Parcel Services Customer Guide Amendment No. 8 Effective March 30, 2015

This amendment forms part of your Parcel Services Agreement with Canada Post and amends the *Parcel Services Customer Guide* of November 15, 2013, in accordance with the applicable effective date. All other terms and conditions remain the same. Please keep this amendment with your copy of the Guide.

The revised version of the *Parcel Services Customer Guide*, which includes the amended information, will be available on the effective date of this amendment at **canadapost.ca/customerguides**.

Changes to Shipping Charges and Weight

Canada Post is adopting new terminology to eliminate confusion caused by the expression of volumetric measures in units of mass.

The changes apply as follows:





Section 2 – Shipping Within Canada

2.2 Features, options and other value-added services: Shipping within Canada

In this section, replace footnote 7 with the following (this change also applies to the table in the inside cover):

7 All associated parcel return shipping fees are the responsibility of the customer and are based on the greater of the actual weight or volumetric equivalent of actual weight.

2.3.8 Returns

In this section, replace the last paragraph with the following:

Return to Sender²

Canada Post will attempt to deliver all parcels. In the event that delivery cannot be completed, the parcel will be returned to the customer. All associated parcel return shipping fees are the responsibility of the customer and are based on the greater of the actual weight or volumetric equivalent of actual weight.

Section 4 – Prepaid Products and Xpresspost[™] Certified

4.1 Value-added features and options: Prepaid products

In this section, replace footnote 5 with the following:

⁵ All associated parcel return shipping fees are the responsibility of the customer and are based on the greater of the actual weight or volumetric equivalent of actual weight.

Section 6 – The ABCs of Shipping

6.1 Minimum and maximum sizes and weights

In this section, replace the entire legend at the bottom of the page with the following:

Legend: L = length H = height W = width G = girth (girth is the distance around the item, measured at right angles to the length) m = metres cm = centimetres mm = millimetres kg = kilograms lb. = pounds in. = inches

6.3.5 Checklist for preparing your packages

In this section, replace the content of the sixth bullet with the following:





• The greater of the actual weight and/or the volumetric equivalent of actual weight of the item (except Prepaid products) must be indicated on the bill of lading or on the manifest. For more information, refer to Section 6.5.

6.5 Shipping Charges and weight

In this section, replace the entire section with the following:

6.5.1 Base price of your item

The base price¹ for shipping an item is set out on Canada Post price sheets available to the customer. These price sheets show the base price according to the item's Actual Weight (AW) and a corresponding Volumetric Equivalent of Actual Weight (VE). See " How to calculate the Volumetric Equivalent of Actual Weight" in this section.

It is the customer's obligation to declare an item's actual weight on the shipment order or manifest at the time of shipping. The customer may also declare the item's dimensions or its volumetric equivalent of actual weight. It is the customer's sole responsibility to ensure its declarations are accurate.

Canada Post reserves the right, at its sole discretion, to re-weigh and/or measure the dimensions and calculate the volumetric equivalent of actual weight of any item. When auditing the customer's declaration, Canada Post uses only measuring devices approved for use in trade by Measurement Canada.

Determining your Base Price and Total Shipping Charges

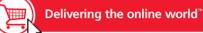
Canada Post determines the base price, within the prescribed weight and size limits of the specific product offering, of the greater of an item's actual weight or its volumetric equivalent of actual weight.

The base price for an item, along with charges for options selected, applicable surcharges, additional fees and taxes, comprise the total shipping charges for the item and will appear on the customer's invoice or receipt.

The invoice or receipt will set out price adjustments for all items where Canada Post charges the base price on an actual weight or on a volumetric equivalent of actual weight, other than as declared by the customer.

Where the customer makes no declaration or if its declaration is for whatever reason unusable or unavailable, Canada Post charges for a default weight of 5 kg (11 lbs).

¹ While the lowest base price for most services corresponds to the lowest actual weight or volumetric equivalent of actual weight of 0.750, some exceptions may apply; and where the greater of actual weight and volumetric equivalent of actual weight exceeds 0.750, base price will in all cases be determined by rounding the actual weight and volumetric equivalent of actual weight to the nearest 0.500.





Customers that do not complete and submit all the documents necessary for the service, when required, or if the documents submitted are not accurate, the items contained in those shipments may, at the discretion of Canada Post:

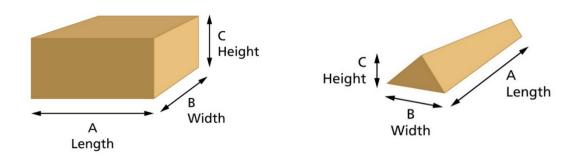
- be returned to the sender at the customer's expense, to be made compliant by the customer, where possible;
- be processed and charged at the next or most appropriate product or service category, where available;
- be subject to a surcharge; or
- be refused for mailing.

How to calculate the Volumetric Equivalent of Actual Weight (VE)

The volumetric equivalent of actual weight of an item is the item's volume divided by a density factor.

Volume ÷ Density Factor = Volumetric Equivalent Actual Weight (VE).

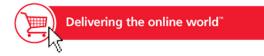
Volume is calculated by multiplying the item's length x width x height measured where the dimensions are greatest (as if the item fit into a box with six sides.)



A density factor of 6,000 (when measuring in cm) or 166 (when measuring in inches) is applicable to items shipped using Expedited Parcel or Regular Parcel. For Priority, Xpresspost, and all U.S. and International services (excluding Tracked Packet and Small Packet), use a density factor of 5,000 (when measuring in cm) or 139 (when measuring in inches). Using these density factors reflects Canada Post's experience that an item of these densities will weigh approximately one kilogram.

Example 1:

An item measuring 100 cm x 60 cm x 20 cm with an actual weight of 8 kg. Based on the parcel's dimensions, its volume is 120,000 cubic centimetres. If it were shipped using Xpresspost service, a density factor of 5,000 would apply resulting in a volumetric equivalent of actual weight of 24.0.



Because the volumetric equivalent of actual weight of 24 is greater than the actual weight of 8 kg, the correct shipping charge is based on volumetric equivalent of 24.

Example 2:

An item measuring 100 cm x 60 cm x 20 cm with an actual weight of 26 kg. Based on the parcel's dimensions, its volume is 120,000 cubic centimetres. If it were shipped using Regular Parcel service, a density factor of 6,000 would apply resulting in a volumetric equivalent of actual weight of 20.0.

Because the actual weight is greater than the volumetric equivalent of actual weight, the correct shipping charge is based on actual weight of 26 kg.

Volumetric equivalent of actual weight is not a unit of measure or a mass or a volume. It is a tool developed from long industry experience of typical parcel densities that allows more accurate pricing of an item given its weight and the space it occupies in a truck or an airplane.

6.6.3 Data accuracy of shipping documentation

In this section, replace the fourth bullet with the following:

 package weight – the greater of the actual weight or volumetric equivalent of actual weight, or actual weight and package dimensions; refer to Section 6.5 for more information on base price of your item.



