

Coöperatieve Vereniging

# International Post Corporation U.A.

## General Terms and Conditions

***As approved by the Annual General Meeting of Shareholders,  
26<sup>th</sup> May 2011***

**TABLE OF CONTENTS**

*Article 1 : Definition* ..... 2  
*Article 2 : Members' Responsibility* ..... 2  
*Article 3 : New Members*..... 2  
*Article 4 : Application for Membership*..... 3  
*Article 5 : Principles for Share Allocation* ..... 3  
*Article 6 : Financing* ..... 5  
*Article 7 : Entrance Fee* ..... 5  
*Article 8 : Language* ..... 6  
*Article 9 : Board Members' Remuneration* ..... 6  
*Article 10 : Key Appointments*..... 6  
*Article 11 : Applicable Law and Arbitration* ..... 6  
*Article 12 : Modification*..... 7

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## General Terms and Conditions

### **Article 1 : Definition**

In these General Terms and Conditions all words and expressions shall have the meaning as set forth in the Article of Association, except where the context otherwise requires.

### **Article 2 : Members' Responsibility**

1. The Members agree to actively support and contribute to the use of the services of the Association which is a cooperative association established pursuant to Article 6 of the Universal Postal Convention.
2. The Members also agree that it is their responsibility to support the growth of the Association and to ensure that it is actively managed for the maximum benefit of the combined Membership.
3. Prior to the establishment by the Association of a branch or the commencement of activities outside of The Netherlands in a country of a Member, the Association must obtain the written consent from the Member concerned, which consent may not be unreasonably or arbitrarily withheld.

### **Article 3 : New Members**

1. Following the incorporation of the Association, the Board shall require each applicant for Membership to accept the General Terms and Conditions, prior to its admission in accordance with the Articles of Association.
2. Upon request of a Shareholding Member, an organization which has a universal service obligation for the provision of mail services and is prepared to participate in mandatory projects, shall be considered for admission to Membership.

#### **Article 4 : Application for Membership**

1. Any application for Membership shall be made in writing to the Chief Executive who will inform the Board.
2. The Board shall examine the eligibility of the applicants and decide upon each application on the basis of the conditions for Membership set forth in Article 9 of the Articles of Association. If the Board has determined that the applicant does not satisfy the requirements of paragraphs 3 and 4 of Article 9 of the Articles of Association, the Board may nonetheless approve such applicant as being eligible and decide in favor of the application, provided the reasons of such approval are set forth in writing and made part of the Board's decision.
3. The Board shall communicate its decision in respect of any application to the Shareholding Members within two days from the date of the decision and submit the application in question to the General Meeting. The General Meeting shall decide upon the application submitted to it under this clause in accordance with Article 29 of the Articles of Association. The decision of the General Meeting shall be final and shall be notified by the Board to the applicant.

#### **Article 5 : Share Allocation**

1. All Shareholding Members are allocated a minimum number of shares as determined by the Board on the basis of the total addressed mail volumes i.e. total letter mail (national and international) handled and delivered inside and outside the PPO's home country, excluding unaddressed mail and newspapers but including magazines. The share allocation at 1st January 2011 is:

<b>Member</b>	<b>Shares</b>
An Post	5
Department of Postal Services, Cyprus	5
Hellenic Post ELTA	5
Islandspóstur hf.	5
Postes & Télécommunications Luxembourg	5
Magyar Posta	5
New Zealand Post	5
Österreichische Post	10
Itella Corporation	10
Posten Norge AS	10
CTT Correios de Portugal	10
Post Danmark A/S	10

Australia Post Company	20
Posten AB	20
Swiss Post	20
bPost	20
Correos y Telégrafos	30
Poste Italiane Spa	30
TNT NV	30
Canada Post Corporation	40
<b>Sub-total</b>	<b>295</b>
Deutsche Post-DHL	50
Groupe La Poste	50
Royal Mail Group PLC	50
United States Postal Service	50
<b>Sub-total</b>	<b>200</b>
<b>Total shares</b>	<b>495</b>

2. Shareholding Members share allocation will be reviewed during the first half of 2014 using the average of each member's addressed mail volumes for the three years 2011 – 2013. Shareholding Members with an average annual addressed mail volume in excess of 10 billion will be allocated 50 Shares. For shareholding Members with an average annual Mail Volume of less than 10 billion share allocation will be directly proportional to the Shareholding Member's percentage of the total addressed mail volumes of Shareholding Members with an average annual Mail Volume of less than 10 billion. If necessary the shares allocated will be rounded up or down to the nearest ten with a maximum of 40 or, in the case of an allocation of less than five shares, to five.
3. If required, re-allocation of shares between the Shareholding Members shall be effected by means of share issuance, share redemption or share transfer to IPC. The new shareholdings shall be implemented from the 1<sup>st</sup> January 2015 for such length of time as Shareholding Members may determine.
4. If a new Member with an average annual addressed mail volume equal to or greater than 10 billion joins the Association, the new member will be allocated 50 shares. If a new member has an average annual mail volume of less than 10 billion its share allocation will be directly proportional to the new member's percentage of the total addressed mail volumes (including the addressed mail volume of the new member) of Shareholding Members with an average annual Mail Volume of less than 10 billion. If necessary the shares allocated will be rounded up or down to the nearest ten with a maximum of forty or, in the case of an allocation of less than five shares, to five.
5. A Shareholding Member may elect to be allocated a number of shares greater than that implied by the Member's own mail volume, but cannot hold less than the minimum number allocated at the date of the most recent review.

**Article 6 : Financing**

1. Upon a determination by the Board that additional funds are needed to meet the projected expenses of the Association, the Member may grant loans or cause loans to be granted to the Association to meet such expenses. The total amount of such loans together with the other funds available to meet the expenses of the Association may not exceed the amount of the budget fixed by the General Meeting. Such loans shall be advanced in the currency designated by the Board.
2. Each loans shall be made on conditions no less favorable to the Association than the Association could obtain from a commercial bank.
3. Such loans will be repaid and accrued interest will be paid either as credits against amounts payable by the lending Members to the Association for services rendered to them by the Association or in cash, at the discretion of the Board.
4. In case of termination of Membership, the value of the shares of the Member concerned and the unpaid balance of any loan granted by that Member, together with the interest that has accrued on that loan, shall be repaid by the Association pursuant to a schedule determined by the Board. However, the full amount of such payments shall be made to the Member concerned no later than one year after the effective date of such termination.

**Article 7 : Entrance Fee**

In recognition of the costs incurred by the Founding Members in connection with the planning and organization of the Association, each new Member joining the Association after its organization shall pay an entrance fee, the amount of which shall be determined by the Board.

**Article 8 : Language**

1. The Articles of Association shall be published in Dutch.
2. However, the Members agree that between them and the Association and between themselves, the English version of the Articles of Association and of the General Terms and Conditions shall be decisive in matters of interpretation of the Articles of Association and of these General Terms and Conditions. Other languages may be used in the normal operations of the Association.

**Article 9 : Board Members' Remuneration**

The Association shall not remunerate the Board. The Association shall pay all reasonable travel and lodging expenses properly incurred by the Board Members in attending meetings of the Board or meetings of any committee of the Board.

**Article 10 : Key Appointments**

1. For the appointment of a new Chief Executive, the Chairman has to announce the vacancy to the Board and the Shareholding Members six months before the termination of the contract. All Shareholding Members have the right within 4 weeks to propose to the Chairman of the Board a suitable candidate from inside or outside their organisation. The Chairman and the Deputy Chairman together will present and justify their preferred candidate to the Board. The Board Members will appoint the next Chief Executive as set forth in Article 15 of the Articles of Association. The Board shall communicate its decision to the Members within one week from the date of the decision.
2. One year before the expiry of the term of the Chief Executive, The Board shall deliberate on the continuation of the contract of the Chief Executive. In case of continuation of the contract, the Board shall communicate its decision to the Members within one week from the date of this decision.
3. For Director level appointments in IPC CV/SCRL, the Chief Executive will inform all Members of a vacancy and request candidates. A formal recruitment process will be used which may include seeking other candidates not nominated by Members. The appointment will be at the discretion of the Chief Executive.

**Article 11 : Applicable Law and Arbitration**

1. Dutch law shall govern all corporate law issues arising between the Association and its Members.
2. Any dispute arising between the Association and one or more of its Members as well as among the Members in connection with these General Terms and Conditions, failing amicable settlement, shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce, by one or more arbitrators appointed in accordance with those rules. The arbitration shall be held in Amsterdam.

**Article 12 : Modification**

1. Proposals to modify these General Terms and Conditions can only be adopted in a General Meeting in accordance with the conditions set forth in Article 29 of the Articles of Association.
2. Each proposal to modify these General Terms and Conditions shall be set forth in full in the notice to the Shareholding Members announcing the General Meeting.
3. The Board shall send a copy of each modification adopted at a General Meeting to each of the Members of the Association. Any modification shall be binding upon all Members from the date of its adoption in a General Meeting.