



9 January 2019

Royal Mail Wholesale

4th Floor
185 Farringdon Road
London
EC1A 1AA

ACCESS LETTERS CONTRACT AND WHOLESALE PARCELS CONTRACT

Dear Customer,

We would like to inform you of price changes that will come into effect from **25 March 2019** for our Parcels services, under the Wholesale Parcels Contract and for our General Large Letter services, under the Access Letters Contract. We also announce changes that will come into effect from 25 March 2019 to the permitted variances of National Price Plan One (SSCs) and Averaged Price Plan Two (Zones), under both Contracts, and to the Regional Price Plan of the Access Letters Contract.

We summarise the key changes and enclose the formal changes notices as appropriate to your contract(s). Full details of all the changes that come into effect from 25 March 2019 can be found on the pricing pages of our website, www.royalmailwholesale.com.

We know how hard it is for many companies in the current economic environment, so we have thought long and hard about our price changes. The Universal Service, which Royal Mail is honoured to provide, comes with high fixed costs which need to be paid for. We are making these changes in our pricing so that we can continue to deliver the high levels of service that are expected by you.

Parcel price changes

We have sought to keep our parcel prices as competitive as possible. For example, prices for parcels between 0 to 1000g, if posted using Access 70, increase by 5.6% or if using Access 1400 increase by 7%.

For Parcels over 1kg, we continue with our policy to work towards flat rates. We have frozen the 1500 to 2000g prices for Access 70, as we introduce a single price point for parcels from 1251 to 2000g.

Zonal prices

We indicated to you last October that we adjusted the zonal prices as part of an ongoing initiative to bring them more in line with the actual cost of serving the different zones. As part of this same initiative, we have again changed the zonal prices. For illustrative purposes, the table below shows the zonal prices for Access Parcels from 0 to 1000g valid from 25 March 2019.

	Zonal Price Plan Access Charges for Access Parcels up to 1kg			
	Urban	Suburban	Rural	London
70 Parcels	141.320p	153.602p	197.026p	164.045p
1400 Parcels	130.318p	141.644p	181.687p	151.274p

General Large Letters price changes

We are also bringing in changes to our General Large Letter prices. Customers who post General Large Letters of between 0 to 100g using Access will see a 3.65p per item increase. This level of increase will help us to maintain and invest in the Universal Service.

Changes to the permitted variances

In November 2018, we presented you with our decision to gradually reduce the permitted variances (tolerances) of the national price plans and the regional price plan, with the first reductions to take place from 25 March 2019. It is not a decision we have taken lightly, and it follows extensive customer consultation over the years on how best to address the unfair practice of price plan arbitrage. Our decision is based on proposals from some customers that attended the customer workshops in 2017 as the most practical step forward in reducing the level of arbitrage.

Our four-year glidepath for reducing arbitrage is intended to allow customers time to implement changes to their business model to minimise any impact that reduced tolerances may have on their business. From 25 March 2019, the tolerances shall be reduced as follows:

Price Plan	Current tolerance	From 25 March 2019 tolerance
National Price Plan 1 (SSC)	Urban Density: 40%	Urban Density: 35%
Averaged Price Plan 2 (Zones)	7.5%	6.5%
Regional Price Plan	7.5%	6.5%

Over the next three years, we shall notify you of reductions in tolerances by serving a separate change notice in the January of each year for the change to take effect in the March of that year.

We enclose the formal change notices (number 050 for the Access Letters Contract and 019 for the Wholesale Parcels Contract) detailing the March 2019 changes.

Our commitment to you

Finally, I would like to take this opportunity to thank you personally for your business and give you my assurance that we are committed to delivering the highest levels of service in 2019 and beyond.

Yours sincerely,



Luisa Fulci
Regulated Products Director
Consumer and Network Access

ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 049
CHANGES AFFECTING ALL PRICE PLANS

DATE: 9 JANUARY 2019

This notice applies to you if you hold an **Access Letters Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

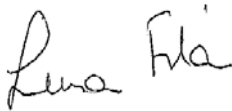
1. Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2. Changes to the Contract

- 2.1 We hereby give you notice under clause 13.2.3 of the General Access Terms and Conditions to change the Access Charges for **General Large Letters** with effect from the **25 March 2019**, details of which can be found on our Website, www.royalmailwholesale.com/pricing.

Yours sincerely,



Luisa Fulci
Regulated Products Director
Consumer and Network Access

**WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 018
CHANGES AFFECTING ALL PRICE PLANS**

DATED: 9 JANUARY 2019

This notice applies to you if you hold a **Wholesale Parcels Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

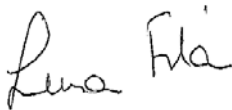
1 Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2 Changes to the Contract

- 2.1 We hereby give you notice under clause 13.2.3 of the Parcels General Terms and Conditions to change the Charges with effect from the **25 March 2019**. Full details of the amended Charges for all Price Plans are included on our Website, www.royalmailwholesale.com/pricing.

Yours sincerely,



Luisa Fulci
Regulated Products Director
Consumer and Network Access

**ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 050
CHANGES TO PERMITTED VARIANCES**

DATE: 9 JANUARY 2019

This notice applies to you if you hold an **Access Letters Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

1. Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2. Changes to the Contract

- 2.1 We hereby give you notice under clause 13.2.3 of the General Access Terms and Conditions to change the Permitted Variances with effect from the **25 March 2019**, details of which can be found on our Website, www.royalmailwholesale.com/permitted-variances-and-profiles.

Yours sincerely,



Luisa Fulci
Regulated Products Director
Consumer and Network Access

**WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 019
CHANGES TO PERMITTED VARIANCES**

DATED: 9 JANUARY 2019

This notice applies to you if you hold a **Wholesale Parcels Contract** (Contract) with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

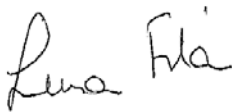
1. Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 All of the rules about how to interpret the Contract shall apply to this notice.

2. Changes to the Contract

- 2.1 We hereby give you notice under clause 13.2.3 of the Parcels General Terms and Conditions to change the Permitted Variances with effect from **25 March 2019**, details of which can be found on our Website, www.royalmailwholesale.com/permitted-variances-and-profiles.

Yours sincerely,



Luisa Fulci
Regulated Products Director
Consumer and Network Access