

Royal Mail Group Advertising Volume Commitment Incentive Year 1 Incentive Terms

Background

- (A) The Advertising Volume Commitment Incentive (the **Incentive**) will give Postage Credits to customers who continue to post incremental volumes of Advertising Mail for 12 months after completing the Advertising Growth Incentive (the **AG Incentive**).
- (B) We will give you Postage Credits (at the rates set out on our website) for Eligible Items qualifying under the terms of this Incentive.

1. Definitions. Capitalised terms/expressions in italics will have the same meaning as in the AG Incentive. Other capitalised terms/expressions used in these Incentive Terms will have the meaning given to them in the Framework Terms, if they are not defined elsewhere in these Incentive Terms. The following terms/expressions will have the following meanings:

- (a) "**Agreed Base Commitment**" means the same volume of mail items that we agreed was your *Agreed Expected Base Volume* for your AG Incentive;
- (b) "**Agreed Incremental Commitment**" means the anticipated volume of Eligible Items we expect you to post as incremental volume (broken down by format and weight by Eligible Service). We will notify you of your Agreed Incremental Commitment if we approve your application;
- (c) "**Eligible Service**" means the services noted as 'Eligible Services' for this Incentive on the Incentive Website from time to time and posted either with: (a) Royal Mail (whether directly or through a mailing agent and/or an access operator); and/or (b) a Direct Delivery Provider;
- (d) "**Eligible Services and Postage Credit Rates Document**" means the document as published on the Incentive Website from time to time setting out information relevant to this Incentive such as Eligible Services, the application period, the credit value(s) applicable to this Incentive and, where applicable, the cap applicable to the Postage Credit(s) which may be obtained and the first and last posting dates under this Incentive;
- (e) "**Incentive Website**" means the website which sets out further details of this Incentive at (i) www.royalmail.com or (ii) if you post Eligible Mail through an access operator or mailing agent, <http://www.royalmailwholesale.com/advertising-mail-growth>;
- (f) "**Matched Volume Commitment**" means the same volume of mail items (broken down by format and weight by Eligible Service) posted by you as incremental volume under the AG Incentive; and
- (g) "**Postage Credits**" means the Matched Postage Credits and Incremental Postage Credits, as calculated under this Incentive.

2. Incentive Postings: Subject to the Framework Terms and the other terms below, we will award you:

- (a) Matched Postage Credits as per paragraphs 7 and 9 below if, during the Incentive Period, you post enough Eligible Items above the Agreed Base Commitment to meet at least 95% of your Matched Volume Commitment; and
- (b) Incremental Postage Credits as per paragraph 8 and 9 below if, during the Incentive Period, you post incremental volume of Eligible Items above the sum total of your Agreed Base Commitment and Matched Volume Commitment.

3. Eligible Items: Postage Credits will only be earned on Eligible Items. An Eligible Item means a Letter or Large Letter which:

- (a) contains the same generic message as the other Letters or Large Letters in the relevant mailing and has the purpose of promoting the sale or use of products or services or of encouraging contribution to or support of a cause ("**Advertising Content**");
- (b) are posted by you using the Eligible Services (and which are made in accordance with the relevant terms and conditions for such services);
- (c) are not a postcard, unless such postcard meets the specification requirements set out in our Machinable Postcard and One-Piece Mailer for Incentives Guide (available from the Incentive Website); and
- (d) are not subject to any of our other incentive schemes (as determined by us).

4. Eligibility Criteria: In order to qualify for Postage Credits on this Incentive you must have: (a) completed an AG Incentive with us; and (b) given us a completed application form for this Incentive within three (3) months of the end date of your AG Incentive and within the Application Period (see paragraph 9 below).

5. Incremental Postage Credit Limit: Unless we decide otherwise (as per paragraph 9.2), you will not be entitled to Incremental

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Postage Credits on any incremental volume of Eligible Items in excess of your Agreed Incremental Commitment.

- 6. Validation and Calculation of Postage Credits:** Subject to you meeting the Eligibility Criteria in paragraph 4, at the end of the Incentive Period, we will validate your Postage Credits entitlement. We will do this for the Matched Postage Credits in accordance with paragraph 7 and for the Incremental Postage Credits in accordance with paragraph 8.
- 7. Matched Postage Credits:** We will check that the total volume of mail items which qualify as advertising mail that you posted during the Incentive Period at least equals the sum total of your Agreed Base Commitment and at least 95% of your Matched Volume Commitment. If it does, then we will award you Matched Postage Credits. The value of your Matched Postage Credits will be calculated by applying the applicable Matched Postage Credit Rate(s) multiplied by the volume of Eligible Items you posted during the Incentive Period which exceeds your Agreed Base Commitment, up to your Matched Volume Commitment.
- 8. Incremental Postage Credits:** If you also claim Incremental Postage Credits, we will check that the incremental volume of Eligible Items posted by you is in line with your Agreed Incremental Commitment. If it is, then we will award you Incremental Postage Credits on your Agreed Incremental Commitment. The value of your Incremental Postage Credits will be calculated by applying the applicable Incremental Postage Credit Rate(s) against your volume of Eligible Items posted during the Incentive Period which exceeds the sum total of your Agreed Base Commitment and Matched Volume Commitment up to your Agreed Incremental Commitment.
- 9. Claiming and Payment of Postage Credits:**
 - 9.1 If, as a result of the validation exercises referred to in paragraphs 7 and 8, we think that any of the volume of Eligible Items for which you claimed Postage Credits is inconsistent with your approved application form, then we may take other factors into consideration (such as your *Historic Base Volume*) to determine whether, notwithstanding that inconsistency, the Eligible Items posted by you are valid. This may include discussing with you the reason for any inconsistency. If we are dissatisfied (in our absolute discretion) with the reason for such inconsistency, we will not pay Postage Credits to you under this Incentive.
 - 9.2 In certain circumstances, we may decide to award you more Incremental Postage Credits than that to which you are strictly entitled under this Incentive, if we consider (in our absolute discretion) it fair and reasonable to do so when assessing what you have posted. For example, despite the Incremental Postage Credit Limit in paragraph 5, we may decide (but do not have to) to pay Incremental Postage Credits on up to 110% of your Agreed Incremental Commitment where we consider it fair and reasonable to do so.
 - 9.3 You may claim Postage Credits by sending us a completed Postage Credit Application Form in accordance with Clause 4 of the Framework Terms.
- 10. Application Period:** Only completed application forms we receive within the application period set out in the Eligible Services and Postage Credit Rates Document on the Incentive Website shall be considered for participation in this Incentive.
- 11. Incentive Period:** A period of 12 months starting from the Start Date. If we approve your application form, we will email you to confirm your Start Date. Unless we agree otherwise, your Start Date will be the first day immediately after your AG Incentive ended and we will calculate your entitlement to any Postage Credits from that date onwards.
- 12. Changes to volumes:** If, after we have approved your application form, you wish to change your Agreed Incremental Commitment, such change must be agreed with us, otherwise it will not apply.
- 13. Postage Credit Rates:** The applicable Matched Postage Credit Rates and Incremental Postage Credit Rates for this Incentive can be found on the Incentive Website. We will tell you if we change either of these Postage Credit Rates on 30 (thirty) Working Days' notice.
- 14. Liability:** In addition to (and without affecting) the Framework Terms, to the maximum extent permitted by law, our liability to you under or in connection with this Incentive will be limited to £10,000.
- 15. Cancellation of Incentive:** If you have not started posting Eligible Items within six (6) months of the Start Date then we may cancel this Incentive without liability to you.
- 16. Warranties:** You warrant that:
 - (a) only Eligible Items you declare as new, incremental mail volume will be sent using the Eligible Services;
 - (b) the Eligible Items you declare as new incremental mail volume have not been, are not, and will not be, included in any other Royal Mail incentive, scheme or promotion;

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- (c) all Eligible Items shall comply with all relevant laws and regulations, including but not limited to the CAP Code as endorsed and administered by ASA and from time to time revised by them, and all other relevant codes under the general supervision of CAP and ASA;
- (e) your incremental volume will not include mailing volume switched into this Incentive from another postal operator or one of our other postal services or from a period outside the Incentive Period;
- (f) your incremental volume will not include mailing volume which directly relates to notices or other mailing items required by applicable law in respect of a merger or acquisition that affects you and that occurred within the 24-month period prior to the Start Date or within 12 months after the Start Date;
- (g) your incremental volume will not include mailing volume which is the result of switching between/among a company's divisions, business units, brands or sub-brands; and
- (h) none of your incremental volume is connected with the calling of a local, general or European election or referendum in the UK or other special event where it is unlikely that the mailing volume for the event would be sent annually.