



**Communications
Commission
of Kenya**

**XXXXXX(CATEGORY) POSTAL/COURIER OPERATOR LICENCE
GRANTED BY
THE COMMUNICATIONS COMMISSION OF KENYA**



TO



XXXXXXXXX LIMITED



LICENCE NO. PL/XXX/0XX

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THE LICENCE TERMS

The Communications Commission of Kenya (hereinafter referred to as the “**Commission**”), in accordance with the Kenya Information and Communications Act of 1998 (hereinafter referred to as the “**Act**”), hereby authorises _____ (hereinafter referred to as the “**Licensee**”) to establish and provide Postal/Courier services (hereinafter referred to as the “**Licensed Services**”) in the Republic of Kenya in accordance with the Terms and Conditions set out in this Licence

1. This Licence is issued on _____ (the **Issuance Date**) and amends, and replaces the licence granted to the Licensee on ----- (the **Effective Date**) under licence number PL/XXX/xxxxx. This Licence shall in no way release the Licensee from any liabilities, responsibilities or obligations arising out of any agreements and/or contracts entered into under the previous licence/s.
2. This Licence is granted for a period of fifteen (15) years (the “**Licence Period**”) from the Effective Date unless it is revoked earlier in accordance with the Licence Conditions herein. For avoidance of doubt, the remaining Licence Period of this Licence is xx years, xx months and xx days.
3. The Licensed Services are the collection, conveyance and delivery of postal articles via a licensed network.
4. The Licensed Services shall be provided by means of a licensed Network.
5. The Licensee is authorised to provide the Licensed Services provided that:
 - 5.1. The Licensee has the related authorisations (where required) from Governmental Authorities and such an authorisation has been filed with the Commission;
 - 5.2. The Licensee has filed the details of the particular service to be provided and obtained approval from the Commission and
 - 5.3. a separate licence is not required to provide the particular service.
6. Nothing in this License shall be taken as discharging the Licensee from its obligations to obtain any other license which may be required under any written law.
7. All equipment and devices comprising the Licensed Services shall in all respects be of an approved industrial standard, approved by the Commission and conforming to the Commission’s regulations as may be issued from time to time.

8. This Licence is subject to the provisions of the Act including, but not limited to, licence modifications and enforcements.
9. Words importing the singular shall include the plural and vice versa; words denoting persons shall include bodies corporate and unincorporated associations of persons and vice versa.

DEFINITIONS

10. In this Licence the following terms shall have the following meanings:

A Public Postal Operator	means an operator responsible for Universal Service Obligation and has wide international and domestic coverage (networks);
Act	means the Kenya Information and Communications Act of 1998;
Compliance Report	means a report to be prepared periodically by the Licensee detailing its performance in respect of every licence condition;
Consumer	means any natural person who uses or requests a publicly available communication service;
Courier Services	means any specialized service for the collection, conveyance and delivery of postal articles;
Document Exchange Operator	means an operator that provides articles/documents exchange services between members.
Effective Date	means the date when the Licence was first issued, or in the case of a Licence replacement, the date when the original Licence was issued.
Financial Year	means the period between 1st July and 30 th June the following succeeding year.
Government	means the Government of the Republic of Kenya.
Hybrid mail services	means services resulting from a process in which a licensee combines telecommunications and information technologies with the licensee's physical network to convert electronic messages into written correspondence;
International In-bound	means one-way postal/courier operator, receiving items from overseas for local delivery;
International Operator	means operator postal/courier operating internationally with worldwide and domestic network;

Intra-city operator	mean operator operating only within a city/town boundary;
Intra-country Operator Letter	means postal/courier operator within Kenya; means any form of written communication in the nature of current and personal correspondence and includes postcards;
License	means licence issued under the provisions of the Act;
License Network	means all parts of those physical facilities involved in the activities of conveying, receiving, collecting, sending, dispatching and delivering within, to and from the Republic of Kenya by sea, by land or by air or through any person with whom the Licensee has a contract with or its agents or servants;
Licensee	means any person licensed under the provisions of the Act to provide postal/Courier services;
Minister	means the minister for the time being responsible for postal matters in the government of the Republic of Kenya;
Postal operator	means courier, postal or public postal operator;
Postal tariff	means any charges raised by the licensee for the conveyance and delivery of letters, provision of supplementary services to the letter post and the provision of postal financial services;
Public postal licensee	means public postal operator and is the Postal Corporation of Kenya or other operator designated or licensed as such;
Regional Operator	means a major operator within Kenya and has an East African Network;
Regulations	mean the Kenya Information and Communications (Postal and Courier Services) Regulations, 2010 and its subsequent amendments;
Reserved area	means collection and delivery within the Republic of Kenya by the public postal licensee of addressed letter items weighing up to 350 grams with a universal tariff, printing and issuance of postage stamps and operation of private letter-boxes/bags;
Tariff	means any charges raised by the Licensee for postal services;

Undelivered postal article	means items which for some reasons have not been claimed by addressee;
Universal postal services	means consistent supply of basic postal services at affordable prices at all points within the country;
Universal Postal Union	means specialized agency of the United Nations on postal services;
Universal Service Obligations	means the obligations put on licensed operators to make services available to all people and all areas including un-served and underserved areas;
User	means a legal entity or natural person using or requesting a publicly available communications service;

LICENCE CONDITIONS

CONDITION 1. OPERATING ENVIRONMENT

- 1.1. The Licensee shall operate at least one permanent address which shall be registered with the Commission, and shall meet the following minimum standards of public service by providing:-
 - 1.1.1. A well-built public counter.
 - 1.1.2. A room or lobby for the comfort of customers waiting to be served.
 - 1.1.3. Adequate ventilation and lighting.
- 1.2. The Licensee shall at all times make adequate arrangement for conveyance and delivery of postal articles.

CONDITION 2. OBLIGATION TO COMPLY WITH LAWS, RULES AND REGULATIONS

- 2.1. The Licensee is responsible for the conformity to law of all postal services provided under this licence.
- 2.2. The Licensee shall dispose of all undeliverable postal articles according to the rules set down by the Commission.

- 2.3. In accepting postal articles for conveyance the Licensee shall comply with the Act and with the rules set by the Commission with regard to the prohibition of transmission of such articles as may be so prohibited by the Act or rules set by the Commission.
- 2.4. The Licensee shall comply with applicable customs and other import and export regulations where applicable with regard to the receipt and dispatch of postal articles into or out of Kenya as the case may be.

CONDITION 3. SAFETY MEASURES

- 3.1. The licensee shall in respect of all postal systems, tools, equipment and installations, possessed, operated, maintained or used under this licence, take all proper and adequate safety measures to safeguard life of staff and property.
- 3.2. The Licensee shall not accept for transmission any prohibited articles as specified by written laws of the country, international conventions or Regulations.

CONDITION 4. LICENSEE TO NOTIFY COMMISSION OF ITS TARIFFS

- 4.1. The Licensee shall within 14 days hereof and within 14 days of any change thereon deliver to the Commission a detailed schedule of its tariffs for the various types of postal services rendered by it as set out in the Act.

CONDITION 5. OBLIGATION TO DISPLAY LICENCE CERTIFICATE, TARIFFS, COMPLAINTS HANDLING PROCEDURE

- 5.1. The Licensee shall prominently display at any premises where it provides postal services:-
 - 5.1.1. The license certificate and the current tariffs for the different types of postal services to various current destinations and at various

weight steps. The Commission may prescribe standard weights steps for comparison purposes.

5.1.2. A notice setting out the complaint handling procedure as laid down by the Licensee and make freely available to clients the forms prescribed for reporting complaints a copy of which must be lodged with the Commission.

5.2. The Licensee shall make a notification to customers of the right to complain;

5.3. The Licensee shall maintain a log of complaints.

Please note that all licensees must file with the Commission within 60 days after the grant of the licence their complaint handling procedures.

CONDITION 6. TREATMENT OF UNDELIVERABLE CORRESPONDENCE

6.1. Postal articles shall be retained at the office of delivery for the appropriate period as specified by the postal operator for each class or category of article and if unclaimed for delivery on the expiration of such period it shall be treated as undelivered postal article.

6.2. Notwithstanding clause 6.1 above the following postal articles shall be classified as undeliverable postal articles and disposed of as cited below notwithstanding that the periods specified hereunder have not elapsed-

6.2.1. articles which have been incorrectly or insufficiently addressed;

6.2.2. articles which have been tendered for delivery and returned to the postal operator endorsed in a manner indicating that they cannot be delivered to, or have been refused by the addressee; or

6.2.3. Articles containing any perishable matter where the condition of the postal article is such as to be likely to cause injury, damage or delay to any other postal article, or as to be likely to cause damage or

embarrassment to any officer of the postal operator or to any person employed in connection with the postal and courier services.

6.3. The licensee shall dispose of all undeliverable postal/courier items in accordance with Regulations made under the Act. The following rules are to be observed:

6.3.1. All undeliverable articles due to unreadable or non-existent address may be opened by a postal/courier licensee and where the article is capable of being delivered based on information therein it may be delivered accordingly.

6.3.2. Where an article having been opened is incapable of being delivered but contains the sender's address, it shall be returned to sender.

6.3.3. Where an article is incapable of being delivered but has a sender's address on it, it shall be returned to such a sender unopened

6.3.4. Note that every article that has been opened and remains undeliverable may be kept for a minimum period of three months and may thereafter be destroyed: provided that where such an article contains any thing of value or saleable article, it shall be safely kept and a record thereof opened and maintained by any postal/courier licensee for a period of six months and if unclaimed, the contents shall be disposed off in accordance with any written law.

6.3.5. Where an article is returned to sender by reason of being undelivered as addressed and the sender refuses to take delivery of the same, the article shall be dealt with as provided for in 6.3.4 above.

CONDITION 7. EXEMPTION FROM POSTAL CHARGES

7.1. The following articles may be exempted from postal charges:

- 7.1.1. Literature for the blind, letters addressed by prisoners of war and civil internees shall be exempted from all postage charges under the provisions of the Universal Postal Union.
- 7.1.2. Postal article consisting solely of sound records, transmitted to or from institutions for the blind and recognized as such by the Commission or of publications, or the plates therefore, impressed in Braille or other type adapted for the use of the blind and marked on the wrapper thereof with the words "literature for the blind" may be transmitted at the appropriate postage rate, if any.

CONDITION 8. COMPENSATION

- 8.1. The licensee shall file with the Commission their compensation policies with respect to loss or damage of postal articles.
- 8.2. The licensee shall provide compensation for loss or damage of postal articles.
- 8.3. No compensation shall be provided by the licensee where:
 - 8.3.1. The article is a prohibited postal article under the Act, Regulations or this License;
 - 8.3.2. In case of a insured article:
 - i. The article has been insured for in excess of its value;
 - ii. Any false statement in relation thereto has been made by the sender or addressee for such article;
 - iii. The addressee thereof has signed and returned the receipt thereof without objection;
 - iv. Any bill of exchange, bond, coupon, or other negotiable security particulars sufficient to identify such contents are not supplied to the postal operator; or
 - v. The cover or seal of such article bear apparent trace of theft or damage.

CONDITION 9. PROHIBITED ARTICLES

- 9.1. The following articles shall not be conveyed or delivered by post:
- 9.1.1. any explosive, inflammable, dangerous, noxious or deleterious substance, filthy, sharp instrument not properly protected or any article or thing whatsoever which is likely to injure either other postal articles in the course of conveyance or any person handling the article;
 - 9.1.2. any indecent, or obscene printing, painting, photograph, lithograph, engraving, film, book card, or any other indecent or obscene article;
 - 9.1.3. any article for export, import or carriage which is prohibited under any law in force in Kenya , or which, being subject to any restriction imposed by such law, is transmitted otherwise than in accordance with that restriction;
 - 9.1.4. any article which may not, under the law of the country to which it is addressed, be imported or transmitted by post;
 - 9.1.5. any article containing or bearing any functions stamp or any counterfeit impression of a franking machine;
 - 9.1.6. any article sent by post in a stamped or embossed envelope wrapper, card forms or paper in imitation of the one issued under the authority of the Postal Corporation of Kenya;
 - 9.1.7. any article of such form or color or so made up for transmission by post or is likely in the opinion of the postal operator to embarrass the officers of the organization in dealing with the article;
 - 9.1.8. any article bearing any stamp or impression of a stamping machine denoting payment of postage or fee which is imperfect or mutilated

or defaced in any way or across which is written or printed or otherwise impressed;

- 9.1.9. any article whereon the payment of any postage or fees purports to be denoted by any stamp or impression which has been previously used to denote payment of the postage or fees on any other postal article or any other stamp duty or tax;
- 9.1.10. betting advertisements if relating to illegal business;
- 9.1.11. fortune telling advertisements;
- 9.1.12. sweepstake or lottery tickets, or advertisement or other notice in relation to sweepstake or lottery other than a lawful sweepstake or lottery;
- 9.1.13. any article which infringes trade mark or copy right laws;
- 9.1.14. any sample packets consisting of literature for the blind containing any article liable to customs duty in the country or place of destination;
- 9.1.15. any letter, printed paper, literature for the blind, sample or small packet containing a card or envelope for reply that has been prepaid with postage stamps issued by the Postal Corporation of Kenya or an impression made by a franking machine authorized by the Postal Corporation of Kenya in the international service;
- 9.1.16. any living creature, other than bees, leeches and silk worms, parasites or destroyers for noxious insects; and
- 9.1.17. any article which by the Act or by these Regulations is prohibited from being posted or accepted for transmission by post.

9.2. No postal article shall be conveyed or delivered within Kenya where the postal article is posted outside Kenya, by a person resident in, or a firm carrying on business in Kenya with intent to avoid payment of highest domestic postage rate.

9.3. Criteria for transmission of prohibited articles:-

9.3.1. Prohibited postal articles may be exceptionally conveyed by post in a manner specified in the Schedule to these Licence.

CONDITION 10. QUALITY OF SERVICE REQUIREMENTS

10.1. The licensee shall comply with quality of service standards which the Commission may set from time to time.

CONDITION 11. UNIVERSAL SERVICE OBLIGATION

11.1. The licensee shall comply with universal service/access obligations as may be provided for under the Act and attendant Regulations.

CONDITION 12. POSTAL ARTICLES UNDER INVESTIGATION

12.1. The Commission may order that any postal article or class of postal article to or from any person or class of persons or relating to any specific subject shall not be conveyed or shall be intercepted or detained and delivered to any officer mentioned in the order to be opened examined or dealt with in accordance with any written law.

CONDITION 13. POSTAL ARTICLES SENT IN CONTRAVENTION OF THE ACT

13.1. The Licensee shall immediately inform and hand over any postal articles to the Commission that it suspects to be sent in contravention of any written law.

CONDITION 14. PROVISION OF CUSTOMER CARE SERVICES

14.1. Within NINE (9) months from the Effective Date, the Licensee shall establish and maintain efficient information services to assist any person to whom it provides Licensed Services to answer questions regarding

products, services, directory assistance and any other reasonable questions relating to the Licensed Services.

14.2. Pursuant to 14.1 above, the Licensee shall provide, facilities for the provision of customer care services which shall include but not limited to:

14.2.1. Dedicated customer care lines;

14.2.2. Customer care offices/points.

CONDITION 15. REQUIREMENT TO PUBLISH THE CHARGES, TERMS AND CONDITIONS OF LICENSED SERVICE

15.1. At least one month prior to offering a licensed service or adjusting the charges, terms and conditions of an existing service, the Licensee shall file the following for approval, with the Commission:

15.1.1. the description and scope of the service,

15.1.2. terms and conditions of the service,

15.1.3. dispute resolution mechanisms, and

15.1.4. charges, (excluding special offers) upon which it proposes to offer the Licensed Services

CONDITION 16. INTERRUPTIONS TO THE LICENSED SERVICES

16.1. The Licensee shall not intentionally interrupt, suspend nor terminate the provision of any type of licensed service without having first notified the Commission in writing and having provided reasonable advance notice to persons affected by such interruption, suspension or termination.

16.2. In the event of an unintentional/unforeseen interruption of the licensed services or part thereof, which are significant in nature, the Licensee shall inform the public and notify the Commission in writing within 24 hours outlining the cause of such interruption and the steps being undertaken to rectify such interruption.

- 16.3. The provision in 16.1 shall not apply if, the interruption or suspension is to a person to whom the Licensee provides the licensed service and whose system or apparatus (or use thereof) is endangering the integrity of the licensee's operations.
- 16.4. The Licensee shall inform its consumers the period a licensed service is to run and in any case notify the consumers of the termination date of that licensed service at least when the period of offering that licensed Service is quarter way to its termination date.
- 16.5. The provision in 16 shall not apply if the interruption of service is the result of consumer's non-payment or other business related or contractual reasons.

CONDITION 17. PRIVACY AND CONFIDENTIALITY

- 17.1. The Licensee shall use all reasonable endeavours to ensure the privacy and confidentiality of proprietary information and business secrets obtained in the course of its business from any person to whom it provides the Licensed Systems by establishing and implementing reasonable procedures for maintaining confidentiality of such information.
- 17.2. The Licensee shall maintain sufficient information on its confidentiality procedures to satisfy the Commission, at its reasonable request, that the requirements of 17.1 are being met.

CONDITION 18. INSPECTION

- 18.1. The Licensee shall permit the Commission to inspect its premises, facilities, files, records and other data to enable it exercise its functions under the Act.

CONDITION 19. FAIR TRADING

19.1. Without prejudice to other obligations imposed on the Licensee under this Licence, the Licensee shall not engage in any activities, whether by act or omission, which have, or are intended to or likely to have, the effect of unfairly preventing, restricting or distorting competition in Kenya (or a part of it), in relation to any business activity relating to the Licensed Systems. Without limiting the generality of the foregoing, any such act or omission shall include:

19.1.1. any abuse by the Licensee, either independently or with others, of a dominant position in Kenya which unfairly excludes or limits competition between the Licensee and any other party;

19.1.2. entering into any contract or engaging in any concerted practice with any other party, which unfairly prevents, restricts or distorts competition in Kenya, or

19.1.3. effecting anti-competitive changes in the telecommunications market in Kenya, and in particular, anti-competitive mergers and acquisitions in the communications sector.

19.2. In the event it appears to the Commission that the Licensee is in breach of 19.1, the Commission shall give written notice to the Licensee:

19.2.1. stating that the Commission is investigating a possible contravention;

19.2.2. setting out detailed reasons why it appears to the Commission that there is a breach by the Licensee of this Condition, and

19.2.3. setting out the steps the Commission believes the Licensee should take in order to remedy the alleged breach and giving the Licensee a reasonable time in which to correct the alleged breach.

19.3. The Commission shall allow the Licensee thirty (30) days from the date of the notice to make representations to the Commission, before the Commission takes further action.

CONDITION 20. PROHIBITION ON UNDUE DISCRIMINATION

- 20.1. Subject to 20.3 without prejudice to the obligations imposed on the Licensee under this Licence, the Licensee shall not (whether in respect of the rates or other terms and conditions applied or otherwise) show undue preference to, or exercise undue discrimination against, particular persons or persons of any class or description in respect to the provision of the Licensed Systems.
- 20.2. Subject to 20.3 the Licensee may be deemed to have shown such undue discrimination if it unfairly favours to a material extent the provision of any communications services to another communication business it carries out so as to place at a significant competitive disadvantage persons competing with that business.
- 20.3. The Licensee shall not be deemed to have shown undue discrimination to the extent that:
- 20.3.1. it is due to matters beyond the Licensee's control;
 - 20.3.2. the provision of connectivity would expose any person engaged in its provision to undue risk of health or safety, or
 - 20.3.3. it is not, in the Commissions' view, reasonably practicable or technically feasible (including where the Licensee is not in a position to provide the services in a particular area by reason of the fact that its network is not sufficiently built out).
- 20.4. Any question relating to whether any act done or course of conduct amounts to undue preference or undue discrimination shall be determined by the Commission.

CONDITION 21. PROHIBITION OF CROSS-SUBSIDY

- 21.1. The Licensee shall not subsidise or cross-subsidise, or permit itself to be subsidised or cross-subsidised or give or receive undue preference to or

from, as the case may be, any of its associated businesses or persons as concerns the provision of the Licensed Services and/or any other licences granted to the Licensee by the Commission.

- 21.2. The Licensee shall maintain necessary records to evidence resource transfers between its associated businesses or persons. The Commission may at its discretion request the licensee to submit this or other information related to the licensed businesses to satisfy the Commission that no cross-subsidy is taking place.
- 21.3. In the event that the Commission determines that cross-subsidy has occurred the Commission shall give written notice to the licensee setting out the steps the Commission believes the Licensee should take in order to remedy the alleged breach and giving the Licensee a reasonable time in which to correct the alleged breach. The Commission shall allow the Licensee 30 days from the date of the notice to make representations to the Commission, before the Commission takes further action.
- 21.4. Where the Commission deems it necessary and appropriate to supervise compliance with the provisions of this Licence, it may order the Licensee to provide the Licensed Services through a separate division or divisions, a separate branch or branches or a separate subsidiary or subsidiaries.

CONDITION 22. NOTIFICATION OF CHANGE IN SHAREHOLDING

- 22.1. Subject to 22.3 below, the Licensee shall notify the Commission of:
 - 22.1.1. any change in the proportion of the shares held directly in a Licensee by any person, and
 - 22.1.2. the acquisition of any shares and such shares not being shares already listed in any stock exchange held directly in a Licensee by a person not already holding shares, and the proportion of such shares held by that person immediately before acquisition.

- 22.2. The Licensee shall notify the Commission prior to any entity acquiring ownership or control of all or a majority of the stock of the Licensee such that the Licensee shall stand as a subsidiary in relation to that entity.
- 22.3. The Licensee shall be obliged to notify the Commission of any acquisition of shares or change in shareholding of the Licensee by any person and such shares not being shares already listed in any stock exchange only if, by reason of that acquisition or change, the total number of shares in the Licensee held by that person together with any shares held by any nominee or trustee for that person immediately after the change or acquisition:
- 22.3.1. exceeds 15 per cent of the total number of shares in the Licensee (where it does not exceed 15 per cent prior to that change or acquisition);
- 22.3.2. exceeds 30 per cent of the total number of shares in the Licensee (where it does not exceed 30 per cent prior to that change or acquisition), and
- 22.3.3. exceeds 50 per cent of the total number of shares in the Licensee (where it does not exceed 50 per cent prior to that change or acquisition).
- 22.4. In any case referred to in 22.1 or 22.2, notification shall be given by a date, which is thirty (30) days prior to the taking effect of such change or acquisition, as the case may be.
- 22.5. In instances referred to in 22.2 and 22.3, if the Commission disapproves of the change in shareholding notified to it, it shall notify the Licensee within thirty (30) days of receipt of notification. The Commission may within sixty (60) days of notifying the Licensee of its disapproval, having taken into account representations made by interested parties, and giving reasons for its decision, prohibit the change in shareholding where it believes it is in the public interest to do so.

CONDITION 23. PRE-NOTIFICATION OF JOINT VENTURES

- 23.1. The Licensee shall notify the Commission not later than thirty (30) days before the taking effect of any of the agreements or arrangements to which this Condition applies giving particulars of the agreements and/or arrangements. The agreements or arrangements are an agreement with any person for the establishment or control of anybody corporate for the purpose of:
- 23.1.1. providing Postal/Courier services in Kenya which requires a licence under the Act;
 - 23.1.2. an agreement for the establishment of a partnership for any of those purposes and in those circumstances, and
 - 23.1.3. any other agreement or arrangement in the nature of the joint venture for the purpose of running a business which requires a licence under the Act or for the purpose of providing communications services in Kenya.
- 23.2. 23.1 above applies in relation to an agreement or arrangement for the establishment or control of anybody corporate or partnership where the Licensee has or is to have not less than twenty (20%) per cent of the voting power in any organ controlling that body.

CONDITION 24. ACCOUNTING REQUIREMENTS

- 24.1. Within nine (9) months from the Effective Date, the Licensee shall submit to the Commission the accounting principles which relating to the provision of the Licensed Systems and which allows the recording of investments, expenses and revenues in accordance with Generally Accepted Accounting Principles (GAAP) in Kenya.
- 24.2. Within sixty (60) days of the end of each fiscal year of the Licensee, the Licensee shall deliver to the Commission its balance sheet as at the end of such fiscal year and the related statements of operations, equity and cash

flows, in each case accompanied by a report thereon of independent auditors stating that such financial statements fairly present the financial position of the Licensee at the dates indicated and were prepared in accordance with accounting principles submitted to the Commission in accordance with 24.1 above.

- 24.3. The Commission may request the Licensee to submit other accounting information it may require in order to effectively supervise and enforce the terms of this Licence and in particular if the accounting principles established by the Licensee fail to achieve the objectives set forth in that Condition.

CONDITION 25. REQUIREMENT TO PROVIDE INFORMATION

- 25.1. The Licensee is required to maintain such information as will enable the Commission to carry out its functions under the Act in such manner and at such times as the Commission may request.
- 25.2. The Commission shall have the right to request the Licensee to submit periodic reports, statistics and other data as well as request additional information with a view to supervise and enforce effectively the terms of this Licence.
- 25.3. The licensee shall submit compliance returns, reports or other information that may be required by the Commission on quarterly basis unless otherwise advised.
- 25.4. In particular, by the 15th July of every year or as agreed by the Commission, the Licensee shall submit a Compliance Report detailing the performance of the previous operational year ended 30th June.
- 25.5. The Commission shall review the Compliance Report and:
- 25.5.1. If the Licensee is in compliance with the Licence, issue the Licensee with a Compliance Certificate in respect of compliance for the year under review, and

25.5.2. If the Licensee is not in compliance with the Licence, require the Licensee to remedy the area of non-compliance in accordance with the provisions of this Licence and the Act.

25.6. In making a request for information, the Commission will ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information, unless the Commission considers such information is essential to enable it to exercise its functions under the Act.

25.7. The Commission shall have the right to publish information which it receives under this Condition unless, following representations by the Licensee, the Commission is satisfied that the information is of such confidential nature that disclosure would have a material adverse effect on the Licensee's business.

CONDITION 26. DISPUTE SETTLEMENT

26.1. The dispute settlement mechanism set out in the Act shall apply to any dispute or disputes that arise out of the provisions of this Licence.

CONDITION 27. FORCE MAJEURE

27.1. Where the Licensee is impeded, hindered or otherwise prevented from carrying out any obligation contained herein, or as required by the Commission, by natural disasters such as fire, flood, earthquake, volcanic eruption, action of Government, state of war, civil commotion or insurrection, riots, embargo or any other cause beyond the control of the Licensee, the Commission may (after due consideration of the Licensee's request) exempt the Licensee from performing such obligation for so long as and to the extent that the performance of the obligation is affected by such force majeure.

27.2. The Licensee seeking to rely on force majeure as an exemption shall demonstrate to the Commission that it took all reasonable steps to minimize the impact of the force majeure on the performance of its

obligations and where any Licensed Systems were damaged by such force majeure, that it took reasonable steps to repair or rebuild such systems once the force majeure had ceased or been eliminated.

CONDITION 28. LICENCE REVOCATION

28.1. Notwithstanding any other Condition in this License, the Commission may at any time revoke this Licence by giving six (6) months' notice in writing in any of the following circumstances:

28.1.1. if the Licensee communicates to the Commission in writing on their intention to terminate the Licence;

28.1.2. if the Licensee does not provide evidence of commencement of the provision of the Licensed Services nine (9) months from the Effective Date. The Licensee shall submit such evidence by completing a Compliance Report in order to satisfy the Commission that the Licensee has complied with this requirement;

28.1.3. if any amount payable under Conditions 32 is unpaid forty-five (45) days after the Commission notifies the Licensee that the payment is overdue, such notification not to be given earlier than fourteen (14) days after the date on which the payment is due;

28.1.4. if the Licensee has breached a Condition in this Licence, and in the Commission's opinion the breach is of a material nature, and the Licensee has failed to comply with any notice issued by the Commission under the Act or under the Regulations and thereafter has been given by the Commission a further sixty (60) days in which to make representations in relation to the matters set out in the earlier notice which the Commission has taken into account or matters which the Licensee believes are relevant and the Commission appears not to have taken into account;

28.1.5. if the Licensee is dissolved or enters into liquidation, bankruptcy or equivalent proceedings or makes a general assignment for the benefit of creditors, and

28.1.6. if the Licensee fails to notify the Commission of any of the events specified in Condition 22 or 23 and the Commission has given written notice to the Licensee that the Commission intends to revoke the Licence on the grounds set out in Condition 22 or 23 respectively.

28.2. After the end of the six (6) months' notice, the Commission shall publish a notice in the Kenya Gazette stating that it intends to revoke this Licence and setting out the reasons on which this intention is based. Revocation shall take effect seven (7) days following publication of the notice in the Kenya Gazette.

CONDITION 29. LICENCE RENEWAL

29.1. The Commission may renew this Licence at the request of the Licensee following the expiry of the Licence Period for an additional ten (10) years provided that the Commission has carried out a formal review to determine whether or not the Licence should be renewed.

CONDITION 30. LICENCE TRANSFER

30.1. The Licensee shall not assign, delegate, transfer or encumber in any manner the rights, interests or obligations under this Licence without the prior, express and written consent of the Commission, such consent not to be unreasonably withheld or delayed.

CONDITION 31. MODIFICATION OF LICENCE

31.1. The terms and conditions of this licence may be modified in accordance with the provisions of the Act.

CONDITION 32. LICENCE FEES

32.1. The Licensee shall pay to the Commission:

- 32.1.1. An initial Licence fee amounting to Kenya Shillings ----- thousand (KShs.XXX,000) and an upfront operating fee amounting to Kenya Shillings ----- thousand (KShs.XXX,000).
- 32.1.2. On 1st July of each year, an annual operating fee equivalent to zero-point-five percent (0.5%) of the audited annual gross revenues accruing from the Licensed Services during the previous financial year or Kenya shillings ----- thousand (KShs. XXX,000) only whichever is higher.
- 32.1.3. Any other fee payable under this Licence including but not limited to fees to the Universal Services Fund.

Signed for and on behalf of the Commission

Director/Licensing Compliance and Standards
For: Director General

Date

SCHEDULE

(Made under Section 58 of the Act and Licence Condition 9)

DESCRIPTION OF ARTICLE	QUALIFICATION FOR ACCEPTANCE
i. Dangerous goods	By insured box or insured parcel post but only if sent for medical or scientific purposes to country which admits them when sent for those purposes.
ii. Live bees, leeches, silk worms, parasites or destroyers of noxious insects used for purposes of controlling those insects.	By letter post if addressed to officially recognised Institutions.
iii. Any postal article enclosed in an envelope with an open panel.	By the inland service.
iv. Paper money not crossed for payment solely through post bank.	(i) For transmission by inland service by registered letter or registered parcel post (ii) For transmission by international service by registered letter post or insured letter post or insured parcel post. (iii)
v. Jewellery and other valuables.	By registered letter post or insured parcel or insured box
vi. Any postal articles bearing the word "registered" or any other phrase to that effect and any article which by Regulations is required to be registered or subject to the provisions of Regulations and is of a monetary value.	By registered post.
vii. Deleterious liquids perishable biological substances, or other similar substances	By letter post at the letter rate of postage only if sent for medical examination or analysis to a recognised medical practitioner or qualified veterinary surgeon.
viii. Inflammable liquids	Having a flash point of 32 degrees centigrade or above but lower than 65degrees centigrade; maximum amount one litre.
ix. Radioactive materials	Small quantities suitable packed, provided that when made up for the post radiation measured at the outside surface of a package does not exceed 10 mill roentgen (a unit of radiation, used to measure the exposure of somebody or something to X-rays and

gamma rays, defined in terms of the ionization effect on air. It is equal to the quantity of radiation that produces ionization equal to one electrostatic unit of charge at 0° and standard atmospheric pressure) per 24 hours by letter post at the letter rate of postage.

- x. Any article liable to custom duty To countries ,which permit by law, or regulation the importation of such articles by post, and by registered post if the law or regulation of that country or place of destination so requires.

- xi. Advertisements and publications relating to the treatment of general diseases or to any preparation for its prevention, care or relief. If addressed to duly qualified medical practitioner of chemist.