5th Management Contract

- Entrustment of Universal Service Obligation and Services of General Economic Interest to bpost
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Entrustment of Universal Service Obligation and Services of General Economic Interest to bpost

In view of the Law of 21 March 1991 on the reform of some economic public companies, as amended and further implemented;

In view of the orientations in the 2012 SGEI Framework regarding public services and their financing;

In view of the recommendation of the Joint Industrial Committee of bpost, submitted on 31 January 2013;

In view of the recommendation of the Advisory Committee for Postal Services, submitted on 6 February 2013;

In view of the approval of the Board of Directors of bpost, given on 17 May 2013;

In view of the need to guarantee a postal service of high quality at an affordable price for all users in the entirety of the Belgian territory;

In view of the need to incentivize bpost to further improve its efficiency in providing the services of general economic interest entrusted to it;

In view of the need to maintain a retail network of a defined minimum size, density, and make-up to guarantee that all customers have access to basic postal and non-postal services over the entirety of the Belgian territory;

bpost, a limited liability company under public law ("société anonyme de droit public", "naamloze vennootschap van publiek recht"), represented by its Management Committee, in accordance with the provisions of Articles 4, §2 and 19 of the Law of 21 March 1991 on the reform of some economic public companies, hereinafter “bpost”,

AND

The Belgian State, represented by the Minister responsible for bpost, in accordance with Article 4, §1 of the same Law, hereinafter “the State”,

HAVE AGREED THE FOLLOWING:
PART 1  SCOPE, DEFINITIONS AND REFERENCES

Art. 1  Scope

1.1 This contract (the “Contract”) replaces, as from the date referred to in Art. 65, the fourth management contract of 2 December 2005, as approved and amended by two Royal Decrees of 13 December 2005 (hereinafter the “Fourth Management Contract”).

1.2 The Contract determines the rules and conditions pursuant to which bpost shall fulfil the universal service obligation and the services of general economic interest entrusted to it by national laws. The corresponding compensation mechanism is also defined.

Art. 2  Definitions

2.1 “D+1” is defined as follows: the distribution of mail on the first working day (except for Saturdays) following the day on which it was deposited in a mailbox before the last collection in that mailbox, or following the day on which it was deposited in a postal service point before the last collection in that postal service point, or following the day of the last collection of mail from the sender’s premises, or following the day on which it was deposited for shipment at the international exchange office before latest arrival time (“LAT”).

2.2 “D+2” is defined as follows: the distribution of mail (at the latest) on the second working day (except for Saturdays) following the day on which it was deposited in a mailbox before the last collection in that mailbox, or following the day on which it was deposited in a postal service point before the last collection in that postal service point, or following the day of the last collection of mail from the sender’s premises, or following the day on which it was deposited for shipment at the international exchange office before latest arrival time (“LAT”).

2.3 A “postal service point” means a post office, a postal shop, or a postal halt.

2.4 A “post office” means a postal service point operated by bpost where at least the complete range of services (as defined in Art. 2.9) is offered to the customer.

2.5 A “postal shop” means a postal service point operated by a third party in which such third party carries out service tasks in the name and for the account of bpost. Third parties can be private or public partners. bpost's contracts with third parties for the franchising of postal shops do not contain any clauses that restrict the freedom of the third parties to distribute, on their premises, products or services of other postal operators in any manner that does not create any confusion in the eyes of the customers.

2.6 A “postal halt” means a postal service point or another contact point with the customer, where at least the minimum service range (as defined in Art. 2.8) is offered by the personnel of bpost during a limited number of hours. A postal halt may be installed inside a postal shop.

2.7 "Access point" refers to any physical installation (including a mailbox) where mail can be deposited by users.
2.8 “The minimum service range” entails the following public services:

(a) the collection of letter postal items and postal parcels related to the universal service obligation, except for items with an insured value;

(b) the storage and distribution of registered mail and postal parcels that form part of the universal service obligation for which a notice was left (unsuccessful delivery at home);

(c) the sale of post stamps;

(d) the acceptance of “cash deposits at counter” (“versements”, “stortingen”) of maximum EUR 500 to accounts held by bpost or other financial institutions. “Cash deposits at counter” are provided via a structured notice;

(e) as far as possible, a minimum range of packaging for mail and parcels shall be made available for sale.

2.9 A “complete range of services” entails at least the following public services:

(a) the minimum service range;

(b) the execution of operations of basic banking services as defined in the Law of 24 March 2003 on basic banking services;

(c) the payment of inland postal money orders;

(d) the sale, reimbursement, replacement, and exchange of fishing permits;

(e) the acceptance of “cash deposits at counter” (“versements”, “stortingen”) to accounts held by bpost or other financial institutions.

(f) cash withdrawal from an account, irrespective of the proposed method;

(g) payments of “assignations P”;

(h) collection of payment order forms for payments from own account.

2.10 “Single piece item” refers to a postal item that is dropped as an individual item.

2.11 “Public services” or “public service tasks” refers to the universal service obligation and services of general economic interest entrusted to bpost, as defined in Art. 4 and Art. 11 respectively.

2.12 “BIPT” refers to the Belgian Institute for Postal Services and Telecommunications ("Institut belge des services postaux et des télécommunications", "Belgisch Instituut voor postdiensten en telecommunicatie").

2.13 “Net Avoided Cost methodology” refers to a cost accounting method, which calculates the net cost necessary to discharge a public service as the difference between the net
cost of the provider of operating with the public service and the net cost or profit of
the same provider of operating without that obligation.

2.14 “Contract” refers to the present contract.

2.15 “Competing postal service provider” refers to an undertaking which provides postal
services, in accordance with Article 131, 2° of the Law of 21 March 1991 (hereinafter
“the Law of 21 March 1991”) on the reform of some economic companies, and which
compete with bpost on the same relevant product and geographic market.

Art. 3 References to Legal Provisions

The references in this Contract to provisions of national or EU legislation or
international conventions shall be understood as referring to the content of these
provisions as they stand at the date referred to in Art. 65. This is without prejudice to
amendments in the Law of 21 March 1991 limiting the duration of this Contract for
the term mentioned in Art. 65.

PART 2 BPOST’S UNIVERSAL SERVICE OBLIGATION

CHAPTER 1 DESCRIPTION OF BPOST’S UNIVERSAL SERVICE OBLIGATION

Art. 4 Description

bpost is entrusted with all tasks specified in Article 144octies of the Law of 21 March

Art. 5 Characteristics

5.1 bpost undertakes to comply with the conditions in Article 142, §§2 and 3 of the Law
of 21 March 1991, when discharging its universal service obligation.

5.2 bpost also undertakes to keep actual mail delivery times which are at least as good as
the ones defined in Art. 5.4. In accordance with Article 32, §1 of the Royal Decree of
11 January 2006 on the implementation of Title IV of the Law of 21 March 1991
(hereinafter “the Royal Decree of 11 January 2006”), bpost's performance is assessed
by reference to an index based on a “small-user basket” of postal services which
belong to the universal service. This small-user basket is composed as follows:

<table>
<thead>
<tr>
<th>Share in the Basket</th>
<th>Description</th>
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<tbody>
<tr>
<td>50.1%</td>
<td>domestic single piece item up to 2 kg, stamped at &quot;Prior</td>
</tr>
<tr>
<td></td>
<td>tariff&quot;</td>
</tr>
<tr>
<td>6.3%</td>
<td>domestic single piece registered mail up to 2 kg</td>
</tr>
<tr>
<td>10.9%</td>
<td>incoming priority cross-border single piece items up to 2</td>
</tr>
<tr>
<td></td>
<td>kg</td>
</tr>
<tr>
<td>1.1%</td>
<td>domestic single piece postal parcels (D+1)</td>
</tr>
<tr>
<td>31.5%</td>
<td>domestic single piece items up to 2 kg, stamped at the &quot;Non-</td>
</tr>
<tr>
<td></td>
<td>prior&quot; tariff</td>
</tr>
<tr>
<td>0.1%</td>
<td>domestic single piece postal parcels (D+2)</td>
</tr>
</tbody>
</table>
5.3 By mutual agreement between bpost and the BIPT, the share of each postal service in the "small-user basket" specified in Art. 5.2 is subject to an annual reality assessment and, if required, it shall be adjusted.

5.4 In conformity with Article 32, §3 of the Royal Decree of 11 January 2006, the mail delivery times are D+1 in respect of the first four components of the "small-user basket" postal services specified in Art. 5.2, and D+2 in respect of the last two components of the "small-user basket" postal services specified in Art. 5.2. For each postal service included in the "small-user basket", a percentage of single piece items for which the applicable delivery times were complied with is determined (in other words the percentage of deliveries that were distributed in time).

5.5 The index measures the percentage of single piece items that were delivered on time, in accordance with the objectives defined in Art. 6.1.

5.6 The compliance with the delivery times is measured as follows:

- for domestic single piece items stamped at “Prior” tariff, the norm CEN EN 13850 “Postal services - Quality of service - Quality measurement of the end-to-end service for priority single piece items” is used. The BIPT supervises the assessment of compliance with the required delivery times. The results of the quality standards control are published annually;

- for domestic single piece items stamped at "Non-prior" tariff, the norm CEN EN 14508 “Postal services - Quality of services - Quality measurement of the end-to-end service for non-priority single piece items” is used. The BIPT supervises the assessment of compliance with the required delivery times. The results of the quality standards control are published annually;

- for incoming cross-border mail, bpost uses the internationally recognized norm CEN EN 13850 (UNEX). The results of the quality standards control are published annually;

- for other postal services that form part of the “small-user basket” specified in Art. 5.2, the method used to assess compliance with delivery times is determined by mutual agreement between the BIPT and bpost. The results of the quality standards control are published annually.

5.7 The time of the last collection should be indicated on all mailboxes, as well as the address of the nearest mailbox where it is possible to deliver at a later point in time the same day. In respect of at least one mailbox in every municipality, last collection must be set at 5 p.m., and at 7 p.m. in those municipalities where this is justified in view of the annual customer demand assessment made by bpost. bpost ensures a well-balanced variety of last collection times across the entire territory.

5.8 bpost undertakes to continue searching for the most suitable means to give priority to distributions of mail related to family events.

5.9 bpost shall maintain at least one postal service point in each of the 589 municipalities of the Kingdom, allowing for collection, storage and distribution of letter postal items and postal parcels that form part of the universal service.
CHAPTER 2  QUALITY OF SERVICE

Art. 6  Quality Objectives

6.1  bpost undertakes to deliver single piece items on time, in accordance with the following objectives:

- at least 95% has to be distributed within the delivery times defined in Art. 5.4 (on time);
- at least 97% has to be distributed within the delivery times defined in Art. 5.4, increased by one day.

6.2  The compliance with the objectives set in Art. 6.1 is measured by reference to the mechanisms defined in Art. 5.6.

CHAPTER 3  TARIFFS

Art. 7  Determination of Tariffs

7.1  In conformity with Article 144ter of the Law of 21 March 1991, the tariffs for provision of universal services are set according to the following principles:

(a)  the tariffs shall be affordable and such that all users, irrespective of their geographical location, have access to these services;
(b)  the tariffs shall be cost-oriented;
(c)  the tariffs shall be identical in the entirety of the Belgian territory, irrespective of the location of collection or distribution; and
(d)  the tariffs and conditions shall be transparent and non-discriminatory.

7.2  Any increase in the tariff applied to the services belonging to the "small-user basket" (as defined in Article 144ter, §1, 1° of the Law of 21 March 1991) has to be approved by the BIPT, in accordance with Article 144ter, §2 of that Law. The BIPT shall refuse the proposed increase, if the tariff does not comply with the principles outlined in Art. 7.1.

CHAPTER 4  BPOST’S INTERNATIONAL OBLIGATIONS

Art. 8  International Obligations regarding the relevant acts of the Universal Postal Union

In its capacity of operator designated by the State, bpost is also responsible for the operation of the international letter postal service and the operation of the international postcolliservice in accordance with the relevant acts of the Universal Postal Union (UPU). The obligations of bpost resulting from the relevant acts signed by the State until the entry into force of the present Contract shall not be considered to introduce an additional cost with respect to a potential financial intervention of the State.
Art. 9  International Obligations regarding Tariffs

bpost complies with the tariffs laid down by supranational bodies or by international treaties, including:

(a) the retail price of international reply coupons, as imposed by the UPU;

(b) the free postage of mail, in the framework of relief measures for the blind, as prescribed by the UPU;

(c) the exemption from postage tariffs to prisoners of war and civil internees, as granted by the Geneva Convention of 12 August 1949.

PART 3  BPOST’S SERVICES OF GENERAL ECONOMIC INTEREST

CHAPTER 1  OVERVIEW OF BPOST’S SERVICES OF GENERAL ECONOMIC INTEREST

Art. 10  Overview

The services of general economic interest entrusted to bpost include the maintenance of the retail network, as defined in Chapter 3, the provision of day-to-day services of general economic interest, as defined in Chapter 4, and the provision of ad hoc services of general economic interest, as defined in Chapter 5.

CHAPTER 2  GENERAL PROVISIONS

Art. 11  Scope

11.1 This Chapter determines general rules and conditions pursuant to which bpost shall fulfil the services of general economic interest entrusted to it, according to Chapter 3, Chapter 4 and Chapter 5.

11.2 The provisions of this Chapter apply without prejudice to the detailed rules and conditions applicable to the different categories of services of general economic interest, as defined in Chapter 3, Chapter 4 and Chapter 5.

Art. 12  Compensation and Advance Funding

12.1 The State shall compensate bpost for the provision of services of general economic interest, subject to conditions and procedures (‘mechanisms’) defined in this Chapter and in Art. 21, Art. 22, Art. 28 to Art. 31, Art. 35 to Art. 37, Art. 40 to Art. 42, Art. 45 to Art. 47, Art. 50 and Art. 51 for each category of services of general economic interest.

12.2 In anticipation of the ex post calculated compensation amount, bpost receives advance funding from the State for the services defined in Chapter 3, Chapter 4 and Chapter 5. This advance funding is set at the following amounts.

(a) for the period from 01 January 2013 to 31 December 2013: EUR 303,720,300;
12.3 The amounts specified in Art. 12.2(a) to (c) equal the total forecasted net cost (including reasonable profit) related to the provision of all services of general economic interest, as calculated via the mechanism set forth in Art. 21, Art. 22, Art. 28, Art. 29, Art. 35, Art. 40, Art. 45, Art. 50 and Art. 51.

12.4 To guarantee continuity with the previous Management Contracts, the advance funding for each specific year (Y), specified in Art. 12.2 and Art. 12.3 shall be disbursed in two advance payments.

(a) a first advance payment in January of each specific year (Y) for 266/365 of the amount mentioned in Art. 12.2 and Art. 12.3 in relation to that specific year (Y).

(b) a second advance payment in January of the following year (Y+1) for 99/365 of the amount mentioned in Art. 12.2 and Art. 12.3 for the specific year (Y).

12.5 As a result, the actual cash payments by the Belgian State to bpost will be the following.

(a) EUR 221,341,369 to be made by 31 January 2013 (i.e., 266/365 of the 2013 advance funding amount). This amount does not include the amount of EUR 88,939,497 which shall remain a receivable of bpost vis-à-vis the Belgian State and corresponds to the payment to be made under the 4th Management Contract in relation to the 99/365 of the 2012 advance funding amount;

(b) EUR 304,207,865 to be made on 15 January 2014 (i.e., 266/365 of the 2014 advance funding amount and 99/365 of the 2013 advance funding amount);

(c) EUR 297,025,815 to be made on 15 January 2015 (i.e., 266/365 of the 2015 advance funding amount and 99/365 of the 2014 advance funding amount);

(d) EUR 79,819,838 to be made on 15 January 2016 (i.e., 99/365 of the 2015 advance funding amount).

The cash payment each year shall be made by means of a remittance to account 000-3258828-16, in the name of bpost (or to any other account opened in the name of bpost that bpost notifies to the State in writing).

Art. 13  **Ex post Verification**

13.1 At the end of each calendar year, **ex post** verification of bpost’s financial accounts shall take place by a Board of Auditors, who shall control, on the basis of actual results, the appropriate amount of compensation for services of general economic interest. The Board of Auditors is composed of four members (Auditors). The general meeting of shareholders of bpost and the Belgian Court of Auditors ("Cour des Comptes", "Rekenhof") shall each designate two Auditors. The Auditors designated by the general meeting of shareholders of bpost shall be chosen amongst the members of the Belgian Institute of Company Auditors ("Institut des Réviseurs d’Entreprises", "Instituut van de Bedrijfsrevisoren").

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13.2 The appropriate compensation amount to which bpost is entitled from the State is calculated by adding all the compensation amounts calculated for each service of general economic interest, as per Art. 21, Art. 22, Art. 28, Art. 29, Art. 35, Art. 40, Art. 45, Art. 50 and Art. 51.

13.3 The appropriate compensation amount, as defined in Art. 13.2, is subject to a cap set at the level of the advance funding amounts set forth in Art. 12.2:

(a) for the period from 01 January 2013 to 31 December 2013: EUR 303,720,300;
(b) for the period from 01 January 2014 to 31 December 2014: EUR 304,389,328;
(c) for the period from 01 January 2015 to 31 December 2015: EUR 294,285,260;

always subject to the adjustment mechanisms described in Art. 13.4.

If the appropriate compensation amount is higher than the cap, then the cap amount becomes the final compensation. In that case, each of the appropriate compensation amounts calculated pursuant to Art. 21, Art. 22, Art. 28, Art. 29, Art. 35, Art. 40, Art. 45, Art. 50 and Art. 51 shall be reduced proportionally so that their sum equals final compensation. If the appropriate compensation is lower than the cap, then the cap does not apply and the final compensation amount is the appropriate compensation amount, as calculated in Art. 21, Art. 22, Art. 28, Art. 29, Art. 35, Art. 40, Art. 45, Art. 50 and Art. 51.

13.4 In case for a given year the evolution of the consumer price index, which is calculated by the Ministry for Economy, SMEs, Self-Employed and Energy, exceeds 2.2%, the respective amount specified in Art. 13.3 for such given year shall be adjusted accordingly to reflect such evolution of the consumer price index above 2.2%. To that end, the amount shall, for a given year, and after the consumer price index of January of the following year is known, be multiplied by the following formula:

\[
\frac{CPI_{Y+1}}{CPI_Y \times (1 + 0.022)}
\]

Where:
- \( CPI_{Y+1} \) is the consumer price index of January of the following year;
- \( CPI_Y \) is the consumer price index of January of the year in question.

13.5 If the final compensation under Art. 13.3, always after application, as the case may be, of the adjustment mechanism of Art. 13.4, is lower than the sum of the advance payments related to a specific year, then the difference will be reimbursed by bpost to the State within 30 days of the determination of this difference. If the final compensation under Art. 13.3, always after application, as the case may be, of the adjustment mechanism of Art. 13.4, is higher than the sum of the advance payments related to a specific year, then the difference will be paid by the State to bpost within 30 days of the determination of this difference.
Art. 14 Tariffs

14.1 Where applicable, bpost complies with the tariffs laid down by supranational bodies or by international treaties, as described in Art. 9.

14.2 On 1 January of each year, the tariffs of the services of general economic interest mentioned in Art. 27, Art. 34, Art. 39, Art. 44 and Art. 49(e), (f) and (j) shall be adapted on the basis of the following formula:

\[ P = P_0 \times \left( \frac{X}{X_0} \right) \]

in which,
- \( P \): the reviewed tariff of the services;
- \( P_0 \): the base tariff of the services as mentioned in the special agreement;
- \( X_0 \): the consumer price index of the month of April prior to the entry into force of this agreement;
- \( X \): the consumer price index of the month of April of the year prior to the year in which the price was adapted.

CHAPTER 3 Specific Provisions relating to bpost’s Retail Network

Section 1 Description of the Service

Art. 15 Description

In order to ensure territorial and social cohesion, bpost shall maintain a retail network of postal service points with the characteristics described in Art. 16 to Art. 20. The obligation to maintain a retail network is distinct from and goes beyond the requirements of territorial presence arising from the universal service obligation, as described in Art. 5.9, and from other public service tasks. The retail network also goes beyond the network which bpost would maintain absent any public service obligation (i.e., the commercially optimal retail network).

Art. 16 Characteristics

16.1 The retail network shall be structured as a proximity network for customers aiming at the fulfilment of territorial and social cohesion in the Kingdom.

16.2 The retail network established by bpost shall consist of at least 1300 postal service points, for the duration covered by the Contract. Each postal service point offers at least the minimum service range.

16.3 bpost guarantees the presence of postal service points that offer a complete range of services as defined in Art. 2.9.

16.4 bpost shall guarantee a presence of at least 650 post offices, while...

(a) ...guaranteeing at least one post office in each of the 589 municipalities, which shall be staffed adequately by bpost personnel to meet the customers’ needs (including opening hours);
(b) maintaining more than one post office in some municipalities. bpost is free to determine in which municipalities it shall maintain more than one post office, taking into account the social role of bpost.

16.5 As far as possible and bearing in mind the provision of services to customers, for the installation of a postal halt in a postal shop and so far as this postal halt is the sole postal service point in the municipality, preference shall be given to public partners such as local authorities, stations, etc. bpost shall examine the possibility to locate certain postal halts in its operational platforms, as long as this is justified from a commercial, financial and operational perspective, taking into account considerations related to efficiency and to adequate provision of services to customers.

16.6 bpost may, in case of cancellation of the agreement for several postal shops by an integrated partner, find itself in a temporary situation where the total number of postal service points falls below 1300. In these cases, bpost shall do its utmost to remedy this situation.

16.7 bpost undertakes to install more Automatic Teller Machines (ATMs) in post offices in order to attain a total minimum of 350 ATMs at the end of the period covered by the Contract and to ensure the presence of this equipment in all municipalities, where it is currently not offered by another financial institution.

Art. 17 Staffing and Opening Hours

17.1 bpost shall use objective parameters, such as volume of services (including the volume of public services), number of transactions, number of customers and quality, to determine the level of staffing and opening hours of post offices and postal halts. Personnel engaged in post offices and postal halts must be bpost personnel.

17.2 bpost commits that post offices shall be open at least a certain number of hours per week, outside working hours. Customer needs in respect of opening hours shall form part of the customer satisfaction measurement provided for in Art. 52.

17.3 In relation to ATMs, bpost shall endeavour to make them accessible in hour ranges outside the post offices' opening hours, seven days a week. So, by the end of this Contract, 80% of the ATMs installed by bpost shall be accessible seven days a week between 6 am and 10 pm.

Art. 18 Accessibility and Continuity

18.1 A postal service point with a minimum service range has to be accessible for minimum 95% of the population, within five kilometres (by road) and for minimum 98% of the population, within ten kilometres (by road). In respect of every draft of alteration of existing agreements that could lead to the abolition of a postal service point situated at a distance of more than five kilometres of the nearest postal service point, bpost shall consult with the relevant local authority in order to reach consensus on the matter. bpost may freely adjust its retail network if consensus is not reached within a period of one month.

18.2 bpost undertakes to guarantee the highest possible continuity in the presence of postal service points. bpost undertakes to introduce the following measures:
(a) New contracts between bpost and postal shops shall be of undetermined
duration.

(b) Special clauses shall be introduced in bpost’s contracts with postal shops in
order to reduce the consequences of the ending of a cooperation on the postal
services.

**Art. 19  Accessibility for People with Disabilities**

19.1 As regards post offices,

(a) bpost undertakes to improve the accessibility to post offices for people with
reduced mobility in order to reduce to 10% the proportion of post offices that
are difficult to access by 2015.

(b) bpost shall establish at the same time a new approach to post office accessibility
for post offices undergoing major work. As part of this, bpost shall endeavour to
make them perfectly accessible to different types of disability, taking into
account the urbanistic regulation, based on the norms established after
consultation of the High National Council for People with Handicap (“Conseil
supérieur national des personnes handicapées”, “Nationale Hoge Raad voor
Personen met een Handicap”) (hereinafter “the High Council”). bpost shall
appoint a person of contact who shall ensure the contact with the High Council.
After this consultation, bpost shall fix the norms of accessibility that shall be
used in case of major works in 2013. By 2014, bpost shall propose a plan to the
Minister responsible for bpost on the application of these criteria on the post
offices that shall be undergoing major work.

(c) bpost shall communicate on the accessibility of each post office in an adequate
manner.

19.2 In relation to postal shops,

(a) bpost is asked to consider the accessibility for people with reduced mobility as
an important element in the process of selecting partners for postal shops;

(b) in order to increase the accessibility of postal shops for people with reduced
mobility, bpost shall co-finance the relevant works to be undergone in postal
shops. Co-financing is limited to a maximum amount of 50% of the total cost of
the works per postal shop and of EUR 10,000 per postal shop. In order to
guarantee the continuity of the service, the co-financing element shall only be
granted if the postal shop undertakes to offer the services of bpost during a
period of five years as from the end of the works that are financed by bpost. The
maximum total amount that bpost shall invest in these works is EUR 500,000
for the duration of the Contract. Specific conditions shall be established in a
special agreement on the accessibility of the postal service points.

19.3 A multi-channel approach to accessibility shall also be promoted. The advantages of
new ways of conducting transactions at bpost, such as internet or telephone, shall be
promoted.
Art. 20  **Other Provisions**

20.1  bpost is free to determine the number of postal service points the exploitation of which is ensured by third parties. These third parties act in the name and for the account of bpost with respect to the provision of public services.

20.2  bpost freely chooses which postal service point shall offer a complete range of services and which shall offer a minimum service range, unless otherwise stipulated in Art. 16 and Art. 2.

20.3  The tariffs charged by postal shops for public services correspond to those applicable in post offices and postal halts.

Section 2  **Compensation Mechanism**

Art. 21  **Compensation**

The State intervenes financially to cover the net avoided costs bpost incurs from the maintenance of the retail network, including a reasonable profit, in accordance with the mechanism defined in Art. 22. The costs shall be calculated on the basis of the Net Avoided Cost methodology.

Art. 22  **Calculation of Compensation**

22.1  At the end of each year, the Board of Auditors composed pursuant to Art. 13.1 shall calculate the amount of compensation. In particular, it shall ensure that the financial intervention of the State does not result in overcompensation. bpost shall cooperate with the Board of Auditors to enable it to verify bpost’s costs.

22.2  The compensation shall be calculated on the basis of the following:

(a)  the net avoided cost for bpost of providing the service of general economic interest, which already includes a reasonable profit;

(b)  increased by the share of efficiency gains or decreased by the share of efficiency losses. Efficiency gains are calculated as the actual reduction of bpost’s total costs compared to the reference year 2010 incurred when providing the Retail Network service of general economic interest. Efficiency losses are calculated as the actual increase of bpost’s total costs compared to the reference year 2010 incurred when providing the Retail Network service of general economic interest. The calculation of efficiency gains and losses excludes exogenous effects which are not directly related to bpost’s performance, such as related to inflation, price, volume variations, effect of fixed cost allocation; and

(c)  decreased by the coefficient based on the performance by bpost against the quality targets according to Art. 24.

22.3  In the course of the calculation of compensation amounts, the efficiency gains and losses referred to in Art. 22.2 (b) shall be shared between bpost and the State according to a repartition of 67% for bpost and 33% for the State.
Section 3  Quality

Art. 23  Further Improvement of Quality in Postal Service Points

23.1  bpost continues to modernize its retail network of postal service points in light of the twin objectives of increasing customer satisfaction and achieving a financial balance with regard to the retail network.

23.2  bpost shall make efforts to attain a comparable quality for the execution of postal services in the different types of postal service points. bpost shall take the following measures:

(a)  bpost shall objectively measure the quality of service in the different postal service points through a programme of mystery shopping. The following elements shall be measured: communications skills, professional attitude (knowledge of the products and procedures), reliability (correct performance of the procedures), waiting time and commercial attitude. Every year, bpost shall present an action plan on these elements to the State;

(b)  the level of remuneration of the postal shops shall depend on the quality of execution that is measured in the postal shops.

Art. 24  Further Improvement of Quality in Post Offices

24.1  bpost commits to invest in the infrastructure of its post offices and in the training of its staff to deliver a high quality customer service with regard to waiting time and customer interaction.

(a)  Waiting time: customers should wait as little as possible before they are served;

(b)  Customer interaction: customers should be served in a friendly and professional manner according to the 6-step Goolda/ Brasma or equivalent standard.

24.2  bpost shall establish specific quality targets and use objective parameters to measure the performance with regard to the drivers of customer service in Art. 24.1.

(a)  Waiting time: between 80% and 90% of all customers should wait no longer than five minutes before they are served; measurement shall be based on data registered in the operational systems that are in place in the larger post offices (hereinafter “the waiting queue systems”) and via mystery shopping in the smaller post offices which are not equipped with waiting queue systems. The data of the waiting queue systems shall represent at least 45% of total customer contacts, unless technical issues related to the proper use or functioning of the waiting queue systems will prevent this proportion to be attained.

(b)  Customer interaction: the application level of the Goolda/ Brasma standard should be between 80% and 90%; measurement shall be based on mystery shopping.

24.3  The performance against the quality targets set in Art. 24.2 shall have an impact on the level of compensation received by bpost under Section 2 of Chapter 3.
Two levels of performance and a corresponding score are defined for each of the quality targets in Art. 24.2:

- when bpost fails to meet the quality target in Art. 24.2, it shall receive a score of 90%;
- when bpost meets the quality target in Art. 24.2, it shall receive a score of 100%.

The amount of compensation calculated on the basis of Section 2 of Chapter 3 shall be multiplied by the average of the scores achieved by bpost in relation to the performance levels defined under (a) for each of the quality targets in Art. 24.2:

$$\text{Comp}_{\text{FINAL}} = \text{Comp} \times \left( \frac{\text{Score}_1 + \text{Score}_2}{2} \right)$$

whereby,

- $\text{Comp}_{\text{FINAL}}$ : Final amount of compensation payable;
- $\text{Comp}$ : Amount of compensation, as calculated on the basis of Art. 22.2(a);
- $\text{Score}_1$ : Score for performance vis-à-vis quality target in Art. 24.2(a);
- $\text{Score}_2$ : Score for performance vis-à-vis quality target in Art. 24.2(b).

The assessment of performance against the quality targets in Art. 24.2, must be made in relation to the post offices that are maintained as part of the Retail Network service of general economic interest, defined in Art. 15 and Art. 16. The detailed definition of the quality targets, their measurement as well as the assessment of performance against them shall be specified in a technical memorandum, annexed to this Contract.

Section 4  
Fair and Non-Discriminatory Access to Retail Network

Art. 25  
Access to Retail Network

25.1 Upon written request, bpost shall grant a competing postal service provider access to the post offices that are maintained to discharge the Retail Network service of general economic interest, defined in Art. 15, when the provider demonstrates that these post offices are located in municipalities where:

- no other contact point can be used by customers to collect parcels five days per week, except for Sundays and official holidays; or
- no other contact point can be used to provide a service of general economic interest that was rendered by bpost in post offices and is taken over by the competing postal service provider following a public procurement procedure.
25.2 Access as described in 25.1 shall be granted to competing postal service providers under fair and non-discriminatory conditions defined in a special agreement. These conditions shall include but not be limited to the following:

(a) access shall not totally or partially impede bpost’s ability to provide the services of general economic interest entrusted to it as well as its ability to comply with the quality requirements set by the Belgian State;

(b) access shall be provided as long as the Belgian State compensates bpost for the Retail Network service of general economic interest, as foreseen in Art. 21 and Art. 22;

(c) access shall be provided upon payment of a remuneration fee from the competing postal service provider. This fee shall cover the incremental costs incurred by bpost when granting access as well as a reasonable profit;

(d) access shall not lead to capacity constraints for bpost; and

(e) in relation to parcels, access shall only be granted to enable the take-over of the parcel, its storage and the hand-over to the customer in line with applicable bpost’s security and organizational regulations. Access shall not imply physical access to bpost’s facilities.

CHAPTER 4 SPECIFIC PROVISIONS RELATING TO BPOST’S DAY-TO-DAY SERVICES OF GENERAL ECONOMIC INTEREST

Section 1 Overview of bpost’s Day-to-day Services of General Economic Interest

Art. 26 Overview

Day-to-day services of general economic interest include the following public service tasks:

- The early delivery of newspapers, as defined in Section 2;
- The distribution of periodicals, as defined in Section 3;
- The “cash at counter” services, as defined in Section 4; and
- The home delivery of pensions, as defined in Section 5.

Section 2 Early Delivery of Newspapers

Art. 27 Description of the Service

27.1 bpost is assigned with the early delivery (six days per week, including Saturday) of newspapers, which are recognised as such, by virtue of the criteria defined in Article 21 of the Royal Decree of 27 April 2007 on the regulation of the postal service (hereinafter “the Royal Decree of 27 April 2007”).

27.2 Service requirements are determined in a special agreement entered into between the State, the newspaper publishers and bpost. At the time this Contract entered into force, the special agreement of 15 September 2005, as renewed on 2 May 2007, is in force.
27.3 Special agreements have to comply with the following principles:

(a) The “Basic Quality Principles”:

- Monday to Friday (except for official holidays): 100% of the newspapers are distributed through early morning deliveries, which normally end at 7:30 a.m., except for the newspapers of subscribers who benefit from an earlier mail delivery via a “direct bundle”;

- Saturday (except for official holidays): 100% of the newspapers are distributed through deliveries that normally end at 10:00 a.m.;

- Exceptions to the rules in this subparagraph (a) can be included in the special agreement referred to in Art. 27.2.

(b) bpost applies the same tariff structure throughout the entire Belgian territory.

(c) bpost’s failure to comply with the obligations under this paragraph may result in a right to damages payable to the publishers in the special agreement referred to in Art. 27.2, for the acts determined in and in accordance with this special agreement. These financial compensations do not form part of the calculation of the cost price within the scope of State intervention as described in Art. 28 to Art. 29.

Art. 28 Compensation Mechanism

The State agrees to compensate bpost for the net avoided costs of providing this service of general economic interest, including a reasonable profit, in accordance with the mechanism defined in Art. 29, Art. 30, Art. 31 and Art. 32. The costs shall be calculated on the basis of the Net Avoided Cost methodology.

Art. 29 Calculation of Compensation

29.1 At the end of each year, the Board of Auditors composed pursuant to Art. 13.1 shall calculate the amount of compensation. In particular, it shall ensure that the financial intervention of the State does not result in overcompensation. bpost shall cooperate with the Board of Auditors to enable it to verify bpost’s costs.

29.2 The compensation shall be calculated on the basis of the following:

(a) the net avoided cost for bpost of providing the service of general economic interest, which already includes a reasonable profit;

(b) increased by the share of efficiency gains or decreased by the share of efficiency losses, as determined pursuant to Art. 30. Efficiency gains are calculated as the actual reduction of bpost’s total costs compared to the reference year 2010 incurred when providing the service of general economic interest. Efficiency losses are calculated as the actual increase of bpost’s total costs compared to the reference year 2010 incurred when providing the service of general economic interest. The calculation of efficiency gains and losses excludes exogenous effects which are not directly related to bpost’s performance, such as related to inflation, price, volume variations, effect of fixed cost allocation; and
(c) decreased by the special penalty mechanism of Art. 32, in case bpost does not reach the quality targets defined in Art. 31.

Art. 30 Incentives to Improve Efficiency

In the course of the calculation of compensation amounts, the efficiency gains and losses referred to in Art. 29.2(b) shall be shared between bpost and the State according to a repartition of 67% for bpost and 33% for the State. For the compensation calculation, the actual shares of bpost and the State may vary depending on bpost's performance in terms of quality, as described in Art. 31 and Art. 32.

Art. 31 Quality Enhancement Targets

31.1 bpost commits to a high standard of quality in the early delivery of newspapers. More specifically, bpost commits for the period covered by this Contract to ensure that the net number of complaints in relation to this service of general economic interest shall remain below 11 for every 10,000 deliveries.

31.2 bpost's performance shall be evaluated against the target in Art. 31.1. On the basis of its actual performance compared to this target, the share of efficiency gains or losses attributed to bpost in Art. 30 shall be adapted, pursuant to the mechanism in Art. 32.

Art. 32 Penalties for Non-compliance with Quality Targets

32.1 If the quality targets defined in Art. 31 are not met and bpost achieves the efficiency gains referred to in Art. 29.2(b), the share of bpost in these gains shall be reduced from 67% to 33%.

32.2 If the quality targets defined in Art. 31 are not met and bpost incurs the efficiency losses referred to in Art. 29.2(b), the share of bpost in these losses shall be increased from 67% to 100%.

32.3 The penalties in Art. 32.1 and Art. 32.2 apply without prejudice to non-compliance mechanisms specific to newspapers described in Art. 27.3(c) and based on the special agreement referred to in Art. 27.2.

Art. 33 Tariffs

The tariffs applied by bpost and other special conditions are determined in a special agreement entered into between the State, the newspaper publishers and bpost. At the time this Contract entered into force, the special agreement of 15 September 2005, as renewed on 2 May 2007, is in force.

Section 3 Distribution of Periodicals

Art. 34 Description of the Service

bpost is assigned with the distribution of periodicals, five times per week to all households in the Kingdom, including non-profit periodicals edited by bona fide organisations and by non-profit organisations, as defined in Article 5 of the Law of
2 May 2002 on non-profit organisations, international non-profit organisations and foundations (hereinafter "the Law of 2 May 2002"). Distribution services are offered at a specific price to support the written press and the freedom of press. Distribution covers periodicals recognised by virtue of the criteria defined in Article 21 of the Royal Decree of 27 April 2007.

Art. 35  **Compensation Mechanism**

The principles in Art. 28 to Art. 29 apply with respect to the distribution of periodicals.

Art. 36  **Incentives to Improve Efficiency**

The efficiency incentives in Art. 30 apply with respect to the distribution of periodicals.

Art. 37  **Quality Enhancement Targets**

37.1 bpost commits to a high standard of quality of the services it provides in relation to the distribution of periodicals. More specifically, for the period covered by this Contract, bpost commits to ensure that periodicals are delivered in accordance with the following targets:

(a) at least 95% of periodicals have to be distributed within the delivery times mentioned in a special agreement between the State and bpost (on time);

(b) at least 97% of periodicals have to be distributed within the delivery times mentioned in a special agreement between the State and bpost, increased by one day.

At the time this Contract entered into force, the special agreement referred to in subparagraphs (a) and (b) is the agreement of 30 April 2007 between the State and bpost.

37.2 bpost's performance shall be evaluated against the targets in Art. 37.1. On the basis of its actual performance compared to these targets, the share of efficiency gains or losses attributed to bpost in Art. 30 shall be adapted pursuant to the mechanism in Art. 32.

Art. 38  **Tariffs**

Tariffs and other conditions are determined by the State and set forth in a special agreement entered into between the State and bpost. At the time this Contract entered into force, this special agreement is the agreement of 20 April 2007, completed by the addendum of 20 March 2008. bpost undertakes to look for a more efficient distribution system, e.g. through a more efficient addressing system for periodicals as part of a post subscription. The new tariffs shall better reflect the costs but the unit price shall not be higher for periodicals edited by bona fide organisations and by non-profit organisations, as defined in Article 5 of the Law of 2 May 2002.
Section 4  
**Cash at Counter Services**

Art. 39  **Description of the Service**

bpost is responsible for the execution of the following financial postal services in accordance with the Law of 6 July 1971 on bpost and the Royal Decree of 12 January 1970 on the regulation of the postal service (hereinafter “the Royal Decree of 12 January 1970”):

(a) accepting cash deposits on postal current accounts (“compte courant postal”, “post-zichtrekening”) and making payments to or from these accounts;

(b) accepting cash deposits crediting a postal current account or an account with another financial institution;

(c) the issuance and payment of domestic postal money orders (mandates).

Art. 40  **Compensation Mechanism**

The principles in Art. 28 to Art. 29 apply with respect to cash at counter services.

Art. 41  **Incentives to Improve Efficiency**

The efficiency incentives in Art. 30 apply with respect to cash at counter services.

Art. 42  **Quality Enhancement Targets**

42.1 bpost commits to a high standard of quality of the services it provides in relation to cash at counter services. More specifically, bpost commits for the period covered by this Contract to ensure that 95% of all transactions shall be executed on time. Transactions relating to bpost bank accounts shall be executed within D+1. For all other accounts, transactions shall be executed within D+2.

42.2 bpost’s performance shall be evaluated against the targets in Art. 42.1. On the basis of its actual performance compared to these targets, the share of efficiency gains or losses attributed to bpost in Art. 30 shall be adapted pursuant to the mechanism in Art. 32.

Art. 43  **Tariffs**

The tariffs shall be determined by the State and set forth in a special agreement between bpost and the State. Until the signing of such an agreement, the tariffs shall be determined in accordance with Article 9 of the Law of 21 March 1991.

Section 5  
**Home Delivery of Pensions**

Art. 44  **Description of the Service**

44.1 bpost undertakes the execution of the service of doorstep payment of old age and surviving dependents’ pensions and benefits for people with limited moving capabilities in accordance with Article 128 of the Royal Decree of 12 January 1970.
44.2 The State and bpost undertake to conclude a special agreement specifying the measures regarding the execution of payments on accounts as standard procedure as well as other measures, in order to significantly reduce the risk of aggression, especially for mailmen, relating to the payment of old age and surviving dependents’ pensions and benefits to people with limited moving capabilities.

44.3 The State and bpost undertake that these potentially additional structural measures do not infringe upon the rights of those people for whom doorstep payment continues to be desirable (Article 66 of the Royal Decree of 21 December 1967, providing for general regulation of old-age and survivors’ pensions and Article 137 of the Royal Decree of 22 December 1967 on the pensions of self-employed).

Art. 45 Compensation Mechanism

The principles in Art. 28 and Art. 29 apply with respect to the home delivery of pensions.

Art. 46 Incentives to Improve Efficiency

The efficiency incentives in Art. 30 apply with respect to the home delivery of pensions.

Art. 47 Quality Enhancement Targets

47.1 bpost commits to a high standard of quality of the services it provides, in relation to the home delivery of pensions. More specifically, bpost commits for the period covered by this Contract to ensure that the net number of complaints in relation to this service of general economic interest received in writing by bpost shall remain below 50 for every 10,000 deliveries.

47.2 bpost’s performance shall be evaluated against the target in Art. 47.1. On the basis of its actual performance compared to this target, the share of efficiency gains or losses attributed to bpost in Art. 30 shall be adapted pursuant to the mechanism in Art. 32.

Art. 48 Tariffs

The tariffs are determined in a special agreement between bpost and the institutions concerned.

CHAPTER 5 Specific Provisions relating to bpost’s Ad Hoc Services of General Economic Interest

Art. 49 Description of the Services

Ad hoc services of general economic interest include the:

(a) the social role of the postman, especially vis-à-vis those who live alone and the least privileged. The service is rendered among other ways through the use of handheld terminals and the electronic ID card by mail carriers on their round, based on the conditions established in a special agreement between bpost and the State.
(b) the "please Postman" service. bpost shall endeavour to improve the service "please Postman" by looking for ways to facilitate access to this service for disabled persons by phone or by email. bpost shall propose a collaboration with local social services ("CPAS", "OCMW") to identify potential users and shall conclude special agreements with the interested social services.

(c) the distribution of information to the public, at the request of the competent authority, through the Minister responsible for bpost, based on the conditions established in a special agreement between bpost and the State.

(d) the cooperation of bpost with regard to the delivery of voting paper packages weighing more than 10kg, subject to the conditions agreed upon between the State and bpost.

(e) the delivery of addressed or unaddressed election printed items in accordance with Article 29 of the Royal Decree of 27 April 2007. The same provision determines the tariff for this service.

(f) the delivery at a special price of postal items sent by associations, in order to stimulate the social web. Conditions, accession criteria and tariffs for the service are determined in a special agreement between bpost and the State.

(g) the delivery of letter post items that fall within the freepost system, in accordance with Article 33 of the Royal Decree of 27 April 2007, Article 57 of the Law of 18 July 1991 on the regulation of supervision on the police and intelligence services and Article 18 of the Law of 22 March 1995 on the creation of the federal ombudsmen. The service is provided free of charge for the customer.

(h) the payment of attendance fees during elections. The State and bpost undertake to conclude a special agreement specifying the measures regarding the execution and the financing of this service. At the time this Contract comes into force, the special agreement applicable is the one of 27 June 2006.

(i) the financial and administrative processing of fines based on the conditions stated in a special agreement between bpost and the State and in accordance with the legal and regulatory provisions in force. At the time this Contract comes into force, this special agreement applicable is the one of 29 March 2006.

(j) the printing, sale, reimbursement, replacement and exchange of fishing permits in accordance with the regulatory provisions in force. The tariffs are determined in special agreements between bpost and the State authorities concerned.

(k) the sale of post stamps and other postal values (Article 141, §1 B of the Law of 21 March 1991). On the basis of transparency criteria, bpost may allow third parties to sell post stamps and other postal values, taking into account that the postal value of such post stamps constitutes the sale price to the end consumer, except in the case of sales for philately purposes.
Art. 50 Compensation

50.1 The State agrees to compensate bpost for the net avoided costs resulting from the provision of *ad hoc* services of general economic interest, including a reasonable profit, in accordance with the mechanism defined in Art. 51. The costs shall be calculated on the basis of the Net Avoided Cost methodology.

50.2 By derogation from Art. 50.1, the financing of the services described in Art. 49(b) to (d), (h) to (i) and (k) may be determined in special agreements concluded between bpost and the State.

Art. 51 Calculation of Compensation

51.1 At the end of each year, the Board of Auditors composed pursuant to Art. 13.1 shall calculate the amount of compensation. In particular, it shall ensure that the financial intervention of the State does not result in overcompensation. bpost shall cooperate with the Board of Auditors to enable it to verify bpost’s costs. Art. 13.2 and 13.3 apply.

51.2 The compensation shall be calculated on the basis of the net avoided cost for bpost of providing the service of general economic interest, which already includes a reasonable profit.

PART 4 COMMON PROVISIONS

CHAPTER 1 RELATIONS WITH CUSTOMERS

Art. 52 Customer Satisfaction

52.1 bpost must perform regularly and at least annually, under the supervision of the BIPT, a customer satisfaction assessment with regard to the execution of its public service tasks. The results of this measurement are submitted to the BIPT annually. This measurement entails, among other things, customer satisfaction towards the different postal service points in terms of waiting time at the counter, proximity, opening hours, speed of service at the counter.

52.2 bpost shall submit to the State an action plan, on an annual basis, concerning all issues which the assessment highlighted as open to improvement. Annually, bpost shall also submit a report to the State on the implementation of the action plan. Prior to submission to the State, both reports shall be submitted to the BIPT for advice. The obligations of bpost mentioned in this paragraph relate to activities affecting small users.

Art. 53 Information to Customers

53.1 In respect of any of its public service tasks, bpost shall provide the information, referred to in the Articles 142, §4, 144 and 144bis of the Law of 21 March 1991.

53.2 bpost undertakes to update and publish the changes to its service range. For this purpose, bpost shall rely on assessment elements provided by the Consultative
Committee for postal services and of the service "ombudsman", as laid down in Articles 43 and 47 of the Law of 21 March 1991, as well as on the results of the customer satisfaction assessment, referred to in Art. 52.

CHAPTER 2  CORPORATE SOCIAL RESPONSIBILITY

Art. 54  Action Plans

bpost shall establish and implement action plans to pursue the following objectives:

(a) to improve energy efficiency and reduce CO₂ emissions by 35% compared to the level in 2007, by 2013;

(b) to improve performance as regards staff’s job retraining; and

(c) to promote diversity and inclusion in the workplace and prevent discrimination. In this context, bpost commits to take every possible measure to obtain and preserve the Federal Label “Egalité Diversité”.

CHAPTER 3  BUSINESS PLAN

Art. 55  Content and Procedure

In accordance with Article 26 of the Law of 21 March 1991, bpost shall prepare annually a report on its medium term strategy and objectives. The elements of this report which relate to the provision of public services are communicated for approval no later than on 15 November of each financial year to the Minister responsible for bpost.

CHAPTER 4  MISCELLANEOUS PROVISIONS

Art. 56  General Standards of Quality

56.1 bpost shall develop the methods which it uses for the performance of public service tasks, so as to align with the technical, economic and social environment, as well as with its customers’ real needs. In this respect, bpost shall further develop consumer-friendly methods, especially through electronic means. To that end, the parties to the Contract undertake to adjust the list containing public service tasks, after the evaluation referred to in Article 5, §1, first sentence, of the Law of 21 March 1991.

56.2 bpost undertakes to invest 2% of the salaries and wages in quality training of its personnel. In this context, bpost shall give priority to the training of personnel directly in contact with customers.

Art. 57  Collection, Sorting, Transport and Distribution

bpost shall maintain an appropriate basic network with regard to the collection, sorting, transport and distribution in order to fulfil the universal service obligation defined in Art. 4 and the services of general economic interest defined in Art. 27, Art. 34 and Art. 49(e), (f) and (g).
Art. 58 VAT

To the extent that VAT should be applied to all or part of the remunerated public service obligations, this VAT shall be charged to the State. Nevertheless, from that moment, bpost's increased deduction of input VAT for its purchases, which is attributable to the application of VAT on all or part of the State's financial intervention, is to be taken into account. This adjustment, if applicable, is calculated on a yearly basis, based on the increase of bpost's right to deduct input VAT (after deduction of corporate tax) with respect to the costs that have to be attributed to the public services. The adjustment calculated in this manner shall be reimbursed to the State.

Art. 59 Clearance of Previous Obligations

bpost does not have to reimburse any compensation to the State pursuant to Article 3, §2, 5° of the Law of 21 March 1991, in relation to any public service task.

Art. 60 Allocation of Profits

60.1 bpost's net profits shall be allocated in accordance with the provisions stipulated in the Articles of association of bpost.

60.2 When the State directly or indirectly owns substantially all of the capital stock of bpost, any recovery of State aid that may be ordered by the European Commission on account of overcompensation for services of general economic interest, during the term of this Contract shall, if acceptable to the Commission, take into account any profit distributions over and above bpost’s current profits that are made to the State during the segment of the term of this Contract in which the State so owned substantially all of the shares of capital stock of bpost.

Art. 61 Offices and Addresses' Database

The databases for the identification of physical distribution offices, of addressees of postal matters and of postcodes as well as the system of postcodes constitute ownership of bpost. The postcodes may only be altered on proposal of bpost and with the approval of the Minister, referred to in Article 135 of the Law of 21 March 1991, following BIPT's reasoned opinion.

Art. 62 Special Agreements

62.1 Special agreements referred to in the Contract shall be negotiated by bpost with the parties and/or administrative authorities concerned.

62.2 With due respect to business secrets, the special agreements referred to in the Contract are communicated to the BIPT.
CHAPTER 5  NON-COMPLIANCE WITH THE TERMS OF THE CONTRACT

Art. 63  Sanctions for Non-compliance

63.1 When one of the parties to the Contract fails to comply with the clauses herein (except for non-compliance with mail delivery times in Art. 5.2 to 5.6 and Art. 6 and for non-compliance with Art. 23, Art. 24, Art. 31, Art. 37, Art. 42 and Art. 47), the other party is authorized to claim indemnification in respect of direct loss, in accordance with Article 3, §3, of the Law of 21 March 1991.

63.2 This other party shall notify the non-compliance with the clauses of the Contract to the first party, within two months after determination of non-compliance, by registered mail; this formality is deemed to constitute notice of default. The notice of default allows for a reasonable term of maximum two months to remedy the non-compliance.

63.3 After the reasonable term has expired, the non-compliance by one party with the obligations entered into vis-à-vis the other party, is sanctioned by the obligation to pay an indemnity calculated on a daily basis at the legal rate of interest and which is due as from the first day of the reasonable term included in the notice of default, until the effective payment of the indemnity.

63.4 When calculating the level of this indemnity, the potential indemnity that has to be paid for the same act to the customer of the service concerned is taken into account, as well as a potential sanction enforced by the BIPT based on Article 144 duodecies of the Law of 21 March 1991.

63.5 The amount of the indemnity may by no means exceed 15% per year of the total amount of payments executed by the State in compensation for the fulfilment by bpost of the public services. When the execution of bpost's obligations in relation to universal service obligation is deficient, the indemnity may by no means exceed 15% per year of the total amount of payments executed by the State in compensation for the fulfilment by bpost of the universal service obligation. When the execution of bpost's obligations in relation to services of general economic interest is deficient, the indemnity may by no means exceed 15% per year of the total amount of payments executed by the State in compensation for the fulfilment by bpost of the services of general economic interest.

Art. 64  Force Majeure

64.1 When extraordinary events or events independent from the will of the parties, including force majeure, make particular obligations of the Contract unfeasible or prevent the attainment of certain planned objectives, such as the quality targets, none of the parties shall be considered to be in default of the performance of its obligations or the attainment of the planned objectives and the parties shall consult each other on the adjustment measures to be taken.

64.2 If, at the closing of the next financial year, it is established that these measures have had no effect, both parties shall come to an agreement on the additional measures to be taken by means of an annex.
CHAPTER 6  DURATION OF THE CONTRACT

Art. 65  Entry into Force

The Contract enters into force for a term of three years, as from 1 January 2013. This is without prejudice to applicable legal provisions.

Art. 66  Existing Obligations

The obligations in this Contract resulting from a statutory or regulatory provision remain valid as long as the statutory or regulatory provisions in question remain in force. This is without prejudice to Art. 65.