13 GOODS WAREHOUSING

Iceland Post offers its customers the possibility to outsource their warehousing and distribution.

3.13.1 Warehousing takes care of

- Reception
- Creation of import and export documents
- Hosting at the warehouse
- Dispatch of order
- Packaging and delivery to customers

3.13.2 Barcoding

Customers can either barcode their own products or request this from Warehousing.

3.13.3 WAREHOUSING

Storage compartments: 30 x 60 x 60 cm (Width x height x depth).

Euro pallet: 150 cm and 200 cm.

3.13.4 Deliveries

Goods are delivered in the packaging they arrive in or in Iceland Post's packaging. Iceland Post can use empty boxes, unrelated to the customer's goods, if requested.

The warehouse hotel can see to the purchase of specially marked boxes if desired.

3.13.5 Distribution and price

The goods are collected at the Goods Warehouse and/or distributed by Iceland Post. General goods distribution is according to Iceland Post's price list and the terms and conditions and discounts that are valid at each time.

3.13.6 Opening Hours

The Goods Warehouse is open from 8:00–17:00.

It is possible to collect goods after closing, for a fee, see prices on postur.is.

3.13.7 Delivery times

The goods are processed 4 hours after the order is received.

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3.13.8 Domestic mode of delivery

- Post Office Parcel, see section 2.1
- Home delivery, see section 2.1
- Same-day delivery, see section 3.8
- Collected from warehousing

3.13.9 International mode of delivery

International parcels, airmail, see section 2.3.

International parcel, surface mail, see section 2.3.

TNT express delivery, see section 2.6.

TNT freight delivery, see section 2.6.

3.13.10 Other

In the case of return to sender, the goods are registered in the same way as other imports of the buyer. Warehousing receives, goes over and logs it into warehousing.

The buyer pays 0.7% of the product loss (based on the average value of the inventory at cost). Product loss over 0.7% is paid for by Warehousing.

The buyer must insure their goods as if they were in their own buildings.

3.14 ICELAND POST'S CUSTOMS CENTRE

Iceland Post's custom centre takes care of customs clearance for all shipments from abroad. A customs check is performed by Customs, and shipments are only opened during opening times, Monday–Friday, between 8:00 and 15:30.

3.14.1 Customs clearance fee

The customs clearance fee is a fee that Iceland Post charges its customers for dutiable shipments. Customs clearance includes e.g. registering the shipment, storage and other administration. A customs clearance fee is charged for each shipment.

Iceland Post has the authority for this collection from the Convention of the Universal Postal Union (from 2005), as this cost is not included in postage charges themselves, as customs registration is very different between countries.

3.14.2 Customs clearance, simple report (E-3)

For customs clearance of a shipment with a simple report, the following conditions must be fulfilled:

- 1. The total value of the shipment is under ISK 40,000. The total value of the shipment includes the value of additional transport costs and all of the costs that the sender has paid for the shipment.
- 2. The import may not be trade related. This service is intended only for individuals.
- 3. An invoice or confirmation from the sender of the value of the shipment.
- 4. Up to three customs categories may be entered on a single report.
- 5. A customs clearance fee is charged for each parcel.

Almost all customs categories may be dealt with on Customs Declaration Form E-3, except items subject to import restrictions or bans.

Customs categories and/or shipments that are of a value higher than that stated above must be entered on Customs Declaration Form E-1, see section 3.1.14.2.

Price: see www.postur.is.

Adequate information on the value of the shipment on the outside of the parcel accelerates customs clearance. If there is insufficient information on the outside of the parcel, it will be stopped and the recipient notified.

Notifications about dutiable shipments are sent by mail, but it is possible to apply to receive notifications on dutiable shipments by e-mail, see postur.is.

If the recipient cannot provide adequate information about the value of the shipment, he can request that the customs representative opens the parcel to search for an invoice, for a fee. If no invoice is found on the outside of the shipment nor after opening, the recipient can request information about the outside of the shipment that is not recorded in the system or for example, a description of the packaging, for a fee.

Authorisation/information shall be submitted in the following way:

- Sending an e-mail to tollmidlun@postur.is
- Placing the delivery number in the subject
- Attaching the invoice (showing the value of the content and transit cost) or
 - Attaching a receipt for payment of goods
 - Sending the "item" number from Ebay
 - Including a confirmation from the sender concerning the value of the shipment

The shipment will clear customs as quickly as possible and will be dispatched by Iceland Post's transit system, without additional transit costs, on completion of customs clearance.

3.14.3 Customs clearance, customs report (E-1)

Customs report E-1 must be completed for shipments with a total value of more than ISK 40,000 (individuals) and for all company imports.

Iceland Post takes care of the customs reports but requires authorisation from the recipient to do so. The form can be obtained in post offices all around Iceland, Iceland Post Customs Centre and at postur.is.

To enable the customs representative of the Iceland Post Customs Centre to complete the customs declaration, the following must be available:

- Authorisation to complete the customs declaration
- Invoice
- Other related documents

Price: see www.postur.is.

If Iceland Post's credit account at customs is used for delivery of shipment, an additional handling fee for credit account at customs is paid.

3.14.4 Export report (E-2.1)

An export report (E-2.1) must be attached to all exported goods. The shipments transported by Iceland Post shall be sent as registered parcels abroad.

Who needs to do export reports?

- All those engaged in the commercial export of products (according to Article 140 of Customs Law, No. 88/2005), i.e. those who sell goods abroad
- Those who are returning goods they have ordered from abroad (individuals and companies)
- Those who are sending goods for repair, processing (individuals and companies)

What needs to accompany a shipment with an export report?

- Invoice or *proforma* invoice
- Iceland Post's air waybill

Mail order to individuals

The Directorate of Customs can authorise individuals and legal entities engaged in mail order to submit a single export report covering exported shipments, every two months e.g. January and February, March and April, May and June, July and August, September and October, November and December, so long as the following conditions are met:

- The sale value of each shipment is a maximum of ISK 30,000.
- It is for mail order to individuals

Goods sent for repair

- An invoice must be included
- The serial number must be included
- The real value of the goods and the customs category must be included
- A request for inspection of goods (form E-14 at Customs)

Goods returned

- An invoice must be included
- The real value of the goods and the customs category must be visible
- Relevant documents of import must be available if a refund of duty is to be claimed
- A request for inspection of goods (form E-14 at Customs)

Further information on export reports and what documents need to be provided for the export of goods can be found at the Directorate of Customs, tollur.is.

Iceland Post offers to take care of the export report for senders, for a fee. Then all the necessary information and supporting documents need to be delivered when the shipment is mailed.

Price: see www.postur.is.

3.14.5 Priority customs clearance

Customers may request an accelerated procedure on dutiable shipments, for a fee. This is done by sending a request to hradtollur@postur.is, and it shall be disclosed whether the recipient wishes to collect the shipment the same day at the sorting and distribution centre or have it delivered to them, the same day. The above service is based on the request being received before 14:00.