

International Post Corporation Quality of Service Monitoring UNEX™ 2022 Contractual Agreement n.o. 6600003797/JNS/6

BY AND BETWEEN

International Post Corporation SC (hereinafter "IPC")
Avenue du Bourget 44
1130 Brussels
Belgium

AND

Pošta Slovenije d.o.o. (hereinafter "the Post")
Slomškov trg 10
MARIBOR 2500
Slovenia

1 WHEREAS:

- 1.1 IPC has been entrusted by the Post acting together with a number of postal operators of other countries:
- To design, set up and operate a permanent postal quality of service measurement system called "UNEX™".
 - To go for tender following the European Union procurement process and rules, and to select an external and independent contractor for panel recruitment/management and test mail production. The company Kantar in UK was awarded the UNEX™ 2022 contract.
- 1.2 IPC and Kantar, hereinafter "the contractor", will set up the system and measurement activities in 2021 (including the pilot) and will start the mail measurement running on the 1st of January 2022.
- 1.3 The contract between IPC and the Post covers a period of 5 years of measurement (1 year of set-up and implementation/pilot and 4 years of running). This includes producing and sending test letters until the 31st of December 2025. The calculation of Quality of Service results, which is performed by IPC, will end with the official closure of the year data, i.e. in February 2026.
- IPC has the option to extend the UNEX™ measurement with its contractor for two (2) renewal periods of each two (2) years
- 1.4 This Agreement does not cover any costs or arrangements in relation to RFID hardware, installation costs or RFID running costs (data transmission lines costs for example).
- 1.5 All UNEX™ Modules rules and requirements are managed by their respective User Groups, encompassing all the postal operators having agreed to participate in each of them.
- 1.6 Every year there will be decisions taken by the different User Groups that will impact the costs mentioned in this contract according to the rules and billing keys agreed for each of the UNEX™ Modules in which the postal operator is participating.

- 1.7 The UNEX™ Modules in which the Post is participating from 2022 onwards are listed in Annex 1 on 2022 fees. From one year to another, the list of Modules may change following the decision(s) of the user community or the Post, along the lines of the participation rules of each of these UNEX™ Modules.

IT HAS BEEN AGREED AS FOLLOWS:

2 INTRODUCTION

The purpose of this Contractual Agreement between IPC and the Post is the provision of services for an International Quality of Service solution measuring the transit times of specific untracked letter mail postal product. It covers the study setting and running, contract management, quality control, data control, administration work, results reporting, and the development and maintenance of the UNEX™ online tools for members' use such as UNEX Reporting STORM (the data analysis and reporting application), the New UNEX™ Mail Measurement System (NU-MMS) Member Zone and the UNEX Posts-restricted area on MyIPC, the UNEX Lounge. Access and use of these on-line tools by the Post does not imply any additional fee per user or installation of specific software.

3 RESPONSIBILITIES OF BOTH PARTIES FOR THE MEASUREMENT RUNNING

3.1 Postal Operators Responsibilities

- The postal operators participating in the UNEX™ System, that they are IPC shareholders or non-shareholders, are here after referred to as UNEX™ Member Posts or UNEX™ participating posts.
- They collect real mail statistics to define the design to be implemented and controlled in the survey. The UNEX™ design is built based on real mail information made available to IPC and according to each User Group's specific requirements, instructions and procedures.
- The UNEX™ Member Posts are also active in the Quality Control process that enables further querying of item or panellist data, based on operational knowledge. This contribution is highly valuable for the overall quality of data and for perfecting the validation system, as well as decreasing the margin of error with respect to the Quality of Service results.
- The UNEX™ representative of each Post acknowledges the UNEX™ procedures and rules in place, such as timely communication of holidays and postage tariffs, design changes requests, application of publication code of conduct, quality control queries, communication channels, etc. Every time a new contact person joins the group, it is assumed that he or she has acknowledged the content and the rules to be found on IPC website's MyIPC area reserved to the UNEX™ Members called the 'UNEX Lounge' (access guidelines will be provided upon request to the UNEX™ team). The IPC UNEX™ team is available to answer any query with respect to the study and to organise relevant workshops to facilitate the entry of a new Post in UNEX™.

In particular it is fundamental to:

- Reply to the contractor and IPC questionnaires and meet deadlines for replies, stamps orders, ... is key in the success of the UNEX™ monitoring, since all participants are interacting and are interdependent from each other in the measurement as origin and/or destination country.
- Communicate postage tariffs changes, postal holidays and any other operational info used in items allocation to panel, panel instructions, and transit times' calculation/reporting in time.

- Acknowledge the UNEX™ methodology and, in particular, apply the procedures in place to communicate with IPC and the contractor.
- Get full knowledge of the on-line UNEX™ working tools like NU-MMS Member Zone, UNEX STORM (data analysis & reporting tool) and consult the documentation the UNEX™ Lounge-reserved area on IPC website/MyIPC.
- Participate in UNEX™ meetings or workshops: there are at least 3 UNEX™ Quality of Service Monitoring Committee (QSMC) meetings per year. Key Performance Indicators are provided 4 times per year. Other Task Force or working groups meetings will be organized upon need/request. Note that the online video conference option is available and, whenever possible, IPC will align UNEX™ meetings with other related groups' meetings. IPC is not bearing any costs related to travels for UNEX™ members from and to UNEX™ meetings, neither any connection costs (phone, web).

3.2 IPC Responsibilities

IPC is responsible for the whole management of the measurement system, but more specifically:

- to calculate minimal test volumes required for each of the UNEX™ modules, in accordance with the requirements set out by each UNEX™ User Group and define the final base design after applying the UNEX 2022 efficiency model;
- to collect real mail data from the participating postal operator for the statistical design and the calculation of Quality of Service aggregated results;
- to continuously monitor the compliance of the contractor with the study's requirements, with a particular emphasis on the design and quality of the data provided (via panel and item validation rules)
- to facilitate the modification or extension of the study in order to better reflect specific member needs
- to produce the Quality of Service reports part of the Module's default set of reports
- to distribute country-specific data sets and customised reports which are part of the Re-billed services (see below)
- to develop and maintain the software solutions enabling the members to analyse the data (UNEX in STORM), to provide needed input such as holidays, postage tariffs etc (NU-MMS Member Zone) and to find the UNEX documents of interest (MyIPC UNEX Lounge).
- to assist all participating Posts in maximizing the benefits from their participation in UNEX™ (e.g. meetings, workshops, training)

4 FEES

The one-off set-up fees in 2021 and base fees for the 1st year of running in 2022 are detailed in Annex 1. The total running fee will be adjusted annually in order to reflect the annual recalculation (ADR) of each User Group Module base design (i.e. minimum requirements in terms of panel and test mail) which will follow the respective User Group's rules and agreed decisional process.

The billing keys to distribute total costs have been agreed by the User Groups and are Module-specific.

The UNEX™ fees are split into Module Base design fees vs Ad-hoc Boost service fees.

4.1 Definition

The split into "Base services", related to a Module, and "boosted services", related to individual postal operators or User Group's requests, is based on "the user pays" principle.

4.1.1 Base services

Base services are those which are included in the overall common methodology and cost proposal (2022 Base Fee attached in Annex 1). For example, the design and reporting requirements fixed by each User Group to define each UNEX™ Module are Base services. Are also included in the Base services/fees (exhaustive list):

- Running overall UNEX™ processes (Generation & Allocation of test items, panel models ...)
- Overall Validation system
- Panel integrity checks, duplicate receiver checks, panel geo spread
- High-level reports and data analysis/reporting tool
- Management of UNEX™
- Coordination with User Groups
- Annual Design Review process (overall design updates and operational/addressing information questionnaires)
- Stock management
- Transponders management (all test mail is equipped with a passive transponder by default as of 2022)
- Collection and maintenance of reference data to calculate transit times and performance: Critical Tag Times/handover point info collection, service standards
- UNEX™ Results leaflets in English for CEN Module participants (pdf available to all Posts and members of the public on the official date of release on the IPC website public UNEX page).
- Collection of Operational, production and addressing information as per the Annual Design Review process

4.1.2 Ad-hoc Boost services

Boost services are not part of the common methodology or of the base statistical design (test mail volumes and panel) and will be invoiced specifically to the user(s) to compensate time and costs. They will follow a process where once a postal operator has requested one of the boost services, it will receive a fee proposal from IPC enclosing the service requested, the fee attached to it, the invoicing procedure to be followed and a deadline for approval. The service will be implemented only once formal approval is given by the requesting postal operator within the established deadline.

This process is identical to the one followed today for Design Change Request and Proposal Forms (DCRF and DCPF). Re-billed/Boost services can be requested by an individual postal operator, a whole User Group or a sub-set of a User Group. If such services are requested by more than one postal operator, the fees will be split according to the billing key they have agreed upon.

Here after are examples of a service/fee considered as a boost (non-exhaustive list):

- Ad hoc design changes requested by a User Group or a postal operator
- Design change simulations in terms of volume, panel and costs
- Member queries; the fee is covering the work done and its rebilling to the involved Post(s) is independent of the outcome of the query.
- Automated Delivery Measurement devices (i.e. Last Mile Devices)

- Customised reports
- Force Majeure cases and country specific requests: UNEX™ staff time will be invoiced at hourly fee
- RFID transponder tags of a type different from the standard methodology in a module (all modules' test items are equipped with passive transponders as of 2022)
- User Group ad hoc request; re-billed to the participants of that specific sub-group according to the agreed billing keys.
- Country specific work on UNEX™, NU-MMS or UNEX STORM Reporting tool.
- Rescue/contingency activities for logistics (late provision of stamps, of postage tariffs increase, or of any operational/addressing/production information that would cause revalidation of past data or IT update – Note that the fees raised by the contractor are approved by IPC on behalf of the UNEX™ group and rebilled to the involved Post with contractors' supporting documentation).
- Pilot tests
- Extra costs incurred by IPC due to any additional administration demands or out of UNEX™ standard procedures.

4.2 Excluded from the annual contracted fee but included in the *UNEX™ Annual Rebilling* invoice are:

4.2.1 Postage costs

The internal postage costs and courier cost for panellists packs: the dispatch of sender and receiver packs, and the return to the production site (if active RFID transponders are involved) are invoiced for the running period (except for the return of envelopes that would be covered by the provision of physical stamps or prepaid services).

- The physical postage stamps for the outbound UNEX™ test items and returning receivers packs to the archiving centre (if any, depending on each module and contractor's methodology) shall continue to be provided by each participating Post at its own costs and in due time (upon e-mail request of the respective sub-contractor(s) who are managing stamps stock for each Post).
- The final invoice 2022 will include a 'pre-funding' of postage costs to cover the re-imbursement of postage costs other than the stamps provided (courier for panellist packs and meter/PP franking re-imbursement if applicable). An estimate of that amount is provided in Annex 1.
- This amount is adjusted (upwards or downwards) each year based on the actual fees spent during the previous year, and will also be included in the invoice (likewise in all past annual UNEX™ invoices). Customs fees, if any, will be rebilled to the postal operator involved.

The pre-funding and ex-post adjustment amounts above are revised and recalculated every year, per definition, and therefore are not to be used for the following years budget planning.

4.2.2 Member Queries

It was decided to apply the same concept as for the postage above to the member queries that will be requested during a running year. A 'pre-funding amount' estimated based on past consumption will be included in the annual invoice in order to minimise the administration work generated by those requests throughout the year, for the benefit of both, the UNEX™ postal operators and IPC staff (UNEX™ dept, accounting dept, ...)

Similarly to postage costs, an adjustment will be made calculating the difference between the advance amount which was paid and the actual fees incurred during that year; it will be calculated when the year is closed resulting in a credit or a fee in the year after annual invoice. The amount suggested is shown in Annex 1.

These amounts are revised and recalculated every year, per definition, and therefore are not be used for the following years budget planning.

4.2.3 Design Change Requests

Any new Design Change Request Form (DCRF) and Proposal Form (DCPF) approved by a postal operator or a User Group, in which a change was requested and approved, are re-billed services per definition i.e. not part of the base fees. Depending on the nature of the request, this can lead to an increase or decrease of the initial fee.

Are also included in the DCPF rebilling category, the contingency actions that a contractor shall trigger and carry out if the Post did not provide stamps or postage values increase by the requested deadline. This type of DCPF is approved by IPC, as per the UNEX rules established by the community to protect and guarantee the measurement, and invoiced to the Post.

5 INVOICING

The Post agrees to pay IPC for the Base services as well as any Re-billed Boost services requested by that postal operator or by the User Group(s) in which it participates.

The invoice from IPC released by end of March of each year, and payment to IPC shall be within the terms indicated on the invoice; since IPC is a corporate association that does not have its own funding to pay the suppliers during the year. In case of absence of payment of the invoices within a period of 3 months after issuing the invoice, IPC has the possibility to stop providing the service till payment has taken place.

The UNEX™ annual invoice is released by IPC U.A. located in the Netherlands with bank details hereafter. The ad-hoc rebilling invoices during the year that are the consequence of an individual Post or user group action are released by IPC H.Q. in Brussels, Belgium.

C.V. International Post Corporation U.A. details in the Netherlands are as follows:

NL Company Registration Number: 33 208 692

VAT number: NL007627063B01

Registered office: Heriktorbergwe 88, 1101 CM Amsterdam, The Netherlands

Banking Connection: ING Bank N.V.

IBAN: NL14 INGB 0006 9665 32

SWIFT Code (BIC code): INGBNL2A

6 TERMINATION CLAUSE

The termination of this contract is equivalent to the withdrawal from all Modules. It must follow the rules agreed upon within each Module and must be communicated formally in writing to the respective body in charge of each UNEX™ module. Such termination shall only take full effect at the end of the first full calendar year following the notice of withdrawal.

Withdrawal from specific Modules will be communicated and take effect following the rules agreed upon within each Module as well.

In case of withdrawal from module prior to the agreed end date, the Post agrees to pay the remaining fixed fees of the contract for that module in order not to impose additional and unforeseen costs to the other postal operators participating in this module.


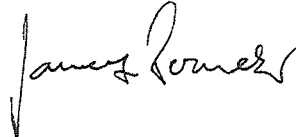

7 COMMON AND FINAL PROVISIONS

- 7.1** The content of this agreement as well as other information which the contracting parties in accordance with this agreement give or provide each other in the course of cooperation are considered confidential and contracting parties are required to protect them against disclosure to any unauthorized person. This obligation lasts for both parties even after the termination of the contractual relationship and also passes to the successors of the contracting parties.
- 7.2** The persons signing this extension agreement declare that they are authorized to act on behalf of the contracting party.
- 7.3** This extension agreement is executed in two copies of the same legal equivalent in English, of which both contracting parties receive one copy.
- 7.4** Contracting parties declare that they read this agreement, that they understand its content and as a sign that the contents of the agreement correspond to their true and free will contracting parties personally signed it.

The present Agreement is made of 7 pages of core text and signatures, and of 2 pages of annexes. The following annexes are fully part of the signing of this Agreement:

Annex 1: 2022 Fees

Annex 2: Explanatory note on mark-up and IPC charges to Non-IPC Members

| ON BEHALF OF IPC : | ON BEHALF OF Pošta Slovenije |
|---|---|
| Name, title: Mr Thomas G. DAY, Chief Commercial Officer and Chief Financial Officer | Name & title: MR. JANEZ PERNEZ DIRECTOR TECHNOLOGY, NETWORK AND LOGISTICS |
| Signature:  | Signature:  |
| Date: 26 August 2021 | Date: 24 -12- 2021 |
| Corporate stamp: INTERNATIONAL POST CORPORATION Avenue du Bourget 44 1130 Bruxelles - Tel: +32 (0)2 724 72 11 RPM0436.501.681 - TVA BE0436.501.681 | Corporate stamp:  |

ANNEX 1: Base Fees for the year 2022

- The annual running base fees will be adjusted every year following the annual design recalculation, as mentioned in section 4; therefore, the updated annual fees (sent out as per a time schedule communicated well in advance) will overwrite the table below.

| | EUR |
|---|---------------|
| Running (in 2022) | |
| Base | |
| 1. UNEX™ CEN module | 12,300 |
| 2. UNEX™ Interconnect Economy Packets module | 17,184 |
| 3. UNEX™ Operations PG module | N/A |
| 4. UNEX™ Terminal Dues module | 16,722 |
| Sub-total annual base fee 2022 | 46.206 |
| Boosts | |
| 5. All DCRF/DCPF, ADR extensions and changes (cumulative as of the start of the measurement in 2022) already known at the signature, shown below: | N/A |
| 6. UNEX™ GMS 2022 (commitment for 2022) | N/A |
| 7. Postage Costs pre-Funding (estimate; annual adjustment done by March of the year after) | 11,000 |
| 8. Member Queries pre-Funding (estimate; annual adjustment done by March of the year after) | 300 |
| TOTAL INVOICE 2022 | 57.506 |
| (excluding possible postage and member queries adjustments ex-post) | |

(No VAT as international services are not submitted to VAT according to Belgium law)

ANNEX 2: Mark-up and IPC charges to Non-IPC Members

By Finance Director Chris Kalla Bishop

The Reasons. There are two reasons why IPC needs to introduce a mark-up for its services provided to non-IPC members:

Corporate income tax. The Belgian tax authorities (in common with the tax authorities of most countries) are always suspicious of multi-national entities that trade around the world because of the possibility of such an entity adjusting sales prices so as to transfer profit to lower tax (or no tax) jurisdictions. The ever-greater pressure upon Belgian government finances has made the Belgian tax authority stricter in recovering all taxes due.

Even with the co-operative structure of IPC a corporate income tax is levied and paid by shareholders through their contributions. Unsurprisingly, the tax authorities expect IPC to earn a (taxable in Belgium) profit from sales to third parties (unless the value of a sale is extremely small). If IPC does not apply this profit margin the Belgian tax authority could impose a higher margin (on which it would calculate corporate income tax due), and might also impose a fine for failure to pay tax in prior years. The risk to IPC is potentially up to €0.5m.

The profit margin will be in line with the average earnings before interest and tax of the postal sector in the most recent year for which figures are available. The "postal sector" is defined as all those companies surveyed in IPC's Global Postal Industry report, published in October of each year. The companies concerned are IPC's members, plus other postal operators (e.g. Japan Post), plus UPS and Fedex. The current margin is 4.5%. The choice of an average postal sector figure can be defended before the tax authority as reflecting the reasonable profitability of the services rendered by IPC.

Administrative and central IT costs. IPC sales to third parties account for about 10% of revenue – a material figure. It is thus reasonable to expect non-shareholders to bear a share of administrative and central IT costs which support the services rendered to these third parties. The Belgian tax authority also has a view: failure to include all costs in a price again raises the suspicion that a company is trying to hide profit.

Central administrative costs comprise Finance, IT & HR staff (35%), building & office costs (30%), taxes (17%), audit & compliance (5%); various other running costs (13%). In all these costs, non-shareholders account for 9.9% of IPC's operating costs.

The Calculation. An uplift of 9.9% will be applied to the operating costs charged to all non-members, and to this figure a further 4.5% will be added to represent taxable (at a rate of about 25% in Belgium) profit. NB: only the tax mark up of 4.5% has been applied in 2012. The full mark-up is applied in 2013.

Conclusion. Over the years IPC has done its best to charge non-members only the operating cost of the service provided. In the current financial climate, and especially given the risk of investigation by the tax authority, this can no longer be continued. Note that most companies would add an "overheads and profit mark-up" of about 15%, so the mark-ups made by IPC are in line with custom and practice.