

- 10.2 The parties agree to act unilaterally or co-operate to enhance service performance monitoring systems with a view to progressively improving service performance information and quality control.
- 10.3 The parties agree to exchange service performance results not later than one month after the test period.
- 10.4 Where results indicate performance to be consistently below target, the parties agree to institute appropriate corrective actions.

11. CUSTOMS

Taiwan,ROC	Sweden
No customs clearance on Sundays and public holidays	No customs clearance on Saturday and Sunday and public holidays

12. SUPPORTING ARRANGEMENT

Detailed arrangements for facilitating the effect of this MOU are at schedule.

This Memorandum of Understanding is signed in duplicate in Stockholm, Sweden on December 11, 1995.

[Signed]
 Meg Tivéus
 Managing Director
 Sweden Post Ltd.
 International Division
 SWEDEN

[Signed]
 Mr. Chen Chiung-Ling
 Deputy Director General
 Directorate General of Postal
 Remittances and Savings Banks
 TAIWAN, ROC

[中瑞 (瑞典) 郵政利潤中心技術合作協定]
 AGREEMENT ON POSTAL PROFIT CENTER OPERATING TECHNOLOGY
 BETWEEN THE POSTAL ADMINISTRATIONS OF TAIWAN, REPUBLIC OF
 CHINA AND SWEDEN

Signed on December 11, 1995
 Entered into force on December 11, 1995

AGREEMENT entered into this 11th day of December, 1995, by and between the Directorate General of Posts, ROC on Taiwan (DGP) and SwedPost Consulting AB, Sweden (SPC).

WITNESSETH:

WHEREAS SPC has been established by Posten AB, the Swedish Postal Corporation, as its consultancy body entrusted with the charge to make its extensive experience and expertise in postal services available to other postal systems in the world on a commercial basis;

WHEREAS DGP is the Postal Authority of Taiwan and responsible for all postal services, which are in the process of being extended, advanced and modernized;

WHEREAS Posten AB has in recent years effected significant development in all areas of postal services including organizing the Corporation into Profit Centers; introduction of advanced IT systems; instituting methods for measuring Customer and Employee Satisfaction and generally upgrading the quality of and efficiency in its operations; and

WHEREAS DGP is desirous to enter into a long-term arrangement with SPC by employing Swedish experience and competence in the advancement of its own postal services and for that purpose wishes to commission SPC as its consultant.

NOW, THEREFORE, the parties agree as follows:

1. Program

The orientation and scope of the work by SPC shall be as agreed between the parties, it being envisaged that,

- A) it shall be sequenced thus,
 - a) perform an analysis of the present situation with regard to postal services in Taiwan
 - b) make a review of ongoing and planned advancement measures performed by DGP
 - c) continuously provide presentations to DGP of specific proposals for actions designed to achieve higher efficiency and lower costs in postal services
 - d) provide continuous assistance by SCP in implementing the measures decided upon
- B) it shall include, but not be limited to,
 - a) the methodology, logistical and managerial systems of Profit Centers

- b) the peculiar postal requirements on IT systems
- c) the Swedish experience and competence on e-Mail, Postal Giro, Business Parcels and other appropriate activities.
- d) specific other measures derived from Swedish experience to achieve efficient services.

2. Implementation and Coordination

- a) The parties shall from time to time draw up sub-programs for each specific area of SPC's work setting out scope of work, personnel requirements on each side, timing, costs and special conditions.
- b) Each party shall designate a Programme Director to be responsible for the overall coordination of the Program and Sub-programs hereunder and generally act as Liaison Officer with the other party.
- c) Neither party shall be required to supply information which it has no unfettered right to disclose, nor perform work for which it at the time lacks appropriate capacity.
- d) The parties agree to effect to commencement of the first Sub-program on Profit Centers as per Enclosure 1 hereof concurrently with the execution of this Agreement.

3. Financial Arrangements

All work carried out by SPC as provided hereunder shall be remunerated by DGP on the basis of SPC's normal rates for consultancy fees and other costs as being valid from time to time, such rates to be communicated to DGP on request.

4. Confidential Information

Any information designated by either party as confidential shall be treated by the receiving party as such.

5. Limitation of Liability

Neither party shall be held responsible for use which the other party makes of information received from it hereunder.

6. Tenure

The Agreement shall remain in force for a period of three years from the date of execution hereof but will be extended for a period of one year at a time unless there is a written notice from either party not less than three months prior to any expiry date.

The Agreement can be terminated by either party at any time upon three months written notice in which case the parties shall in good faith resolve how any sub-programs then under way shall be dealt with.

7. Disputes

Any disputes hereunder shall be settled in friendly negotiations between the parties. Failing that, the dispute shall be settled by arbitration under the rules of the International Chamber of Commerce, in English, the Agreement to be governed by Swiss substantive law.

IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed this day in duplicate.

For the Directorate General of Posts

For SwedPost Consulting

[Signed]

[Signed]

Chiung-Ling, Chen

Kjell-Ake Lantz

Deputy Director General

President

ENCLOSURE 1 to Consultancy Agreement dated 11 December, 1995, between the Directorate General of Posts, ROC on Taiwan and SwedPost Consulting AB, Sweden

Sub-program 1: Profit Centers

Pursuant to the provisions in the aforementioned Agreement the parties agree to adopt this Sub-program 1 with the aim to convey to DGP the Swedish experience and expertise acquired within Posten AB in the establishment of Profit Centers for its postal services.

THEREFORE, the parties agree that SPC shall perform as follows under this Sub-program 1:

- a) Produce an analysis of the current DGP Responsibility Center System.
- b) Draw up a proposal to modify and enhance the current DGP Responsibility Center system.
- c) Draw up a proposal to establish respectively the postal activities centers systems concerning mail processing and mail delivery.

- d) The parties concur that the essential basis for this sub-program is a detailed analysis of the present situation with regard to postal services in Taiwan as well as a review of ongoing and planned advancement measure as provided in item 1. A) a) and b) of the Agreement, and agree to cooperate fully in establishing such a basis. This analysis and review, as provided in the Agreement, will, hence, form a part of this Sub-program 1 and need not be repeated in full for subsequent sub-programs.
- e) The work by SPC under this Sub-program 1 will be carried out by a team of two experts, one of whom to act as Sub-program Manager; all being highly experienced in the work hereunder having been actively involved in the transformation of the Swedish Postal System into a Profit Center Organization. The team will have full support from a Swedish reference group on top management level.
- f) The estimated time required for the performance outlined herein is six (6) months, commencing at a time to be agreed.
- g) It is expected that DGP shall set up a team of experts to be agreed, to assist the SPC team in its work and be responsible for the coordination within DGP.
- h) The fee payable by DGP to SPC for the work stipulated herein shall be USD 170,000, payable with 20 percent on signing of this Sub-program 1; 30 percent on submission of a report covering the work performed under a) and b) hereof; 30 percent upon completion of the work and submission of the final Report to DGP and 20 percent upon the acceptance of same report.

The above fee is based on the considered assumption that the work will be performed in six months; should this period be prolonged due to the extent of work be increased as may be agreed, the additional fee shall be negotiated.

- i) Expenses, such as travelling, accomodation and subsistence allowances, in accordance with pertaining rules within Posten AB, will be to DGP's account, such expenses not to exceed 20 percent of the fee, unless otherwise agreed.

This SUB-PROGRAM 1 is herewith accepted for execution.

For the Directorate General of Posts

[Signed]
Chiung-Ling, Chen
Deputy Director General

For SwedPost Consulting

[Signed]
Kjell-Ake Lantz
President