

Royal Mail Group October 2022-March 2023 Advertising Mail Incentive Incentive Terms

Background

- (A) The Royal Mail Group October 2022-March 2023 Advertising Mail Incentive (**the Incentive**) will award Postage Credits to a posting customer who posts Incremental Volumes of Eligible Mail during the periods of 26 September 2022 to 31 December 2022 (inclusive) and 1 January 2023 to 25 March 2023 (inclusive).
- (B) We will award Postage Credits for Eligible Mail posted under the terms of the Incentive in accordance with the applicable Incentive Rates set out on our Website.

1. Definitions. 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:

1.1. **Agreed Expected Base Volume** means, in respect of each Quarter, either:

- (a) if the Agreed Expected Planned Volume for the applicable Quarter is equal to or greater than 90% of:
 - (i) for the September to December 2022 Quarter, the total number of mailing items which qualified as advertising mail that you posted between 27 September 2021 and 31 December 2021 (inclusive); and/or (as applicable)
 - (ii) for the January to March 2023 Quarter, the total number of mailing items which qualified as advertising mail that you posted between 1 January 2022 and 26 March 2022 (inclusive),

then the Agreed Expected Base Volume shall be an amount equal to the Agreed Expected Planned Volume for the applicable Quarter; or

- (b) if the Agreed Expected Planned Volume for the applicable Quarter is less than 90% of:
 - (i) for the September to December 2022 Quarter, the total number of mailing items which qualified as advertising mail that you posted between 27 September 2021 and 31 December 2021 (inclusive); and/or (as applicable)
 - (ii) for the January to March 2023 Quarter, the total number of mailing items which qualified as advertising mail that you posted between 1 January 2022 and 26 March 2022 (inclusive),

then the Agreed Expected Base Volume shall be an amount equal to 90% of: (i) for the September to December 2022 Quarter, the total number of mailing items which qualified as advertising mail that you posted between 27 September 2021 and 31 December 2021 (inclusive); and/or (as applicable) (ii) for the January to March 2023 Quarter, the total number of mailing items which qualified as advertising mail that you posted between 1 January 2022 and 26 March 2022 (inclusive),

in each case as determined by us (taking into account your Historic Base Volume). We will notify you of your Agreed Expected Base Volume if we approve your application.

1.2. **Agreed Expected Incremental Volume** means, in respect of each Quarter, the anticipated incremental number of Eligible Items that we expect you will send during the applicable Quarter, as we may determine (taking into account your Estimated Incremental Volume and your Agreed Expected Base Volume), such number not to exceed four million (4,000,000) Eligible Items in any one Quarter. We will notify you of your Agreed Expected Incremental Volume if we approve your application;

1.3. **Agreed Expected Planned Volume** means, in respect of each Quarter, the anticipated number of non-incremental advertising mail Letters and Large Letters that we expect you will send during the applicable Quarter, as we may determine (taking into account your Estimated Planned Volume and Historic Base Volume). We will notify you of your Agreed Expected Planned Volume if we approve your application;

1.4. **Eligible Item** has the meaning given in paragraph 3.2 below;

1.5. **Eligible Services** means (i) Royal Mail's Advertising Mail Low Sort Economy Mailmark; (ii) Royal Mail's Advertising Mail High Sort Economy; (iii) Royal Mail's Access Mailmark Advertising Mail Economy; (iv) Royal Mail's Advertising Mail Low Sort Mailmark; (v) Royal Mail's Advertising Mail High Sort Mailmark; (vi) Royal Mail's Access Mailmark Advertising Mail; (vii) Royal Mail's Access 1400 Advertising Mail; (viii) Royal Mail's Partially Addressed Mail Low Sort Economy Mailmark; (ix) Royal Mail's Access Mailmark Partially Addressed Mail Economy; (x) Royal Mail's Access Mailmark Partially Addressed Mail; and (xi) Royal Mail's Access Advertising Catalogue Mail;

- 1.6. **Estimated Incremental Volume** means, in respect of each Quarter, the forecasted number of Eligible Items that you expect you will send in excess of the Historic Base Volume during the applicable Quarter, as proposed by your application form;
- 1.7. **Estimated Planned Volume** means, in respect of each Quarter, the forecasted number of non-incremental advertising mail Letters and Large Letters that you expect you will send during the applicable Quarter, as proposed by your application form;
- 1.8. **Historic Base Volume** means the historic number of mailing items which qualified as advertising mail that you posted as proposed by you in the Incentive's application form;
- 1.9. **Incremental Volume** means the number of Eligible Items posted by you during the Incentive Period that exceed the Agreed Expected Base Volume; and
- 1.10. **Quarters** means 26 September 2022 to 31 December 2022 (inclusive) and 1 January 2023 to 25 March 2023 (inclusive), and **Quarter** shall be construed accordingly.

2. Application Limitations:

- 2.1. This Incentive is limited to an aggregate of fifty million (50,000,000) Eligible Items (**Incentive Pot**). Applications for this Incentive will be accepted on a "first come, first served basis", such that once the Incentive Pot has been allocated for the Agreed Expected Incremental Volumes agreed with applicants, no new applications will be accepted.
- 2.2. We will not usually accept applications for Agreed Expected Incremental Volumes which exceed four million (4,000,000) Eligible Items in any one Quarter. We may decide to accept applications for Agreed Expected Incremental Volumes which exceed four million (4,000,000) Eligible Items where we consider it fair and reasonable to do so (but, for the avoidance of doubt, will have no obligation to do so).

3. Incentive Postings:

- 3.1. Subject to the Framework Terms and the other terms below, we will award you Postage Credits for all Incremental Volume of Eligible Items that you post during the Incentive Period.
- 3.2. An **Eligible Item** means a Letter or Large Letter that:
 - (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) is 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 our Website);
 - (c) is posted by you in Trays in accordance with the requirements of your agreement relating to your use of Trays;
 - (d) is posted by you using an Eligible Service (and which are made in accordance with the relevant terms and conditions for such services); and
 - (e) is not subject to any of our other incentive schemes (as determined by us).

4. Eligibility Criteria: In order to qualify for Postage Credits, you must post at least one hundred thousand (100,000) Eligible Items more than your Agreed Expected Base Volume during each Quarter that you are participating in the Incentive during the Incentive Period.

5. Postage Credit Cap: You will not be entitled to Postage Credits on any Incremental Volume of Eligible Items in excess of your Agreed Expected Incremental Volume (**Postage Credit Cap**). Notwithstanding the Postage Credit Cap, we may decide (but do not have to) to award Postage Credits on up to 110% of your Agreed Expected Incremental Volume, where we consider it fair and reasonable to do so.

6. Application Period: Only completed application forms we receive:

- 6.1. between 5 September 2022 and 2 December 2022 (inclusive) for applications for the September to December 2022 Quarter;
- 6.2. between 5 September 2022 and 3 March 2023 (inclusive) for applications for the January to March 2023 Quarter will be considered for participation in the Incentive.

7. Incentive Period: A period commencing on the Start Date and expiring on either (a) 31 December 2022 (if you are participating in this Incentive during the September to December 2022 Quarter only); or (b) 25 March 2023 (if you are

participating in this Incentive during the January to March 2023 Quarter only or both Quarters). We will notify you of your Start Date if we approve your application form.

8. **Changes to volumes:** If, after we have approved your application form, you wish to change your Estimated Incremental Volume, such change must be agreed with us, otherwise it will not apply.
9. **Incentive Rates:** The applicable postage rates for this Incentive can be found on our Website and are expressed as a percentage discount (**the Incentive Rates**). We will give you 30 Working Days' notice if we change the Incentive Rates. For the avoidance of doubt, you will continue to pay the standard postage rate for all items posted during the Incentive Period and will be awarded postage credits that are calculated by reference to the Incentive Rates in accordance with paragraph 10 below.
10. **Incremental Volume Validation and Postage Credit Calculation:**
 - 10.1. We reserve the right to review the volume of Eligible Items posted using the Eligible Services from and including the date that is four weeks prior to the commencement of the Incentive Period up to and including the date that is four weeks after the end of the Incentive Period, and to compare that volume with the volume of Letters and Large Letters posted as Advertising Mail or Partially Addressed Mail in the corresponding period in 2021 and 2022. If in our opinion, any volume of Eligible Items you have posted during the Incentive Period, have been moved from a period outside the corresponding period in 2021 and 2022 (with the effect that such volume is not new incremental mail volume), or we otherwise take the opinion that the volume may not be new incremental mail volume, then we may (in our absolute discretion):
 - (a) require a signed declaration that the volume is in fact incremental volume and/or a mailing plan from you that demonstrates the volume is in fact incremental volume; and/or,
 - (b) calculate your Postage Credits by applying the applicable Incentive Rate(s) by reference to the volume of Eligible Items posted during the Incentive Period that we are satisfied constitutes incremental volume (**the Validated Incremental Volume**).
 - 10.2. We will calculate the amount of any Postage Credits to be awarded by reference to either:
 - (a) the Incremental Volume you post during the Incentive Period; or,
 - (b) if we have exercised our rights under paragraph 10.1, the Validated Incremental Volume you post during the Incentive Period.
 - 10.3. The amount of Postage Credits to be awarded will be calculated by deducting the amount that you would have paid in respect of Incremental Volume or Validated Incremental Volume (as applicable) during the Incentive Period had the Incentive Rates been applied from the amount actually paid by you in respect of the Incremental Volume or Validated Incremental Volume (as applicable) during the Incentive Period, up to the Postage Credit Cap.
11. **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.
12. **Warranties:** You warrant and undertake that:
 - 12.1. the Eligible Items you will send under the Incentive will be new, incremental mail volume and you will send it using the Eligible Services;
 - 12.2. the Eligible Items you declare as new incremental mail volume has not been, is not, and will not be, included in any other Royal Mail incentive, scheme or promotion;
 - 12.3. 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;
 - 12.4. 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;
 - 12.5. 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
 - 12.6. 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.