

# Royal Mail Wholesale Programmatic Mail Incentive

## Royal Mail Wholesale Programmatic Mail Incentive Incentive Terms

### Background

- (A) The Royal Mail Wholesale Programmatic Mail Incentive (**Incentive**) will award either: (a) Postage Credits as described more fully in clause 2.1 below; or (b) a discount on the Postage (as defined in Appendix 1) which would otherwise apply as described more fully in clause 2.2 below (**Discounted Postage**), to a consolidator who acts as a Customer Entity (as defined in Appendix 1) on behalf of one or more brands (**Brand**) and who is posting Programmatic Mail (as defined in Appendix 1).
- (B) The volume of Programmatic Mail you post on a daily basis will determine whether you are awarded Postage Credits or Discounted Postage.
- (C) This Incentive is limited to a maximum of eight million programmatic items (8,000,000) in total across all Customer Entities (**Incentive Cap**).

**1. Definitions.** Capitalised terms/expressions will have the meaning given to them in Appendix 1, or if not defined in Appendix 1, will have the meaning given to them in the Framework Terms.

**2. Incentive Postings:** Subject to the Framework Terms and your full compliance with the terms of this Incentive, we agree to award you Postage Credits and/or Discounted Postage as follows:

- 2.1 at any time at which you are a Route A participant (as determined under clause 3 below), you must present all Eligible Items as Business Mail and we will award you Postage Credits for the eligible postings you make during the Incentive Period at the applicable rate as shown on our Website; or
- 2.2 at any time at which you are a Route B participant (as determined under clause 3 below), you must present all Eligible Items as Advertising Mail and, notwithstanding that the Eligible Items do not strictly meet the requirements for Advertising Mail (for the reasons set out in clause 4.3 and Appendix 2), we will charge the Access Letters Contract Holder who is posting the Eligible Items on your behalf in line with the Postage for Advertising Mail as if those Eligible Items were Advertising Mail.

### 3. Movement between Route A and Route B:

- 3.1 When you apply for the Incentive, you must notify us whether, upon commencement of your involvement in the Incentive, you reasonably believe that you will initially:
  - (a) post less than four thousand (4,000) (**Required Volume**) Eligible Items on each day (**Route A**); or
  - (b) post an amount of Eligible Items which is equal to or greater than the Required Volume on each day (**Route B**) and whether you will therefore be participating as a Route A or a Route B participant. Royal Mail will allocate you as either a Route A or Route B participant, and our decision as to your initial allocation shall be final.
- 3.2 If you are participating as a Route A participant, you will remain on Route A for the Incentive Period unless and until you are able to, or we reasonably believe that you are able to, meet the Required Volume on a Consistent Basis. If you are participating as a Route B participant, you will remain on Route B for the Incentive Period unless your daily postings fall below, or we reasonably believe that your daily postings may fall below, the Required Volume on a Consistent Basis.
- 3.3 If you reasonably believe that you will or may (a) where you are a Route A participant, meet the Required Volume on a Consistent Basis or (b) where you are a Route B participant, cease to meet the Required Volume on a Consistent Basis, you must notify us promptly and in any event within 10 days of becoming aware. Following receipt of any such notification, or at any other time when we reasonably determine that you fail or are likely to fail to meet the required criteria for Route A or Route B (as described under this clause 3), we may notify you that we require you (in our sole discretion) to transfer to the other route and, upon such receipt of such notification, you must transfer to the other route within 30 days of the date of such notification. For the avoidance of doubt, we may transfer you from Route A to Route B, and/or vice versa, on multiple occasions during the Incentive Period. Royal Mail's decision on any transfers shall be final.

**4. Eligible Items:** An Eligible Item means an item which:

- 4.1 is Eligible Mail that is not a postcard and that meets the criteria of Programmatic Mail;
- 4.2 is posted by you in trays only;

4.3 meets the requirements for Advertising Mail (notwithstanding that the item must be posted as Business Mail in accordance with clause 2.1 if you are a Route A participant) save for the exceptions set out in Appendix 2;

4.4 is not subject to any other Royal Mail incentive scheme under the Framework Terms; and

4.5 at any time at which you are a Route B Participant, is posted by you via an Access Letters Contract Holder who has signed up to a Programmatic Mail Side Letter.

## **5. Eligibility Criteria:**

5.1 To participate in the Incentive you must:

- (a) be a consolidator who acts as the Customer Entity and has a contract with one or more Brands;
- (b) post a minimum volume of 50,000 Eligible Items under this Incentive;
- (c) be able to demonstrate a plan for growth under this Incentive (with the aim of increasing the volume of Eligible Items posted incrementally following the Incentive Period start date); and
- (d) meet the Data Sharing Requirements as described in clause 6 below.

5.2 If we reasonably believe that you have not complied, or you are reasonably likely not to comply, with any of the Eligibility Criteria at any time, we reserve the right to terminate your participation in the Incentive by providing no less than 30 days' prior written notice.

## **6. Data Sharing Requirements:**

6.1 When Eligible Items are posted, you must share a spreadsheet with us on Monday each week (in a form prescribed by us and notified to you) showing:

- (a) the number of Eligible Items posted on behalf of each Brand during the previous week;
- (b) the UCID and SCID used to post / present the Programmatic Mail (which, if you are on Route B, must only be used to present Programmatic Mail) during the previous week; and
- (c) unique reference identifiers that link to all Eligible Items posted during the previous week.

6.2 Upon request from us, you must provide, and you must procure that each of the Brands on whose behalf you are posting provides, examples (which have been non-personalised / anonymised such that we cannot identify any actual individual recipient of each item) of any individual customer creative content which is the subject of any Eligible Item which has been or will be posted under this Incentive (including a minimum of an image of the outer and first page of an inner of any relevant mail pack).

6.3 You must comply with, and you must inform each Brand of, the requirements and the process set out in Appendix 3 (Ad Mail Information).

## **7. Eligible Services:**

7.1 Any service for Letters and/or Large Letters posted either with Royal Mail using Royal Mail Mailmark® or Royal Mail Mailmark® Economy derived services.

**8. Customer Eligible Item Cap:** Unless agreed otherwise, the maximum number of Eligible Items you can post (and we will accept from you) under this Incentive is one million (1,000,000).

**9. Application Period:** The period from 3 November 2022 to the earlier of either:

- (a) 29 December 2023; or
- (b) the date on which we have accepted the maximum number of programmatic items permitted under the Incentive Cap and therefore close the incentive;

Only completed application forms we receive during the Application Period will be considered for participation in the Incentive.

**10. Incentive Period:** The period from the date on which we accept your application (which must, for the avoidance of doubt, be during the Application Period (as described under clause 9 above)) until 28 December 2024 or, if earlier, the date on which (a) you reach the cap set out under clause 8 (Customer Eligible Item Cap) or (b) we terminate your participation in the Incentive pursuant to clause 5.2.

**11. Validation Process:** Together we will agree and establish a validation process which may be updated from time to time as agreed by us. In the event that we require further information or need to adjust the data we receive from you, we reserve the right to adapt the validation process by providing you with no less than 30 days' prior written notice of such changes.

## **12. Applying for this Incentive:**

12.1 You can apply to participate in this Incentive provided you meet the Eligibility Criteria.

12.2 The relevant Incentive Terms and application form for this Incentive will be available on the Website. You must complete and accept the Incentive application form and submit it (via the method specified by us in the applicable form) during the Application Period. We shall contact you within 5 Working Days of receiving your application form for any additional information we may need from you. If we approve your application, we will tell you (a) whether you have been accepted as a Route A or Route B participant and (b) the date on which your postings of Eligible Items can begin to either earn Postage Credits or benefit from Discounted Postage (as applicable), together with any other relevant information about the Incentive.

This provision shall supersede clauses 2.1 to 2.3 of the Framework Terms.

**13. Postage Credit Rates:** Where we provide Postage Credits to you under this Incentive pursuant to clause 2.1, the applicable Postage Credit rates can be found on our Website.

**14. Discount:** Any Discounted Postage that we give you under this Incentive will be provided at the rate set out in, and in accordance with, clause 2.2. If you are a Route B participant, in the event that we identify programmatic items that do not meet the Eligibility Criteria, we will follow the standard adjustment process as set out in the User Guide for Royal Mail Advertising Mail®.

## **15. Confirmation and Calculation of Postage Credits:**

15.1. At the end of each Royal Mail Financial Period we will review and confirm your entitlement to the Postage Credits, by way of an email confirmation. We will do this by checking the total volume of Eligible Items that you posted as part of this Incentive during the relevant Royal Mail Financial Period. We will calculate the amount of any Postage Credits to be awarded by applying the relevant Postage Credit Rate to the Eligible Items you post as part of this Incentive, subject to the Customer Eligible Item Cap.

15.2. If, as a result of the review exercise referred to in clause 15.1, we determine that you have earned Postage Credits during a Royal Mail Financial Period, then we shall notify you of the value of any Postage Credits due within 10 Working Days of the end of the Royal Mail Financial Period. Our decision on the amount of your Postage Credit award is final. This provision shall supersede clause 4.4 of the Framework Terms.

15.3. For the avoidance of doubt, you do not need to complete a Postage Credit Application Form in order to validate your Postage Credits entitlement. Clauses 4.1 and 4.2 of the Framework Terms do not apply to this Incentive.

15.4. Any Postage Credits that we give you under this Incentive will be provided to you in accordance with clause 4.7 of the Framework Terms.

## **16. Warranties:**

17.1 You warrant and undertake that:

- (a) the Eligible Items you will send under the Incentive will be Programmatic Mail and you will send it using the Eligible Services;
- (b) the Eligible Items you declare as part of this Incentive have not been, are not, and will not be, included in any other Royal Mail incentive, scheme or promotion;
- (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;
- (d) you have and shall maintain all required consents, licences, authorisations and permissions to share the data, content and any other information which you are required to share with us pursuant to clause 6;
- (e) the Eligible Items will not include mailing volume switched into this Incentive from another postal operator, one of our other postal services or from a period outside the Incentive Period;
- (f) the Eligible Items will not include mailing volume which is the result of switching between/among a company's divisions, business units, brands or sub-brands; and
- (g) none of the Eligible Items 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.

**17. 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.

## Appendix 1

### Definitions

Each of the following words and expressions has the meaning given below unless expressly provided otherwise in these Incentive Terms:

<b>Access Letters Contract</b>	means the Access Letters Contract as published at <a href="http://www.royalmailwholesale.com">www.royalmailwholesale.com</a> from time to time;
<b>Access Letters Contract Holder</b>	means a party who has entered into an Access Letters Contract with Royal Mail Group Limited;
<b>Ad Mail Information</b>	means, in respect of a given Programmatic Mail Posting:  (a) the information provided to us on a Posting Docket or e-Manifest (as applicable), in the course of providing the Programmatic Mail service for that Posting; and  (b) the Mail Reference provided on the Posting Docket or e-Manifest (as applicable) to us pursuant to paragraph 1.4.1a) of Appendix 3 for that Posting.
<b>Advertising Mail</b>	means Mailing Items which are declared as advertising mail, and which meet the criteria for Advertising Mail as set out under Part 1 (Royal Mail Advertising Mail and Royal Mail Partially Addressed Mail) of Schedule 4 of the Access Letters Contract and the User Guide;
<b>Business Mail</b>	means Mailmark Mailing Items, excluding any Advertising Mail, Partially Addressed Mail and Magazine Subscription Mail;
<b>Consistent Basis</b>	means for a period of one week or more;
<b>Customer Entity</b>	means a discrete posting unit or third party that an Access Letters Contract Holder wishes to be recognised for the purpose of handing over Mailing Items as UCID Postings in line with the Access Letters Contract;
<b>Data Opt Out</b>	means:  (a) your right (where you are the posting customer); or  (b) the Brand's right (as applicable),  to opt out of JICMAIL's data sharing initiative as referred to in paragraph 1.2.2 of Appendix 3, and includes any subsequent data opt out referred to in paragraph 1.2.3 of Appendix 3 as applicable;
<b>Independent Marketing Specialists</b>	means Nielsen Media Research Limited (company no. 01765758) with registered offices at Venture House, 2 Arlington Square, Downshire Way, Bracknell, Berkshire, RG12 1WA, and such additional and/or replacement independent advertising market analysts as appointed by JICMAIL from time to time;
<b>Industry Input Data</b>	means, in respect of each Programmatic Mail Posting for which the Data Opt Out has not been exercised:  (a) the identity of the advertiser and the brand for that Programmatic Mail Posting;  (b) Programmatic Mail volumes for that Programmatic Mail Posting disaggregated to SSC level (but no lower); and/or  (c) the Mail Reference for that Programmatic Mail Posting;
<b>Inward Mail Centre</b>	means one of our inward mail centres as detailed on our Website;
<b>JICMAIL</b>	means JICMAIL LIMITED with company number 04123433 and whose registered address is 70 Margaret Street London W1W 8SS, or such replacement company from time to time;

<b>Magazine Subscription Mail</b>	means Large Letters which are declared as Magazine Subscription Mail and which meet the criteria for Magazine Subscription Mail as set out under Part 3 (Royal Mail Magazine Subscription Mail) of Schedule 4 of the Access Letters Contract and the User Guide;
<b>Mail Reference</b>	means a unique reference code of no more than twenty (20) characters which identifies a Brand's specific Programmatic Mail Posting such that each Programmatic Mail Posting will have a unique and distinct Mail Reference associated with it;
<b>Mailing Items</b>	means a Letter or Large Letter;
<b>Mailmark Mailing Item</b>	means Letters / Large Letters which meet the criteria for the Royal Mail Mailmark® service;
<b>Partially Addressed Mail</b>	means Mailing Items which are declared as partially addressed mail and which meet the criteria for Partially Address Mail as set out under Part 1 (Royal Mail Advertising Mail and Royal Mail Partially Addressed Mail) of Schedule 4 of the Access Letters Contract and the User Guide;
<b>Postage</b>	means the amount payable by the Access Letters Contract Holder who is posting Mailing Items on your behalf to us for Mailing items handed over in a Daily Posting;
<b>Posting</b>	means the total amount of Mailing Items each day which you hand over to an individual Inward Mail Centre for us to convey and deliver;
<b>Posting Docket</b>	means the certificate containing details of Postings (which we need to calculate the Postage), described in the User Guide;
<b>Programmatic Mail</b>	means a variant of Advertising Mail triggered by a fully permissioned customer action at a key point in its digital journey (an example of an application may be an abandoned basket on a website, which would require tag codes to be included on brand websites);
<b>Programmatic Mail Posting</b>	means: (a) in respect of a Route A participant a mixed UCID Posting (i.e. containing Programmatic Mail, Advertising Mail and Business Mail); and (b) in respect of a Route B participant a UCID Posting containing only Programmatic Mail;
<b>Programmatic Mail Side Letter</b>	means a side letter entered into between us and an Access Letters Contract Holder in respect of the Incentive;
<b>Regulator</b>	means Ofcom, or any successor body that is appointed to fulfil its functions;
<b>Royal Mail Financial Period</b>	means each of the periods as specified in the 'Programmatic Mail Incentive eligible services and postage credits' document available on our Website;
<b>SCID</b>	means the supply chain ID;
<b>UCID</b>	means the optional unique customer identifying number assigned by the Access Letters Contract Holder who is posting Mailing Items on your behalf to you and displayed as specified in the User Guide;
<b>UCID Posting</b>	means the total amount of Mailing Items which an Access Letters Contract Holder hands over (on your behalf) on any single Working Day to Royal Mail to deliver which has been identified by the use of a UCID as discrete to you; and
<b>User Guide</b>	means the Access Letters User Guide published by Royal Mail as amended from time to time.

## Appendix 2

### Programmatic Mail Requirements

Eligible Items must meet the requirements for Advertising Mail (as set out under Part 1 (Royal Mail Advertising Mail and Royal Mail Partially Addressed Mail) of Schedule 4 of the Access Letters Contract and the User Guide, including Appendix G (Advertising Mail)), save that:

1. the requirement under section 2.1(a)(i) of Appendix G shall not apply;
2. the requirement under paragraph 5.4(a) of Part 1 of Schedule 4 and section 2.1(b) of Appendix G shall only apply to the extent you are posting as a Route B participant;
3. under paragraph section 2.1(b)(ii) of Appendix G, the wording "(For clarity, you may not mix Mailing Items with different mailing pack designs in Containers assigned to a single UCID)" shall not apply;
4. under paragraph 5.4(a) of Part 1 of Schedule 4, the wording "and the associated Sample / Seed" shall not apply;
5. under section 5.2 of Appendix G, additional wording shall be added as follows: "For the avoidance of doubt, you may mix items posted as Programmatic Mail with Advertising Mail Postings, but not with any other postings (e.g. Business Mail)";
6. paragraph 3 of Part 1 of Schedule 4 and section 4 of Appendix G shall not apply; and
7. under paragraph 6 of Part 1 of Schedule 4, all references to providing us with Samples / Seeds shall not apply and all references to an Originating Customer shall be construed as references to a Brand.

## Appendix 3

### Ad Mail Information

- 1.1 We wish to use Ad Mail Information for the purpose of assessing the circulation of Programmatic Mail and to create an advertising mail currency that enables advertisers to benchmark their investments in Programmatic Mail against other media. To do this we wish to share the Industry Input Data with JICMAIL and permit JICMAIL to share the Industry Input Data with the Independent Marketing Specialists for the purpose of creating reports for the industry.
- 1.2 You agree to inform each Brand:
  - 1.2.1 of our wish to use their Ad Mail Information and share their Industry Input Data for the purposes set out in paragraph 1.1;
  - 1.2.2 that they have the right to opt out of us using their Ad Mail Information and sharing their Industry Input Data (the **Data Opt Out**) by instructing you to notify us by email using the opt out form available on our Website, providing us with the identity of the Brand who wishes to exercise the Data Opt Out together with their UCID and SCID (if applicable), such notice to be sent to the email address specified in the opt out form with the subject heading 'JIC Opt Out' (**Data Opt Out Notification**);
  - 1.2.3 that the Data Opt Out shall be valid for a period of 12 months from the date of receipt of the Data Opt Out Notification (**Opt Out Period**), following which the Brand will need to instruct you to send a further Data Opt Out Notification in accordance with paragraph 1.2.2 above should it wish to exercise the Data Opt Out for a further Opt Out Period; and
  - 1.2.4 that:
    - a) if they wish to exercise the Data Opt Out, then it is their responsibility to ensure that they instruct you to send a Data Opt Out Notification in accordance with paragraphs 1.2.2 and 1.2.3 above (as applicable); and
    - b) if we have not received a Data Opt Out Notification, or if the Data Opt Out has expired and we have not received a subsequent Data Opt Out Notification, then we shall be entitled to treat that as their consent for us to use their Ad Mail Information and share their Industry Input Data for the purpose set out in paragraph 1.1 and we shall have no liability to them in respect of such use even if they have instructed you otherwise.
- 1.3 We will use reasonable efforts to notify you in advance of expiry of the relevant Opt Out Period.
- 1.4 You will ensure that:
  - 1.4.1 if the Data Opt Out has not been exercised pursuant to paragraph 1.2.2 or 1.2.3 (as applicable), then:
    - a) you must ensure each Programmatic Mail Posting is assigned the correct Mail Reference and such Mail Reference is declared on the Posting Docket or e-mail Manifest (as applicable); and
    - b) where an individual Programmatic Mail Posting is being posted across a number of different days, then the same Mail Reference is to be used for each day of that Programmatic Mail Posting.
- 1.5 Paragraphs 1.1 to 1.4 shall apply equally if you are the posting customer of the Programmatic Mail, in which case:
  - a) you may exercise the Data Opt Out by sending us a Data Opt Out Notification in accordance with paragraph 1.2.2;
  - b) however, if we have not received a Data Opt Out Notification, or if the Data Opt Out has expired in accordance with paragraph 1.2.3 and we have not received a subsequent Data Opt Out Notification, then we will be entitled to treat that as your consent for us to use the Ad Mail Information and share the Industry Input Data for the purpose set out in paragraph 1.1.
- 1.6 We each agree that, for the purpose of any confidentiality obligation in place between us, the Ad Mail Information shall not be Confidential Information for:
  - a) those Brands who have not exercised the Data Opt Out; or
  - b) where you are a posting customer, where you have not exercised the Opt Out.