



PRIME
DELIVERING THE FUTURE
IN TRACKED PACKETS

**PRIME Steering
Committee
Procedures & Code
of Practice**

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1 PRIME Constitution - Relationships

PRIME is an independent organisation. A vast majority of PRIME members are not IPC members.

The PRIME Steering Committee has responsibility for decision making. PRIME will continue to work closely with UPU and the Restricted Unions. PRIME will continue, until the Steering Committee decides otherwise, to pay IPC as a supplier for services, including quality of service monitoring and reporting, customer service system over the internet, and for the Head of PRIME and other staff involved in the running of PRIME.

PRIME membership entails exchanging delivery or attempted delivery data with members about Registered, when their infrastructure is ready and about Exprès (L Series) and Insured also, if that member offers these services. According to current rules new members have 20 months to get their data exchange system up and running. Members are required to use the Web customer service system also for Registered in the first instance, and Insured and Exprès (L Series) if those services are offered.

All Posts joining PRIME will be required to sign an authorisation form so as to authorise the UPU to copy IPC, on behalf of PRIME, with all data (PREDES, REDES & EMSEVT Messages) exchanged about Letter products so that performance reports can be produced, as long as IPC continues to provide monitoring services to PRIME. This applies to customer service only Members, as the data is required to speed up customer enquiries.

Any data to which IPC has access to as a result of the services it provides to PRIME members, may only be used for PRIME, unless members instruct PRIME otherwise.

Cost of services supplied, are re-billed to PRIME Members as agreed with the Head of PRIME and approved by the PRIME Steering Committee, in advance.

The Head of PRIME to be selected by the Chair, plus two other nominated Members, advised by outgoing Head of PRIME. IPC may advise on recruitment/legal technicalities. PRIME Operations Manager to be selected by the Head of PRIME and two other members, at least but final choice to be Head of PRIME's decision

The Steering Committee may decide another bursar or supplier for all services mentioned above, at any time, with adequate notice to IPC.

The current structure of the Steering Committee with one Steering Committee is considered sufficient. However, not all members attend meetings and in order to facilitate decision making it has been decided to implement a Board.

Regional meetings may take place, if members wish. Members may organise local meetings on a regional basis in conjunction with their regional Plenary and the Head of PRIME. These meetings can make recommendations to the Steering Committee but would not have decision making status.

In the case of a group of Members requesting a meeting, the group is required to send a written request for the meeting to the Chairman of the PRIME Steering Committee stating the reason for the meeting and the suggested agenda. The request must be sent at least 14

days prior to the requested date. The Chairman must via the Head of PRIME notify the members of an exceptional meeting, in the normal way, giving at least 7 days notice.

Ad hoc Sub-groups may be formed, from time to time, to prepare recommendations for the Steering Committee. Volunteers will be invited and at least 3 members should participate. These Sub-groups may be chaired by a paying full PRIME member or by the Head of PRIME.

Regarding voting rights, only those PRIME Members Designated Operator paying membership fees have a vote but everyone's input is welcomed

If a member in a particular region, or a PRIME member cannot attend a PRIME Steering Committee, he/she is free to give his/her proxy or input to a fellow PRIME member in his/her region or any Post, that has a vote, or pass it to the Head of PRIME, who will put it on the table, as necessary.

The Steering Committee will meet twice a year, in the Spring and in the Autumn in conjunction with the POC and the CA, in Berne, if possible. Swiss Post should not be host automatically. Reasonable costs for the PRIME Steering Committee meetings may come out of the PRIME budget including lunch and coffees etc, if necessary, to Swiss Post, or if at another location, room rental etc. The Dinner, shall in the main, be the responsibility of each person participating. However, the Head of PRIME has discretion to make a contribution from the PRIME Budget for the dinner & refreshments.

2 Election of Chair & Vice Chairs

The Chairman is appointed by the PRIME Steering Committee. If there is more than one applicant, an election will be held. A CV of each Candidate will be circulated by the PRIME Manger and a vote shall be taken at the next Steering Committee meeting. His/her election is by majority. Those present plus any proxies given before the meeting.

The Chairman shall serve for 2 years and may be re-elected for a further 1 year term. This will take effect as of November 2015. The Chair should be independent and should not represent his/her Post. Normally the Chair should provide a secretary for the Group.

Two Vice Chairs should be nominated, seconded and an election held if more than one candidate. At least one Vice Chair should attend each Steering Committee meeting. They should serve for two years and may be re-elected a further one year term.

3 PRIME Board

3.1 PRIME Board Members

The Board will consist of 7 representatives elected, ad persona, by the Steering Committee as follows:

- The PRIME Chair (also Chair of PRIME Board)
- The two Vice Chairs of PRIME
- Additional members (preferably from different regions)

A Designated Operator may only have one representative on the Board (including the PRIME Chair and the Vice Chairs)

Candidates for positions on the Board may only be presented by paying members of PRIME (contribution to PRIME budget)

The Head of PRIME shall be secretary to the Board.

3.2 The Role and Responsibilities of the Board

3.2.1 Mandate of the Board

The Board acts as the executive branch of the Steering Committee (SC) to improve and fulfil the PRIME policy and activities. Therefore:

- The Board can make decisions without further approval by the SC within a budget decided by SC proposed by Finance Committee
- The Board decides on the approval of new members
- The Board is free to negotiate with suppliers (as IPC) on PRIME related issues/reports within the above mentioned budget
- The Board acts as an arbitrator for PRIME related issues between the member countries (e.g. changes in the PRIME agreements)
- If activities are not feasible within the given budget the Board may seek an increase in the budget, for the particular item, from the SC via Teleconference or email by a majority of the SC, in between SC Meetings, provided a majority of the paying members vote and approve

3.2.2 Submissions to the SC for Decision

The Board makes recommendations related to the operation of the PRIME services. The Board:

- Formulates business plans setting out the policies, strategies, work plans and criteria required to achieve the objectives of PRIME for approval by the SC to be carried out by Head of PRIME and team. (this doesn't fit in with what IPC wants today)
- Proposes the PRIME budget of the following year together with Finance Sub Group for approval by SC in the Spring meeting
- Formulates budget plans according to recommendations from the Finance Sub Group necessary for the support of the PRIME activities
- Formulates suggestions as to how change agreements or the structure of PRIME
- Evaluates suggestions or requests formulated by subgroups or by PRIME members aimed at enhancing PRIME's activities
- Can propose amendments to the Statutes and submit them to the PRIME Steering Committee for approval
- Shall submit to the SC a report on the activities undertaken on behalf of PRIME as well as inform the SC about details of the PRIME budget as necessary

3.2.3 Delegated Decisions

The Board shall make further decisions as delegated by SC.

3.2.4 Relation to the Committees

There should be a direct link from the Board to the different PRIME committees. Each Board member might be responsible for the issues of at least one committee.

3.3 Board Meetings

The Board meetings shall be held at least four times a year, two of which shall take place circa UPU or SC meetings.

Additional Board meetings may be convened at the request of the Chairman of the Board or of at least 4 members of the Board.

Board members' travel and subsistence expenses shall be the responsibility of the Designated Operator and not of PRIME.

Decisions during Board meetings shall be made by consensus whenever possible. However, when voting is used during a Board meeting, all decisions shall be passed by a simple majority of the votes of the Board members present.

Each Board member shall have one vote.

The quorum necessary for conducting Board meetings shall be four.

If the board decides, Board meetings shall be conducted by physical meetings, telephone conferences or by other means.

Voting may be via Proxy, if necessary. Each Board member can hold one proxy only

3.4 Elections, Resignation and replacements

Board members, other than the PRIME Chair and the PRIME Vice-Chairs will be elected for a term of two years – the Chair and Vice-Chairs timeframe will be regulated by the rules of duration for the election of the PRIME Chair and Vice-Chairs.

Board members shall be eligible for a second mandate.

Board members who are unable to attend several consecutive meetings of the Board in a row shall lose their seats – the decision will be made by the SC during regular SC meetings.

Should a member of the Board resign, the vacancy shall be filled, by election, during the next appropriate Steering Committee meeting.

4 Calling a Steering Committee Meeting

Normally the PRIME Steering Committee Meetings are arranged by setting the date of the next meeting at the meeting before that. However, as meetings may be held in Berne, it may be necessary to ascertain the date of other UPU meetings before finally deciding on a meeting date.

4.1 Exceptional Situations

In exceptional situations a meeting can be called by the Chairman of the Steering Committee or by the PRIME Manger on the Chairman's behalf, or by a group of at least four Steering Committee Members. In the case of a group of Members requesting a meeting, the group would send a written email request for the meeting to the Chairman stating the reason for the meeting and the suggested agenda. The request must be sent at least 14 days prior to the requested date. The Chairman must notify the members of an exceptional meeting in the normal way giving at least 7 days notice.

Alternatively, a teleconference may be arranged to decide issues quickly. E.g. new membership applications, between meetings where the matter is urgent,

5 Agenda of Meeting

The final agenda of each meeting will be circulated to Members by e-mail at least five Belgium working days before the agreed meeting. However, members may add other items under AOB provided those items do not require a decision as members not present are entitled to have advance notice, of items, requiring a decision.

5.1 Financial or Legal Issues

Issues having a financial or legal impact must be explicitly on the agenda of the Steering Committee for a decision to be made at that meeting. In addition, a written proposal must be circulated via the newsletter. The absence of a specific item on the agenda would not

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preclude a discussion on the topic. A Steering Committee Member wishing to propose a financial or legal matter for decision must send the written proposal to the Head of PRIME at least eight IPC working days prior to the meeting.

6 Minutes of Meeting

The minutes of each meeting should be circulated to members by email within 30 working days of the date of the meeting, unless holidays intervene. If within 14 days of the issue of the minutes, no objection has been raised to these minutes, they shall be considered adopted. Objection/comments must be raised, in writing or via email, addressed to the Head of PRIME, who will correct the minutes and circulate the changed minutes to the Steering Committee members for comment.

7 Proxy

A member unable to be present at a Steering Committee meeting may provide a written power of attorney (proxy) by email or letter to another party's representative at that meeting to exercise the vote of the member giving the Proxy, or to the Head of PRIME.

8 Decisions to be Taken where Unanimous Decision is Preferred

8.1 PRIME Agreement Amendments

A majority agreement, of all the Members present, absent and represented by Proxy is required for decisions amending the annexes to the PRIME Agreements. Any changes to the main agreements must also be decided by a majority but the consequent supplementary agreement must be signed by those members agreeing the change.

8.2 Budget

Decisions relating to the Budget require the agreement of a majority of all Members present, absent and represented by Proxy

Classification of countries and territories for terminal dues and Quality of Service Fund (QSF) purposes (Lists of Resolution C 18/2008, as amended by the 2009 CA decisions) is used to ascertain the classification below

Budget for the following year shall be agreed at the Spring meeting of the previous year. Target counties should pay a membership fee – with categories based on UPU contribution units 3, 5, 10-30 and 50 units (needs to be changed by Finance committee).

Groups 2 and 3 – UPU classification may be free for a maximum up to 2 years or until they become a target country.

Groups 4 and 5 are free indefinitely or until they become a target country.

The fee is based on 86% overheads cost and 14% of budget cost is based on their volume: Inbound & Outbound Express, Outbound Registered, Inbound Registered where there is PfP, and Outbound Insured. This volume includes all PRIME to PRIME traffic only.

In addition:

- i) Small countries, formerly free with 0.5, 1.0 or 3 units will be exempt from PRIME Fee if their volume does not exceed 20,000 items (for period 1 January to 31 December of the year proceeding the Spring meeting, where the budget for the following year is agreed.). Volume that is taken into account is :
 - a) Registered - Outbound only – Registered Outbound Pre-advice (PREDES) taken but only statistics in Delivery calculation used.
 - b) Registered Inbound Agreement – countries that participate in the registered agreement as destination, their volume in delivery calculation is taken into account. Reason – it's another revenue stream
 - c) Insured outgoing, but only those in Delivery Calculation only, on the basis that revenue is earned
 - d) Express – inbound and outbound – Both revenue earners. Inbound - numbers in delivery calculation.
- (1) Outbound Express – PREDES also as that is what country sells
- ii) For 0.5, 1 & 3 unit Posts, with equal or more than 20,000 Volume, the full PRIME Membership fee is €500 euro. If in excess of 100,000 items the fee shall be €1,000
- iii) Customer service for letters (Registered, Insured, Express) is allowed exceptionally for 0.5, 1 and 3 unit posts as associate PRIME members. Three unit Posts, which are entitled to pay for full Prime Membership under their appropriate classification, but opt for customer service only, will pay the same fee as parcels for IBIS, which is index-linked and is irrespective of their volume. As in parcels, access to customer service for 0.5 and 1 unit Posts is free. Customer service only members do not have to exchange data, if they cannot do so, however if they want data exchange organized they must become a full PRIME member Countries with 5 units are required to become a full PRIME Member at the rate applicable to their category. This entitles them to full membership but they select Customer service only but the full payment is applicable.
- iv) Overseas territories of larger countries -

Some, overseas territories are included in their parent's contribution units and payments

 - a) Those overseas territories that are included in their parents' contribution unit will continue to be included in the parent's PRIME fee, if not a target country in their own right.
 - b) If they are target country or become a target country, they pay as if they were 0.5 unit, taking account of the agreed volume thresholds of 20,000 and 100,000. The same conditions re customer service only at 7.2 iii) above will apply.
 - c) Those other overseas territories that have contribution units separately will be treated under the contribution category that they belong to, be it either 0.5, 1 or 3 units. If they have an aggregated contribution unit we divide the cumulative units by the number of territories and treat as average unit with a minimum of 0.5 units. Then they fall into 0.5 or 1, or 3 category and 7.2 iii) applies, including the customer service only option.
 - d) Note: Full members are required to exchange delivery or attempted delivery data with other Prime members as soon as possible after joining but no later than 20 months after their membership takes effect.

9 Decisions to be taken by Majority Vote (Exprès & Registered Respectively)

9.1 Decisions to be taken by a Simple Majority Vote

For amendments of the PRIME Agreement Annexes:

- Annex 1 Definition
- Annexes 2 & 3 Delivery standards, New OEs cut off times etc
- Annexes 4 & 6 Pay for performance and scanning events
- Annex 5 Deed of Accession – new members

And all other decisions, with the exception of these specified at section 9, where a two thirds majority is required.

9.2 Quorum

The quorum required at the Steering Committee is in accordance with the following rules. At least 51% of paying members present, including the number of proxies given constitutes a quorum. Provided the meeting has been called in accordance with 1.1

9.3 Voting Procedure

Each PRIME Paying Member has a single vote. Only those present or represented by Proxy are considered for the purpose of assessing a majority. The majority of the voting members must be present or represented by Proxy.

A simple majority of voting members present, and present by proxy is necessary for decision making. Although, every effort should be made to have a consensus.

10 Decisions to be taken by Two-Thirds Majority Vote

To amend these Steering Committee Procedures a majority of two-thirds of full membership paying members present, either in person or by proxy, is required.