

**Royal Mail Group Advertising Growth Incentive
Incentive Terms**



Background

- (A) The Royal Mail Group Advertising Growth Incentive (the **Incentive**) will award Postage Credits to a posting customer who posts incremental volumes of mail items containing Advertising Content.
- (B) We will award Postage Credits for Eligible Items qualifying under the terms of the Incentive in accordance with the applicable Postage Credit 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:

- (a) "**Agreed Expected Base Volume**" means the total Mailing Items which qualified as advertising mail that you posted in the 12 months before the date of your Incentive application 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;
- (b) "**Agreed Expected Incremental Volume**" means the anticipated incremental number of Eligible Items that we expect you will send using the Eligible Services during the Incentive Period, as we may determine (taking into account your Estimated Incremental Volume and your Agreed Expected Base Volume). We will notify you of your Agreed Expected Incremental Volume if we approve your application;
- (c) **Eligible Service** means: Any service for Letters and/or Large Letters which qualify as advertising mail and are posted either with (a) Royal Mail (whether directly or through a mailing agent and/or an access operator) using Royal Mail Mailmark[®] derived services, with the exception that non-machinable Letters such as poly-wrapped Letter items and any Large Letter items do not need to be posted using Royal Mail Mailmark[®], which services are published on our Website (b) a Direct Delivery Provider.
- (d) "**Estimated Incremental Volume**" means the forecasted number of Eligible Items that you expect you will send using the Eligible Services in excess of the Historic Base Volume during the Incentive Period, as proposed by your application form;
- (e) "**Historic Base Volume**" means the historic number of Mailing Items which qualify as advertising mail that you posted as proposed by you in the Incentive's application form; and
- (f) "**Incremental Volume Profile**" means the proposed profile of your Estimated Incremental Volume, broken down by the following categories: (a) Eligible Service type (i.e. Mailmark[®] or non-Mailmark[®]); (b) Eligible Item format type (i.e. Letter or Large Letter); and (c) applicable weight band, as proposed by you in your application form, and "**Profile Mix**" shall mean a specific blend of each of these categories.

2. Incentive Postings: 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. 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 Letter or 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); and
- (c) are 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:

- (a) one hundred and fifty thousand (150,000) Letters; or
- (b) seventy five thousand (75,000) Large Letters,

more than your Agreed Expected Base Volume during the Incentive Period.

5. Postage Credit Limit: You will not be entitled to Postage Credits on any incremental volume of Eligible Items in excess of your Agreed Expected Incremental Volume.

6. Confirmation and Calculation of Postage Credits:

- 6.1 Subject to you meeting the Eligibility Criteria in paragraph 4 at the end of the Incentive Period, we will review and confirm your Postage Credits entitlement, by way of an email confirmation. We will do this by: (a) checking that the Eligible Items that you have posted are in line with the Incremental Volume Profile you gave in your application form for the Incentive; and (b) determining that, when measured against your Agreed Expected Base Volume, you have posted incremental Eligible Items consistently against those Profile Mixes shown in your Incremental Volume Profile.

- 6.2 If, as a result of the validation exercise referred to in paragraph 6.1, we believe that any of the volume of Eligible Items that you have posted and your Incremental Volume Profile are inconsistent, then we may take other factors into consideration (such as your Historic Base Volume) to determine whether, notwithstanding that inconsistency, the Eligible Items that you have posted are incremental volume. This may include discussing with you the reason for any inconsistency. If we are unsatisfied (in our absolute discretion) that there is a good reason for such inconsistency we will not pay Postage Credits to you under the Incentive.
- 6.3 If, as a result of the validation exercise referred to in paragraph 6.1, we are satisfied that the volume of Eligible Items that you have posted and your Incremental Volume Profile are consistent (or if we consider that there is a good reason for any inconsistency) then we will calculate the Postage Credits due to you. We will do this by applying the applicable Postage Credit Rate(s) against your incremental volume of Eligible Items posted during the Incentive Period up to the Postage Credit Limit.
- 6.4 In certain circumstances, we may decide to award you more Postage Credits than that to which you are strictly entitled under the 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 Postage Credit Limit, we may decide (but do not have to) to pay Postage Credits on up to 110% of your Agreed Expected Incremental Volume for any particular Profile Mix, where we consider it fair and reasonable to do so.
- 6.5 We shall notify you of the value of any Postage Credits due within 45 (forty-five) Working Days of the end of the Incentive Period. Our decision on the amount of your Postage Credit award is final. This provision shall supersede clause 4.4 of the Framework Terms.
- 6.6 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.
- 7. Application Period:** only completed application forms we receive between 1 January 2020 and 31 December 2020 (inclusive) will be considered for participation in the Incentive.
- 8. Incentive Period:** a period of 12 months starting from the Start Date. We will email you to confirm your Start Date if we approve your application form.
- 9. 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.
- 10. Postage Credit Rates:** The applicable Postage Credit Rates for this Incentive can be found on our Website. We will tell you if we change the Postage Credit Rates on 30 (thirty) Working Days' notice.
- 11. Liability:** In addition to (and without affecting) the other Framework Terms, our liability to you under or in connection with this Incentive will be limited to £10,000.
- 12. Cancellation of Incentive:** If you have not started posting Eligible Items within six (6) months of the Start Date then we may cancel the Incentive without liability to you.
- 13. You warrant that:**
- (a) the Eligible Items you will send under the Incentive will be new, incremental mail volume and you will send it using the Eligible Services;
 - (b) 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;
 - (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) the Actual Net 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) the Actual Net 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) the Actual Net 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 the Actual Net 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.