

## ROYAL MAIL GROUP INCENTIVE SCHEME FRAMEWORK TERMS

### BACKGROUND

- (A) To encourage the posting of Letters and Large Letters you can participate in the Royal Mail Group's incentive scheme (the **Scheme**), whereby you can apply for certain incentives promoting certain mail services (**Incentives**). To participate in an Incentive you need to enter into a separate agreement with us by submitting an application form, which will incorporate these terms.
- (B) When you sign up for an Incentive you will earn credits to use against future mail postings (**Postage Credits**) in accordance with the rules of the Incentive either through us or certain other providers of UK Postal Letter Services (as defined below).

### FRAMEWORK GENERAL TERMS AND CONDITIONS

#### 1 Contractual Framework and Incentive Participation Agreements

- 1.1 Capitalised terms which are used in these Framework Terms have the meanings set out in Schedule 1 (**Definitions**).
- 1.2 Clauses 1 to 8 (inclusive) of these Framework Terms govern our overall relationship with you in respect of the Scheme.
- 1.3 We may offer Incentives under the Scheme, for which specific terms will apply (**Incentive Terms**). The Incentive Terms will be set out in the relevant Incentive's application form, and if there is a conflict between the Incentive Terms and these Framework Terms, these Framework Terms will take precedence unless the Incentive Terms say otherwise.

#### 2 Applying for Incentives

- 2.1 You can apply to participate in any Incentive that we offer provided you meet any prescribed criteria set out in the Incentive Terms (**Eligibility Criteria**).
- 2.2 For any Incentive that we offer, you will find the relevant Incentive Terms and application form on our Website. You must complete and sign the relevant Incentive's application form and submit it to us before the application period for the relevant Incentive ends. The offer period for each Incentive will be given in its Incentive Terms.
- 2.3 We shall contact you within 5 Working Days of receiving your application form (or any additional information we may need from you), to let you know if your application is successful. If we approve your application, we will tell you your Expected Volume of Eligible Mail and the date on which your postings of Eligible Mail Items can begin to earn Postage Credits (**Start Date**), together with any other relevant information about the Incentive.

- 2.4 By starting to post Eligible Mail for an Incentive that we have approved for you, you will be agreeing to participate in that Incentive on the Incentive Terms in your approved application form and these Framework Terms (together referred to as a **Participation Agreement**).
- 2.5 Your participation in an Incentive will end automatically on the End Date set out in the Incentive Terms unless terminated earlier under the Participation Agreement.

### **3 Term of the Scheme**

- 3.1 Unless terminated earlier in accordance with clause 5, the Scheme shall continue until we notify you that we are withdrawing the Scheme. We will give you at least 30 Working Days' notice of such withdrawal.
- 3.2 Withdrawal of the Scheme pursuant to clause 3.1 shall not affect:
- (a) the continuation of any Incentive's Participation Agreement entered into between you and us, or our obligation to award Postage Credits already earned by you, in each case before the date on which the Scheme ends under clause 3.1; or
  - (c) our obligation to redeem any unexpired Postage Credits that you submit in accordance with clause 4 after the date on which the Scheme ends under clause 3.1.

### **4 Claiming of Postage Credits**

- 4.1 Unless you are eligible and elect to submit a claim for Postage Credits in accordance with clause 4.1A, to claim your Postage Credits you must complete and send to us the Postage Credit Application Form within six (6) months of the end of your Incentive Period. Late applications will not be accepted.
- 4.1A If you are participating in an incentive in which your entitlement to Postage Credits is based on incremental growth, you may submit a claim for Postage Credits during your Incentive Period if:
- (a) you have met or exceeded both the Eligibility Criteria for the relevant Incentive and the agreed base volume or other volume against which it has been agreed incremental growth shall be measured for the purposes of the relevant Incentive; and,
  - (b) you have posted at least 1 million incremental items of Eligible Mail during the Incentive Period.

Claims for Postage Credits made pursuant to this clause 4.1A may only be submitted in respect of full completed quarters, and for the purposes of this clause 4.1A, the first quarter shall commence on the first day of your Incentive Period and each subsequent quarter shall commence every three months following that date.

- 4.1B Where you wish to submit a claim under clause 4.1A, you must notify us during the quarter in which you meet or exceed the criteria set out in clause 4.1A, and complete and send to us the Postage Credit Application Form following the end of that quarter.
- 4.1C If we have approved a claim for Postage Credits in accordance with clause 4.1A, we will consider an award of Postage Credits in respect of any subsequent quarter(s) during the Incentive Period in which you have met the criteria set out in clause 4.1A, and for the purposes of the rest of this clause 4 you shall be deemed to have made a claim in respect of such quarter(s).
- 4.1D Claims in respect of any period(s) in which the criteria set out in clause 4.1A have not been met shall be submitted in accordance with clause 4.1 and processed accordingly. Claims submitted under clause 4.1 and clause 4.1A or deemed to have been submitted under clause 4.1C shall be processed in accordance with the remainder of this clause 4.
- 4.2 We may request additional information from you to check your claim for Postage Credits and if you do not provide sufficient information we may decide not to award Postage Credits to you for the relevant Incentive. To enable us to validate whether we have received accurate and/or up-to-date information from you in response to any request made under this clause, we will have the right to use any other information that you have already provided to us, including the information in Dockethub, the Advertising Mail seed log, and/or in the Mailmark database (Relevant Information) for the sole purpose of operating and managing any Incentives that we make available pursuant to these Framework Terms. If we have separately entered into an Access Letters Contract in respect of UK Postal Letter Services, clause 9.4 and paragraph 13 of Schedule 6 (Advertising Mail) of that Access Letters Contract shall be deemed amended so as to allow our use of such Relevant Information in accordance with this Clause.
- 4.3 We will calculate your Postage Credits by confirming the volume of Eligible Mail that qualifies for Postage Credits based on the relevant Incentive's Participation Agreement.
- 4.4 We shall notify you of the value of any Postage Credits due within 45 (forty-five) Working Days of receipt of a completed Postage Credit Application or the date of any claim deemed to have been submitted in accordance with clause 4.1C (as applicable), subject to receipt of any verification information requested. Our decision on the amount of your Postage Credit award is final.
- 4.5 When posting Eligible Mail, you must apply (and notify to us) a unique reference number to the sales order to ensure we are able to accurately identify your Eligible Mail. If you don't follow this process, your postings will not count as Eligible Mail for the relevant Incentive.
- 4.6 You agree that all information you give us in connection with an Incentive will be true, accurate and not misleading.

- 4.7 Any Postage Credits that we give you under the Scheme will be provided to you either:
- (a) in the form of a Postage Credit Voucher which you can use in full or part payment of your future UK mailings posted with us or a Mail Services Provider participating in the Scheme;
  - (b) as a credit to your Royal Mail credit account (if you instruct us to do so in (i) the Postage Credit Application Form; or (ii) (if requested by us in the relevant Incentive's application form) the relevant Incentive's application form) which you can use in full or part payment of your future mailing(s) posted with us; or
  - (c) subject to clause 4.7C and 4.7D, if you do not have a Royal Mail credit account (or we, acting in our absolute discretion, otherwise agree), as a credit to the Royal Mail credit account of your nominated Mail Services Provider (as instructed by you in (i) the Postage Credit Application Form; or (ii) (if requested by us in the relevant Incentive's application form) the relevant Incentive's application form) which you can use in full or part payment of your future mailing(s) posted with a Mail Services Provider participating in the Scheme, in which case clause 4.7A and 4.7B shall apply.
- 4.7A If you elect and we agree to provide Postage Credits to the account of a Mail Services Provider in accordance with clause 4.7(c) and you owe any sums to us as at the date that we are providing such credits to your nominated Mail Services Provider, then we may (acting in our absolute discretion):
- (a) prior to providing such Postage Credits, deduct an amount equal to the sums that you owe to us as at that date, and retain such amount in payment of such outstanding sums; and
  - (b) provide the remaining amount of Postage Credits to the Royal Mail credit account of your nominated Mail Services Provider.
- 4.7B If you elect to have your Postage Credits provided as a credit to the Royal Mail credit account of your nominated Mail Services Provider in accordance with clause 4.7(c) then you acknowledge and agree that it is your responsibility to have in place an agreement with such Mail Services Provider in relation to the handling of any Postage Credits received on your behalf.
- 4.7C Prior to receiving Postage Credits on any participant's behalf, we will require the relevant Mail Services Provider to:
- (a) have a Royal Mail credit account; and
  - (b) enter into an agreement with us in relation to the handling of Postage Credits prior to receiving such credits.

If you have nominated a Mail Services Provider that does not meet either of the criteria set out in clause 4.7C(a) or 4.7C(b), Postage Credits will be provided to you in the form of a Postage Credit Voucher which you can use in full or part payment of your future UK mailings posted with us or a Mail Services Provider participating in the Scheme.

- 4.7D We reserve the right at any time to refuse to provide Postage Credits to a Mail Services Provider who we believe, acting in our absolute discretion, is in breach of their agreement with us in relation to the handling of Postage Credits, in which case Postage Credits will be provided to you in the form of a Postage Credit Voucher which you can use in full or part payment of your future UK mailings posted with us or a Mail Services Provider participating in the Scheme.
- 4.7E Once we have provided the Postage Credits to the Royal Mail credit account of your nominated Mail Services Provider as instructed by you in accordance with clause 4.7(c), you acknowledge and agree that:
- (a) we will have fully discharged our obligation to provide such Postage Credits to you;
  - (b) we shall not be responsible for how your nominated Mail Services Provider credits you, or if your nominated Mail Services Provider fails to credit you, with the value of such Postage Credits; and
  - (c) we shall not be liable to you for any errors or omissions made by your Mail Services Provider in handling such Postage Credits.
- 4.8 If the value of your Postage Credits is more than £10,000 and you don't have an active Royal Mail credit account, you may elect (via your Postage Credit Application Form) to receive your total Postage Credits in more than one Postage Credit Voucher.
- 4.9 Any Postage Credits Vouchers that you are awarded will expire 12 months after the date stated on them and after they expire you will not be able to redeem them.
- 4.10 If, when you redeem any of your Postage Credit Vouchers, the postage value of the mailing is less than the value of the Postage Credit Voucher(s) presented, any remaining value of the Postage Credit Voucher(s) will be cancelled and will not be redeemable at any other time.
- 4.11 If, after we have given you Postage Credits, we discover that you have not fully complied with the terms of the relevant Incentive's Participation Agreement, we can choose to cancel Postage Credits you haven't redeemed yet, require you to repay the face value of any Postage Credits you have already redeemed, and/or make a claim against you for loss we suffer as a result of your non-compliance of the terms of the relevant Incentive's Participation Agreement.

## 5 Changes and Termination

5.1 We may, at any time and without any liability to you, terminate or change all or any part of these Framework Terms and/or any Incentive's Participation Agreement, in order to comply with our legal obligations and/or applicable regulatory requirements. We will give you at least 30 Working Days' prior notice of such change or termination unless we are required to implement the change or terminate sooner. If we are, we will give you as much advance notice as is reasonably practicable in the circumstances.

5.2 We may change any of these Framework Terms for any other reason at any time on giving you at least 30 Working Days' notice. In those circumstances the change won't apply to any Incentive's Participation Agreement entered into between you and us before the date of the relevant notice (**Existing Participation Agreements**) unless, in our reasonable opinion, the change is not to your detriment (in which case the change will apply to any Existing Participation Agreements).

5.3 Each of us may terminate a Participation Agreement on written notice to the other (the **Default Party**) with immediate effect if:

- (a) the Default Party commits any material or persistent breach of the terms of the relevant agreement and, if the breach is of a type that can be remedied, that breach has not been remedied within 30 days of the Default Party having been notified of the breach; or
- (b) the Default Party becomes insolvent or is otherwise unable to pay its debts as they fall due,

and we may refuse to award or redeem Postage Credits earned by you under that Participation Agreement and/or require you to repay the face value of any Postage Credits you haven't yet redeemed in either of these circumstances.

5.4 The termination of an Incentive's Participation Agreement shall not affect any other Incentive's Participation Agreement, nor these Framework Terms.

5.5 To the extent permitted by applicable law or regulations termination of an Incentive's Participation Agreement shall not affect any rights, remedies, obligations or liabilities of either of us that have accrued up to the date of such termination.

## 6 Liability

6.1 Nothing in these Framework Terms shall limit or exclude our respective liability for:

- (a) death or personal injury caused by our respective negligence;
- (b) our respective fraud or fraudulent misrepresentation; or
- (c) any other liability which cannot be limited or excluded by applicable law.

6.2 Subject to clause 6.1, neither you nor we shall be liable to the other, whether in contract, tort (including negligence), breach of statutory duty or otherwise, for: (i) any consequential loss; or (ii) any loss of profit or anticipated savings, that arises under or in connection with any Incentive's Participation Agreement.

6.3 Subject to clause 6.1, our total aggregate liability to you arising out of or in connection with all Incentive Participation Agreements shall in no event exceed £100,000.

## 7 Notices

7.1 All notices and other communications to be served on or given to either you or us under any Incentive's Participation Agreement shall be given in writing and sent by:

(a) email, in the case of notices we send to you, the contact person nominated in your Incentive's Participation Agreement and in the case notices you send to us [groupincentive@royalmail.com](mailto:groupincentive@royalmail.com); or

(b) to such other address as is notified by one of us to the other from time to time.

7.2 A notice sent by email is classed as having been given when received at the place it was sent to (if an out of office message is received the notice is classed as having been received) unless the time you or we receive the notice is after 5pm on any Working Day in which case we shall class the notice as having been received at 9am on the next Working Day.

7.3 Notices sent by email and for which the sender has received an automatic reply that the email was undeliverable are classed as not having been sent.

## 8 General

8.1 **Waiver:** A waiver of any right or remedy under an Incentive's Participation Agreement or by law shall only be effective if given in writing. A failure or delay by either of us to exercise any such right or remedy shall not constitute a waiver of that, or any other, right or remedy, nor shall it prevent or restrict any further exercise of that, or any other, right or remedy.

8.2 **Entire Agreement:** Each Participation Agreement (and the documents referred to in it) set out the entire agreement between you and us in relation to the subject matter of that agreement. Nothing in this clause, however, limits or excludes liability for personal injury, death, fraud or fraudulent misrepresentation.

8.3 **Governing Law and Jurisdiction:** Each Incentive's Participation Agreement, and any dispute or claim arising out of or in connection with its subject matter or formation (including, without limitation, non-contractual disputes or claims), shall be governed by and construed in accordance with English law. You and we agree to submit to the exclusive jurisdiction of the courts of England to settle any dispute or claim that arises out of or in connection with the same.

- 8.4 **Rights of Third Parties:** Each Incentive's Participation Agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of those agreements.
- 8.5 **Invalidity:** If any clause or part of a clause of any Incentive's Participation Agreement is invalid, illegal or unenforceable, then that invalidity, illegality or unenforceability shall not affect the other parts of that clause or the other clauses of the relevant agreement.
- 8.6 **Assignment:** Neither of us may assign the benefit of any Incentive's Participation Agreement.
- 8.7 **Agency or Partnership:** Nothing in any Incentive's Participation Agreement is intended to, nor shall be deemed to, establish any partnership or joint venture between us, nor authorise either of us to make, or enter into, any commitments for or on behalf of the other.

## SCHEDULE 1: DEFINITIONS

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

<b>Direct Delivery Provider</b>	means any company that performs the delivery of addressed Letter mail to households and/or businesses in the UK;
<b>Eligible Mail</b>	means, for each Incentive, Letters and/or Large Letters which you send under any of the Eligible Services for that Incentive and which: <ul style="list-style-type: none"><li>a) where delivered by us, is visible in our retail or wholesale billing systems (as applicable) as having been so sent; or</li><li>b) where delivered by a Direct Delivery Provider who is participating in the Scheme, is certified in writing by that Direct Delivery Provider as having been so sent;</li></ul>
<b>Eligible Services</b>	means, for each Incentive, those services for Letters and/or Large Letters that are identified as eligible for earning Postage Credits pursuant to the Incentive's Terms;
<b>Expected Volume</b>	means, for each Eligible Service under an Incentive, the forecasted number of Letters and Large Letters that we agree will count as Eligible Mail under the relevant Incentive's Terms, as set out in your approved Incentive application form;
<b>Incentive Period</b>	means the term as set out in the relevant approved Incentive application form being the period during which you can post Eligible Mail using Eligible Services and earn Postage Credits;
<b>Letter</b>	means a mailing item, the dimensions of which meet the following specifications: <ul style="list-style-type: none"><li>a) Maximum size 240mm x 165mm</li><li>b) Minimum size is 100mm x 70mm</li><li>c) Maximum thickness 5mm</li><li>d) Maximum weight 100g;</li></ul>
<b>Large Letter</b>	means a mailing item which is not a Letter and the dimensions of which meet the following specifications: <ul style="list-style-type: none"><li>a) Maximum size 353mm x 250mm</li><li>b) Maximum thickness 25mm</li><li>c) Maximum weight 750g;</li></ul>
<b>Mail Services Provider</b>	means any company (i) that posts Eligible Mail to us directly, or through another mail delivery provider, on your behalf; and (ii) which is responsible for invoicing you for the full postage amount for the provision of those UK Postal Letter Services;
<b>Postal Agreement</b>	means the agreement entered into between you and your postal provider of UK Postal Letter Services;
<b>Postage Credit Rate</b>	means, for each Eligible Service under an Incentive, the credit value applicable to such Eligible Service for each Letter or Large Letter posted

	under it during the Incentive Period, as published on our Website;
<b>Postage Credit Voucher</b>	means a posting certificate issued by us which contains a unique voucher code;
<b>UK Postal Letter Services</b>	means the services provided to you by a Mail Services Provider for the posting of addressed Letters and Large Letters to UK addresses;
<b>Website</b>	means the page(s) applicable to the relevant Incentive available at: (a) <a href="http://www.mailmen.co.uk/incentives">www.mailmen.co.uk/incentives</a> ; or (b) if you post Eligible Mail through an access operator or mailing agent, <a href="http://www.royalmailwholesale.com/ftu">www.royalmailwholesale.com/ftu</a> ; and
<b>Working Day</b>	means any day which is not a Sunday, bank holiday or public holiday in the United Kingdom or a Royal Mail non-service day approved as such by Ofcom.