

25 January 2017

Royal Mail Wholesale

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Access Notice: Introduction of Two New Testing and Innovation Incentives

Dear customer,

As you know we have worked closely with you and other customers on a range of incentives to encourage more companies to use mail. For example, we recently announced, just over a week ago, the launch of a new First Time User Incentive from 27 March 2017. We also announced the extension of the Scheme For Growth's Advertising Content Incentive until 30 April 2018.

We have had really positive feedback from the industry that these incentives are helping to secure new budgets from advertisers to spend on direct mail. We are very keen to build on this success and find additional ways to promote the growth of letters.

We are delighted to let you know that we are launching two new schemes for the Testing and Innovation of mail applications to further promote the use of mail; one scheme will be for Advertising Mail applications, and the second scheme will be for Business Mail applications.

These two new schemes are designed to encourage customers to use mail for a business purpose in a way that they have not used mail before, to help them deliver even greater results. For example, applicants may want to test the introduction of a loyalty mailing to their highest value customers, or introduce a 'welcome pack' to encourage retention, or add new messages to their customer statements. The full terms and conditions of the new schemes are now available at http://www.royalmailwholesale.com/tis/.

In recognition that mail applications for Business Mail tend to be done over time and not as a single, one-off mailing, the terms for Business Mail testing are slightly different to the terms for Advertising Mail testing, hence there are two schemes. For qualifying mail, we are offering participants of the new schemes:

- c. 15% discount off the Access price (2.5p 10.5p per item) for Advertising Mail tests over a 6 month period, payable as postage credits; and
- c. 30% off discount off the Access price (6.5p 23p per item) for Business Mail tests over a 6 month period, payable as postage credits; and
- for Business Mail tests which are rolled out immediately following the end of the test period, Royal Mail will support the mailings for a further 6 months with a c.10% discount off the Access price, payable as a postage credit.

We believe these new schemes will be well received. They are designed to benefit you and your customers so we propose to launch the schemes quickly so customers can quickly benefit.

We would ordinarily seek your written consent to launch an incentive on less than 70 days. On this occasion, as speed is of the essence and we believe everyone benefits, we would like to speed up the usual process. We therefore aim to launch the new schemes from 1 February 2017. To do this, we need your consent to the proposed launch date. We will assume your agreement to a 1 February launch, unless we hear from you before that date with any reasons why we should not proceed.

We are committed to developing and promoting the benefits of mail to all users. We would like to thank you for the support your business is giving in helping us all to deliver these benefits for you and your customers.

Yours sincerely,

Luna Fila

Luisa Fulci Regulated Products Director Consumer and Network Access