

Royal Mail Group Advertising Volume Commitment Incentive Further Years Incentive Terms

Background

(A) The Advertising Volume Commitment Incentive Further Years (the **Incentive**) will give Postage Credits to customers who continue to post incremental volumes of Advertising Mail for a further 12 months after having completed the Advertising Volume Commitment Incentive Year 1 and any further years of a Royal Mail Group Advertising Volume Commitment Incentive without a break in participation.

(B) We will give you Postage Credits (at the rates set out on the Incentive 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 terms relating to the Advertising Volume Commitment Incentive Year 1 (the **AVC Incentive Year 1**). 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 in these Incentive Terms. The following terms/expressions will have the following meanings:

(a) "**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;

(b) "**Incentive Website**" means the website which sets out further details of this Incentive at (a) www.royalmail.com or (b) if you post Eligible Mail through an access operator or mailing agent, <https://www.royalmailwholesale.com/advertising-mail-growth>;

(c) "**New Agreed Base Commitment**" means the total number of Mailing Items which qualified as advertising mail which you posted in the 12 months before the date of your Incentive application as determined by us. We will notify you of your New Agreed Base Commitment if we approve your application;

(d) "**New Agreed Incremental Commitment**" means the anticipated volume of *Eligible Items* we expect you to post during this Incentive Period in excess of your New Matched Volume Commitment (broken down by format and weight by *Eligible Service*). We will notify you of your New Agreed Incremental Commitment if we approve your application;

(e) "**New Matched Volume Commitment**" means the total volume, of *Eligible Items* (broken down by format and weight by *Eligible Service*) posted by you as incremental volume under your Previous AVC Incentive Year;

(f) "**Postage Credits**" means the Matched Postage Credits and Incremental Postage Credits, as calculated under this Incentive;

(g) "**Previous AVC Incentive Year**" means your participation in a Royal Mail Group Advertising Volume Commitment Incentive in the preceding year; and

(h) "**Royal Mail Group Advertising Volume Commitment Incentive**" means any of this Incentive, the Advertising Volume Commitment Incentive Year 1 or the (historic) Advertising Volume Commitment Incentive Year 2.

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

(a) Matched Postage Credits as per paragraphs 6 and 8 below if, during the Incentive Period, you post enough *Eligible Items* above the New Agreed Base Commitment to meet at least 95% of your New Matched Volume Commitment; and

(b) Incremental Postage Credits as per paragraph 7 and 8 below if, during the Incentive Period, you post incremental volume of *Eligible Items* above the sum total of your New Agreed Base Commitment and New Matched Volume Commitment.

3. Eligibility Criteria: In order to qualify for Postage Credits on this Incentive you must have: (a) completed at least one Previous AVC Incentive Year (which year(s) must include AVC Incentive Year 1); and (b) given us a completed application form for this Incentive within three (3) months of the end date of your Previous AVC Incentive Year and within the Application Period (see paragraph 9 below). For the avoidance of doubt, you must submit an application form in respect of each year that you wish to participate in a Royal Mail Group Advertising Volume Commitment Incentive.

3A. Eligible Services and Regulatory Reform: Any Eligible Services described as "Access STD" in the Eligible Services and Postage Credit Rates Document shall mean (1) (from the Start Date and up to, but not including, the Variation Date) services for Eligible Mail posted through an access operator or mailing agent whereby we aim to deliver the Eligible Mail to the Service Standard, as such term is defined in the Access Letters Contract (which can be found at <https://www.royalmailwholesale.com/access->

[letters](#)); and (2) (with effect from the Variation Date) services for Eligible Mail posted through an access operator or mailing agent whereby we aim to deliver the Eligible Mail to the D+3 Service Standard. For the avoidance of doubt, services for which we aim to deliver the mailing items to the Service Standard shall no longer qualify as an Eligible Service from the Variation Date. For the purposes of this clause, "Variation Date" and "D+3 Service Standard" shall have the meanings given to them in Access Letters Contract Change Notice 114 (which can be found at <https://www.royalmailwholesale.com/access-letters>).

- 4. Incremental Postage Credit Limit:** Unless we decide otherwise (as per clause 8.2), you will not be entitled to Incremental Postage Credits on any incremental volume of *Eligible Items* in excess of your New Agreed Incremental Commitment.
- 5. Validation and Calculation of Postage Credits:** Subject to you meeting the Eligibility Criteria in paragraph 3, 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 6 and for the Incremental Postage Credits in accordance with paragraph 7.
- 6. 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 New Agreed Base Commitment and at least 95% of your New 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 New Agreed Base Commitment, up to your New Matched Volume Commitment.
- 7. Incremental Postage Credits:** If during this Incentive Period you also post more *Eligible Items* than your New Matched Volume Commitment then we will check that such incremental volume of *Eligible Items* is in line with your New Agreed Incremental Commitment. If it is, then we will award you Incremental Postage Credits on your New 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 this Incentive Period which exceeds the sum total of your New Agreed Base Commitment and New Matched Volume Commitment up to your New Agreed Incremental Commitment.
- 8. Claiming and Payment of Postage Credits:**
 - 8.1** If, as a result of the validation exercises referred to in paragraphs 6 and 7, we think that any of the volume of *Eligible Items* you posted during this Incentive Period is inconsistent with your approved Incentive application form, then we may take other factors into consideration (such as the volume of *Eligible Items* you posted during your Previous AVC Incentive Year) to determine whether, notwithstanding that inconsistency, the *Eligible Items* 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.
 - 8.2** 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. For example, despite the Incremental Postage Credit Limit in paragraph 4, we may decide (but do not have to) to pay Incremental Postage Credits on up to 110% of your New Agreed Incremental Commitment where we consider it fair and reasonable to do so.
 - 8.3** You may claim Postage Credits by sending us a completed Postage Credit Application Form in accordance with Clause 4 of the Framework Terms.
- 9. 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.
- 10. Incentive Period:** If we approve your application form, we will email you to confirm your new Start Date (**New Start Date**). The Incentive Period will be a period of 12 months starting from this New Start Date. Unless we agree otherwise, your New Start Date will be the first day immediately after your Previous AVC Incentive Year ended and we will calculate your entitlement to any Postage Credits from that date onwards.
- 11. Changes to volumes:** If, after we have approved your application form, you wish to change your New Agreed Incremental Commitment, such change must be agreed with us, otherwise it will not apply.
- 12. 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.
- 13. 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.

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14. Cancellation of Incentive: If you have not started posting *Eligible Items* within six (6) months of the New Start Date then we may cancel this Incentive without liability to you.

15. 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;
- (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 New Start Date or within 12 months after the New 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.