



## PAF® Licence Fees Pro-rata policy for Users

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Royal Mail's PAF® licences permit calculation of Licence Fees on a "per User" basis. At all times that PAF® is used under a PAF® licence, Licence Fees must have been paid in respect of all Users of PAF®.

Licensees may account for User based Licence Fees by the purchase of Multiple User Blocks or per single Users.

All User based Licence Fees are payable in advance annually.

Licensees frequently find that additional Users may need to use PAF® part-way through a licence fee year in which User based Licence Fees have already been paid.

Royal Mail permits the pro-rating of User based Licence Fees in such circumstances on the terms set out in this policy.

### General Rule

Pro-rating of User based Licence Fees is permitted in accordance with Schedule 2 paragraph 2(c) of each of the PAF® Data Solutions Provider Licence Agreement and the PAF® Direct End User Licence Agreement.

Such pro-rating can only be on a full monthly basis within the applicable licence fee year, as described in the example scenarios below.

### Common pro-rata scenarios

#### Scenario 1

5 Users are licensed between May 2018 and April 2019 (being a licence fee year). In September 2018 the End-User wants to add another 3 Users to be able to access the PAF enabled Solution. The Solutions Provider licenses the 3 additional Users on a pro-rata basis from September 2018 to April 2019. Licence Fees are payable for each additional User pro-rated for those months (that is, by the payment of a fee of 8/12 of the User fee for the whole year. In May 2019 the End-User renews 8 Users for the new licence fee year.

	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020
5 Users	Red																											
3 Users					Yellow																							
8 Users													Red															



**Scenario 2**

5 Users are licensed between May 2018 and April 2019 (being a licence fee year). In September 2018 the End-User wants to add another 3 Users to be able to access the PAF enabled Solution. The Solutions Provider licenses the 3 Users for a full year from September 2018 to August 2019 (being the new licence fee year). The Solutions Provider also extends the 5 original Users on a pro-rata basis from May 2018 to August 2018 to align with the new licence fee year. Additional Licence Fees are payable for each original User pro-rated for those months (that is, by the payment of a fee of 4/12 of the User fee for the whole year. In September 2019 the End-User renews 8 Users for the new licence fee year.

	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	
5 Users	Red	Yellow	Yellow	Yellow	Yellow																								
3 Users					Red																								
8 Users																	Red	Red											

**Other pro-rata scenarios**

If you wish for other pro-rata scenarios to be considered by Royal Mail please contact us on [address.management@royalmail.com](mailto:address.management@royalmail.com)