



19 August 2022

**Royal Mail Wholesale**  
185 Farringdon Road  
London  
EC1A 1AA

## ACCESS PRICE CHANGES AND OTHER PRICE PLAN RELATED CHANGES

Dear Customer,

Today, we publish new prices for the Access Letters Contract (**ALC**) and the Wholesale Parcels Contract (**WPC**) that will come into effect from 7 November 2022. In light of unforeseen inflationary pressures and increasing costs we have brought our tariff timetable forward from January to ensure the Universal Service (and in turn our Access services) can continue to be delivered in a financially sustainable way.

We have summarised the key changes for you below and enclosed the formal change notices as appropriate to your contract(s). You can find all the new prices at [www.royalmailwholesale.com/pricing](http://www.royalmailwholesale.com/pricing). Additionally, this letter provides details of other price plan related initiatives including, the launch of two new incentives, introduction of dynamic baselines, price plan tolerances and simplification of price files.

We have thought long and hard about the price changes we are making. We are very much aware that it continues to be a difficult environment for UK businesses with inflation at its highest rate in 40 years and an uncertain economic climate. Royal Mail is itself adversely impacted by this tough business environment, further exacerbated by the ongoing structural decline in addressed letter volumes which were down 18% compared to pre-pandemic, reflecting the continued structural decline in the letters market.

Royal Mail UK recently reported an adjusted operating loss of £92 million for the first quarter (Apr-Jun 2022), impacted by macro-economic trends such as exceptionally high inflation, the increased cost of living, significant economic uncertainty plus the unwinding of the extremely high volumes of parcels we saw during the height of the COVID-19 pandemic. Royal Mail reported a £117m operating loss<sup>1</sup> on its wholesale business for the last financial year (2021-22).

### Letters price changes

We are increasing our prices for letter products by a blended average of 13.5% (including the already announced increase for Subscription Mail which still takes effect in January) which is circa 1.2% above the prevailing RPI inflation figure.

For Business Mail Letters, we are increasing our prices by an average of 18% and Large Letters by an average of 10%. By using our D+2 Mailmark services, customers that post Access 70 Mailmark letters in trays will see a 5.825p per item increase whereas if they post Access 70 (manual) in trays the increase is 6.977p per item.

We have kept Advertising Mail price increases as low as possible, with an average of circa 5%, substantially lower than the prevailing rate of RPI inflation, for both Letters and Large Letters, to help Direct Mail remain competitive in the media market. For example, a customer using Access 70 Mailmark Letters in trays will see a 0.839p per item increase.

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<sup>1</sup> Financeability EBIT £117m loss. Royal Mail Regulatory Financial Statements 2021-22. These regulatory accounts are presented on a fully allocated costing basis, calculated using Ofcom's regulatory accounting guidelines.

Customers may also be able to get greater value and mitigate some of the tariff by taking advantage of some of the following opportunities:

**a. Mailmark Economy service**

We introduced our Economy product to give customers greater choice with a wider delivery window for a lower price and are keen to encourage more customers to take advantage of these savings. From 7 November 2022, Mailmark Advertising Mail Letters will have a 1.364p per item price differential between standard and Economy, with the new Economy price 0.525p below the current standard D+2 Advertising Mail price. Business Mail Letters will have a 2.399p per item price differential between standard and Economy. Customers switching from the standard D+2 Business Mail Access 70 Mailmark service today, to the Economy option from 7 November would see a 10.6% increase when posted in trays.

**b. Evolving our incentives portfolio**

Our existing suite of incentives reward customers with postage credits for volume commitment, encourage new mail growth and support customers testing new uses of mail. We are pleased to be expanding our incentives portfolio during this difficult period with the launch of two new incentives:

- i. **New User Incentive** – Offers the potential for some brands who do not currently use direct mail to test the channel at no cost and experience the benefits it can bring.
- ii. **Advertising Mail October to March Incentive** – Post incremental Advertising Mail during October 2022 to March 2023 and earn postage credits of up to 25%.

Under clause 3.1 of the Voucher Redemption and Reimbursement Agreement we are permitted to launch an incentive on reasonable notice, unless we receive a reasonable objection from an Access contract holder within 5 working days of our notice, in which case we must then provide 70 days' notice.

We are keen for customers to benefit quickly from the above incentives, **so please accept this as reasonable notice of our intention to launch both incentives on 29 August 2022**. If we do not receive any reasonable objection by 5pm on 26 August 2022 in respect of either incentive, the incentives will launch on 29 August 2022, and you may submit an application form from then. If we do receive a reasonable objection, then the incentive launch for the respective incentives which an objection has been raised against, will be deferred to 31 October 2022.

To find out more about either incentive, the terms and conditions and how to apply, please speak to your Account Director.

**c. Programmatic Mail Trial**

Programmatic advertising is a rapidly growing way for brands to serve highly targeted adverts at the right time to the right customers. Our 12-month Programmatic Advertising trial will support brands posting below the 4000 items per day contractual threshold by offering the Advertising Mail rate for their programmatic mailings. Terms and conditions will apply and full details including eligibility criteria will be communicated soon.

**Parcel price changes**

As recently discussed with you, Royal Mail Wholesale plans to withdraw all Parcel and GLL services that do not carry a barcode in the near future. Royal Mail, like other parcel operators, achieve greater efficiencies through automated sorting and visibility of items in the network, and unbarcoded items do not fit with our product strategy. From 7 November Manual Mailmark Parcels between 0 and 1000g, posted using Access 70 on a national price plan, will increase by 1.9%, costing 189.066p and providing a 50p discount compared to its non-Mailmark equivalent. Manual Mailmark GLLs between 101 and 250g, posted using Access 70 on a national price plan, will increase by 1.9%, costing 87.947p and providing a 15p discount compared to its non-Mailmark equivalent.

## Zonal prices

From 7 November 2022, we are also changing the zonal prices for Access Letters and Parcels as part of our ongoing activity to ensure zonal prices are in line with the actual cost of serving the different zones. For illustrative purposes, the table below shows the D+2 Mailmark prices for Advertising and Business Mail letter items posted in trays for each valid zone, and the Zonal prices for Access Parcels from 0 to 1000g:

| Mailmark                             | Zonal Price Plan Access Charges for Letter format items posted in trays         |                 |              |               |
|--------------------------------------|---|-----------------|--------------|---------------|
|                                      | <i>Urban</i>  | <i>Suburban</i> | <i>Rural</i> | <i>London</i> |
| Business Mail                        | 35.694p   | 37.773p         | 41.928p      | 40.680p       |
| Advertising Mail                     | 16.193p   | 18.272p         | 22.427p      | 21.179p       |
| Mailmark                             | Zonal Price Plan Access Charges for Access Large Letters 0-100g posted in trays |                 |              |               |
|                                      | <i>Urban</i>  | <i>Suburban</i> | <i>Rural</i> | <i>London</i> |
| Business Mail                        | 41.453p   | 43.270p         | 48.996p      | 48.869p       |
| Advertising Mail                     | 20.943p   | 22.760p         | 28.486p      | 28.359p       |
|                                      | Zonal Price Plan Access Charges for Access Parcels up to 1kg                    |                 |              |               |
|                                      | <i>Urban</i>  | <i>Suburban</i> | <i>Rural</i> | <i>London</i> |
| Manual Mailmark<br>Access 70 Parcels | 171.765p  | 184.386p        | 226.283p     | 192.629p      |

We have also published the zonal and regional prices for our Magazine Subscription service on our website to take effect from 3 January 2023.

## Tray discount for Letters

Trays are a more efficient container for Royal Mail to process mail, meaning our costs are lower, and we are keen to encourage more mailing items in trays. From 7 November 2022, we will be increasing the discount for each Letter item presented in a tray from 0.35p to 0.50p. The tray discount for Large letter items will remain at 1.5p.

## Price Plans:

### a. Introducing dynamic baselines

We have recently been discussing with you the concept of dynamic rolling baselines for measuring NPP1, APP2 and Regional price plan customers' conformance to price plan fall to earth obligations. The methodology enables Royal Mail to create a baseline for a period comprised of data from the same period in which the customer is posting. This will make things simpler and ensure that the customer's posting profile for that year will be measured against a baseline of the same year, and addresses the primary concerns raised by customers regarding being measured against a historical national mail profile.

We have completed our discussions, and I am pleased to inform you that we are introducing dynamic baselines into the ALC from 1 April 2023. The appended change notice number 091 sets out the contractual changes.

We have published a [presentation on the Wholesale website](#) which provides further details about how dynamic baselines work and an example of how the dynamic baseline would be created through the year.

### b. Measuring NPP1 Parcel customers against 48 sorting selections

For the purpose of simplifying the contract monitoring process and enabling the National Spread Benchmark Wholesale data to be sourced from Dockethub (actual data) rather than MCS sampled data for future baseline years, from 1 April 2023 all NPP1 customers on the WPC will be measured for adherence to the price plan profile requirements against 48 sorting selections.

Wholesale Parcels Contract change notice number 039, appended to this letter, gives effect to the above change from 1 April 2023.

**c. Tolerance and flightpath review for price plans moving forward**

In April 2019 we commenced a four-year flightpath to reduce NPP1, APP2 and Regional price plan tolerances, following proposals from customers that attended workshops in 2017. When the glidepath was announced we shared the end state (10% for Urban Density on NPP1 and 2% for APP2) to be reached by Royal Mail's 2022/23 financial year.

Our four-year glidepath intended to allow customers time to implement changes to their business model to minimise the impact of changed tolerances. To support customers, we implemented smaller decreases in years 1 to 3 of the flightpath. Additionally, for the current 2022/23 year, listening carefully to customers and recognising that we have all been facing some unique challenges in recent times, we made the decision to hold tolerances at the same level as 2021/22, rather than apply the glidepath end state tolerances as originally planned. This helped avoid a large reduction in one year through moving from 25% to 10% for NPP1.

We recently sought customers' views on proposals to extend the flightpath until 2025/26. We have considered the feedback carefully and decided to hold tolerances at their current level for 2023/24, as below:

| Price Plan                    | Current Tolerance  | Tolerance April 2023 |
|-------------------------------|--------------------|----------------------|
| National Price Plan 1 (SSC)   | Urban Density: 25% | Urban Density: 25%   |
| Averaged Price Plan 2 (Zones) | 4.5%               | 4.5%                 |
| Regional Price Plan           | 4.5%               | 4.5%                 |

We will review the tolerance levels again next year to take effect from 2024/25.

**Simplifying the Access price files**

We also sought feedback from customers in relation to a simplified format for presenting the Access price files. The feedback was very positive, and we welcomed the constructive suggestions which were put to us to improve the new format further. We have incorporated much of those suggestions into the final format.

We appreciate that some customers may need to implement changes within their own systems to reflect the introduction of the new file format. Therefore, for this tariff change we will, as a one off, upload to the Wholesale website, both the existing price file format and the new format. Please note that in relation to the existing price file formats, instead of creating separate files for NPP1 and APP2 prices, we have combined these into a single file for both the ALC and WPC.

Finally, I would like to take this opportunity to thank you for your business. We are working hard to provide the highest possible levels of service and value to you and your customers in difficult circumstances and thank you for your patience and understanding during these unprecedented times. Your Account Director will be in touch to discuss the any queries you may have in relation to the price changes.

Yours sincerely



Tim Cable  
Wholesale Products Director  
Royal Mail Letters

**ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 090  
CHANGES AFFECTING ALL PRICE PLANS**

**DATE: 19 AUGUST 2022**

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 185 Farringdon Road, London, EC1A 1AA.

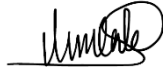
**1. Definitions and interpretation**

- 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 with effect from **7 November 2022**, details of which can be found on our Website, [www.royalmailwholesale.com/pricing](http://www.royalmailwholesale.com/pricing).

Yours sincerely,



Tim Cable  
Wholesale Products Director  
Royal Mail Letters

**WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 038  
CHANGES AFFECTING ALL PRICE PLANS**

**DATED: 19 AUGUST 2022**

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 185 Farringdon Road, London, EC1A 1AA.


**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 Charges with effect from **7 November 2022**, details of which can be found on our Website, [www.royalmailwholesale.com/pricing](http://www.royalmailwholesale.com/pricing).

Yours sincerely,



Tim Cable  
Wholesale Products Director  
Royal Mail Letters

**ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 091  
INTRODUCTION OF DYNAMIC BASELINES**

**DATED: 19 AUGUST 2022**

This notice applies 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 185 Farringdon Road, 4th Floor, London EC1A 1AA.

**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 Interaction between this Contract Change Notice and Contract Change Notice: Number 087**

- 2.1 On 30 November 2021 we issued Access Letters Contract Change Notice: Number 087 (**CCN087**) to make certain changes to the Contract. CCN087 was scheduled to take effect on 16 June 2022, but its implementation has now been delayed by us.
- 2.2 It is expected that CCN087 will take effect at a future date which is to be confirmed but which may be before or after this Contract Change Notice takes effect. This Contract Change Notice therefore deals with the changes to the Access Letters Contract in both the scenario where CCN087 has not taken effect and the scenario where it has (as the changes in this Contract Change Notice will interact with changes to be made under CCN087) as follows:
  - 2.2.1 if CCN087 has not taken effect on the date that this Contract Change Notice comes into effect as set out in paragraph 3.2 of this Change Notice (**CCN Effective Date**), the changes made to the Contract as at the CCN Effective Date shall be those set out in Part A however if CCN087 subsequently comes into effect following the CCN Effective Date, the changes set out in Part B shall automatically come into effect on the date on which CCN087 comes into effect and shall replace those set out in Part A; and
  - 2.2.2 if CCN087 has taken effect on or prior to the CCN Effective Date, the changes made to the Contract as at the CCN Effective Date shall be those set out in Part B.

**3 Changes to the Contract**

- 3.1 Under:
  - 3.1.1 clause 13.2.1(a) of the General Access Terms and Conditions in respect of the change to the definition of "Royal Mail SSC Percentage" as more fully described below; and
  - 3.1.2 clause 13.2.1(b) of the General Access Terms and Conditions in respect of all other changes,we hereby notify you of the changes to the Contract (as set out in Part A and/or Part B, as determined in accordance with paragraph 2.2 of this Change Notice).
- 3.2 The changes detailed in this Change Control Notice will take effect from **1 April 2023**.

## Part A

### 4 Changes to the Contract

4.1 In Schedule 1 (Definitions and Interpretations), the definition of "Royal Mail SSC Percentage" shall be amended as follows:

4.1.1 **Royal Mail SSC Percentage** the volume of Mailing Items delivered by us for each SSC in the applicable Financial Year expressed as a percentage of total volume delivered by us for all SCCs in the applicable Financial Year;

4.2 In the section entitled 'Terms used in Schedule 3 – Price Plans' in Schedule 1 (Definitions and Interpretation)

4.2.1 the definition of "National Spread Benchmark" shall be amended as follows:

**National Spread Benchmark** our geographic profile as measured by the combined volumes of Retail bulk Mailing Items and Access Mailing Items for each SSC in the applicable Financial Year expressed as a percentage of total volumes for Retail bulk Mailing Items and Access Mailing Items for all SSCs in that Financial Year, as published by us within a reasonable time period after the end of each Financial Year;

4.2.2 the definition of "Royal Mail Zonal Posting Profile" shall be amended as follows:

**Royal Mail Zonal Posting Profile** our zonal posting profile as measured by the combined volumes of Retail bulk Mailing Items and Access Mailing Items delivered by us to each Zone (excluding London for the purposes of the Regional Price Plan) in each Financial Year and expressed as a percentage of the total volume of all those Mailing Items delivered by us to all Zones (excluding London for the purposes of the Regional Price Plan) in each Financial Year, as published by us within a reasonable time period after the end of each Financial Year;

4.2.3 the definition of "Urban Density Benchmark" shall be amended as follows:

**Urban Density Benchmark** our urban density profile for each SSC. We will measure the urban density profile for a given SSC by using the combined volumes of Retail Bulk Mail Items and Access Mailing Items for that SSC in the applicable Financial Year to determine the urban volume for that SSC and expressing the urban volume for that SSC as a percentage of the total volume of Retail bulk Mailing Items and Access Mailing Items for that SSC in that Financial Year, as published by us within a reasonable time period after the end of each Financial Year;

4.2.4 the definition of "Urban Volume" shall be amended as follows:

**Urban Volume** the volume of your Mailing Items delivered in the applicable Financial Year to those Postcode Sectors that we classify as having a high density of delivery points and/or businesses as published on our Website;

4.3 In the section entitled "Terms used in Schedule 3 – Price Plans" in Schedule 1 (Definitions and Interpretation) new definitions shall be inserted as follows:

4.3.1 **Dynamic National Spread Benchmark** a dynamic version of our National Spread Benchmark which we use to provide you with regular updates on your performance against the Profile Commitment in accordance with paragraph 8 'Reviews' of Schedule 3 – Price Plans OPTION A (National Price Plan One (SSCs)). It is calculated using the same methodology as the



National Spread Benchmark, apart from the measurement period, which shall be a rolling 12 month period ending on the last day of the immediately preceding Quarter rather than the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter.

- 4.3.2 **Dynamic Royal Mail Zonal Posting Profile** a dynamic version of our Royal Mail Zonal Posting Profile which we use to provide you with regular updates on your performance against the Profile Commitment in accordance with paragraph 5 'Reviews' of Schedule 3 - Price Plans OPTION B (Averaged Price Plan Two (Zones)) and paragraph 4 'Reviews' of Schedule 3 - Price Plans OPTION D (Regional Price Plan (Zones)). It is calculated using the same methodology as the Royal Mail Zonal Posting Profile, apart from the measurement period, which shall be a rolling 12 month period ending on the last day of the immediately preceding Quarter rather than the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter.
- 4.3.3 **Dynamic Urban Density Benchmark** a dynamic version of our Urban Density Benchmark which we use to provide you with regular updates on your performance against the Profile Commitment in accordance with paragraph 8 'Reviews' of Schedule 3 - Price Plans OPTION A (National Price Plan Once (SSCs)). It is calculated using the same methodology as the Urban Density Benchmark, apart from the measurement period, which shall be a rolling 12 month period ending on the last day of the immediately preceding Quarter rather than the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter.

#### OPTION A

- 4.4 Paragraph 1.2 of Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)) shall be deleted in its entirety.
- 4.5 All references to "Contract Year" in Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)) shall be amended to read 'Financial Year'
- 4.6 Paragraphs 8.1 and 8.2 in Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)) shall be amended as follows:
- 4.6.1 all references to "National Spread Benchmark" shall be amended to read "Dynamic National Spread Benchmark"; and
- 4.6.2 all references to "Urban Density Benchmark" shall be amended to read "Dynamic Urban Density Benchmark".
- 4.7 Paragraph 8.3 in Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)) shall be amended as follows:
- 8.3 We will provide you with details of your Actual Posting Profile on a monthly basis in a written report within a reasonable time after the end of the month to which the report applies. In the written report after the end of each Quarter, we will also:
- (a) provide details of your performance against the Dynamic National Spread Benchmark and/or Dynamic Urban Density Benchmark; and
- (b) indicate whether according to the national spread and urban density of your Daily Postings to that point you are likely to be required to pay Profile Surcharges for that Financial Year.

#### OPTION B

- 4.8 Paragraphs 5.1 and 5.2 in Schedule 3 – Price Plans OPTION B (Averaged Price Plan Two (Zones)) shall be amended as follows:

5.1 Where we accept your uploaded data pursuant to paragraph 4.3 or we use the data derived from our processing machines pursuant to paragraph 4.4, we will provide details of your Actual Posting Profile on a monthly basis in a written report within a reasonable time after the end of the month to which the report applies. In the written report after the end of each Quarter, we will also:

(a) provide details of your performance against the Dynamic Royal Mail Zonal Posting Profile; and

(b) indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay Profile Surcharges for that Financial Year.

5.2 Where we undertake statistical sampling pursuant to paragraph 4.5, we will share your performance against the Dynamic Royal Mail Zonal Posting Profile in a written report within a reasonable time after the end of the Quarter to which the report applies. This report will also indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay Profile Surcharges for that Financial Year.

- 4.9 Paragraph 5.3 in Schedule 3 – Price Plans OPTION B (Average Price Plan Two (Zones)) shall be amended as follows:

5.3 If the date on which we begin assessment is part way through a Financial Year, we will increase our sampling during the remainder of that Financial Year to ensure we achieve statistically valid sampling results for that Financial Year.

#### OPTION D

- 4.10 Paragraph 1.4 in Schedule 3 – Price Plans OPTION D (Regional Price Plan (Zones)) shall be amended as follows:

1.4 We provide a reference table of each Region's Royal Mail Zonal Posting Profile within the Regional Zonal Calculator available on the Website which we will update from time to time following the end of each applicable Financial Year.

- 4.11 Paragraph 4.1 in Schedule 3 – Price Plans OPTION D (Regional Price Plan (Zones)) shall be amended as follows:

4.1 We will review your Actual Posting Profile for each chosen Region and we will provide you with details of your Actual Posting Profile on a monthly basis in a written report in respect of your performance within a reasonable time after the end of the calendar month to which the report applies. In the written report after the end of each Quarter, we will also:

(a) provide details of your performance against the Dynamic Royal Mail Zonal Posting Profile; and

(b) indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay Profile Surcharges for that Financial Year.

## Part B

### 5 Changes to the Contract

5.1 In the section entitled 'Definitions' in Schedule 1 (Definitions and Interpretation):

5.1.1 the definition of "National Spread Benchmark" shall be amended as follows:

**National Spread Benchmark** means our geographic profile as measured by the combined volumes of Retail bulk Mailing Items and Access Mailing Items for each SSC in the applicable Financial Year expressed as a percentage of total volumes for Retail bulk Mailing Items and Access Mailing Items for all SSCs in the Financial Year, as published by us within a reasonable time period after the end of each Financial Year;

5.1.2 the definition of "Royal Mail SSC Percentage" shall be amended as follows:

**Royal Mail SSC Percentage** means the volume of Mailing Items delivered by us for each SSC in the applicable Financial Year expressed as a percentage of total volume delivered by us for all SCCs in the applicable Financial Year;

5.1.3 the definition of "Royal Mail Zonal Posting Profile" shall be amended as follows:

**Royal Mail Zonal Posting Profile** means our zonal posting profile as measured by the combined volumes of retail bulk Mailing Items and access Mailing Items delivered by us to each Zone (excluding London for the purposes of the Regional Price Plan) in each Financial Year and expressed as a percentage of the total volume of all those Mailing Items delivered by us to all Zones (excluding London for the purposes of the Regional Price Plan) in each Financial Year, as published by us within a reasonable time period after the end of each Financial Year;

5.1.4 the definition of "Urban Density Benchmark" shall be amended as follows:

**Urban Density Benchmark** means our urban density profile for each SSC. We will measure the urban density profile for a given SSC by using the combined volumes of Retail Bulk Mail Items and Access Mailing Items for that SSC in the applicable Financial Year to determine the Urban Volume for that SSC and expressing the Urban Volume for that SSC as a percentage of the total volume of Retail bulk Mailing Items and Access Mailing Items for that SSC in that Financial Year, as published by us within a reasonable time period after the end of each Financial Year; and

5.1.5 the definition of "Urban Volume" shall be amended as follows:

**Urban Volume** means the volume of your Mailing Items delivered in the applicable Financial Year to those Postcode Sectors that we classify as having a high density of delivery points and/or businesses as published on our Website.

5.2 In the section entitled 'Definitions' in Schedule 1 (Definitions and Interpretation) three new definitions will be added as follows:

5.2.1 **Dynamic National Spread Benchmark** means a dynamic version of our National Spread Benchmark which we use to provide you with regular updates on your performance against the Profile Commitment in accordance with paragraph 8 'Reviews' of Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)). It is calculated using the same methodology as the National Spread Benchmark, apart from the measurement period, which shall be a rolling 12 month period ending on the last day of the immediately preceding Quarter rather than

the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter.

- 5.2.2 **Dynamic Royal Mail Zonal Posting Profile** means a dynamic version of our Royal Mail Zonal Posting Profile which we use to provide you with regular updates on your performance against the Profile Commitment in accordance with paragraph 5 'Reviews' of Schedule 3 - Price Plans OPTION B (Averaged Price Plan Two (Zones)) and paragraph 4 'Reviews' of Schedule 3 - Price Plans OPTION D (Regional Price Plan (Zones)). It is calculated using the same methodology as the Royal Mail Zonal Posting Profile, apart from the measurement period, which shall be a rolling 12 month period ending on the last day of the immediately preceding Quarter rather than the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter.
- 5.2.3 **Dynamic Urban Density Benchmark** means a dynamic version of our Urban Density Benchmark which we use to provide you with regular updates on your performance against the Profile Commitment in accordance paragraph 8 'Reviews' of Schedule 3 - Price Plans OPTION A (National Price Plan Once (SSCs)). It is calculated using the same methodology as the Urban Density Benchmark, apart from the measurement period, which shall be a rolling 12 month period ending on the last day of the immediately preceding Quarter rather than the Financial Year and it will be provided by us to affected customers within a reasonable time period after the end of each Quarter.

#### OPTION A

- 5.3 Paragraph 1.2 of Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)) shall be deleted in its entirety.
- 5.4 All references to "Contract Year" in Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)) shall be amended to read 'Financial Year'.
- 5.5 Paragraphs 8.1 and 8.2 'Reviews' in Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)) shall be amended as follows:
- 5.5.1 all references to "National Spread Benchmark" in these paragraphs shall be amended to read "Dynamic National Spread Benchmark"; and
- 5.5.2 all references to "Urban Density Benchmark" in these paragraphs shall be amended to read "Dynamic Urban Density Benchmark".
- 5.6 Paragraph 8.3 in Schedule 3 - Price Plans OPTION A (National Price Plan One (SSCs)) shall be amended as follows:
- 8.3 We will provide you with details of your Actual Posting Profile on a monthly basis within a reasonable time after the end of the month to which the report applies. In the written report after the end of each Quarter, we will also:
- (a) provide details of your performance against the Dynamic National Spread Benchmark and/or Dynamic Urban Density Benchmark; and
- (b) indicate whether according to the national spread and urban density of your Daily Postings to that point you are likely to be required to pay any Profile Adjustments for that Financial Year.

## OPTION B

5.7 Paragraph 5.1 and 5.2 'Reviews' in Schedule 3 – Price Plans OPTION B (Averaged Price Plan Two (Zones)) shall be amended as follows:

5.1 Where we accept your uploaded data pursuant to paragraph 4.3 or we use the data derived from our processing machines pursuant to paragraph 4.4, we will provide details of your Actual Posting Profile on a monthly basis in a written report within a reasonable time after the end of the month to which the report applies. In the written report provided after the end of each Quarter, we will also:

(a) provide details of your performance against the Dynamic Royal Mail Zonal Posting Profile; and

(b) indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay any Profile Adjustments for that Financial Year.

5.2 Where we undertake statistical sampling pursuant to paragraph 4.5, we will share your performance against the Dynamic Royal Mail Zonal Posting Profile in a written report within a reasonable time after the end of the Quarter to which the report applies. This report will also indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay any Profile Adjustments for that Financial Year.

## OPTION D

5.8 Paragraph 1.4 in Schedule 3 – Price Plans OPTION D (Regional Price Plan (Zones)) shall be amended as follows:

1.4 We provide a reference table of each Region's Royal Mail Zonal Posting Profile within the Regional Zonal Calculator available on the Website which we will update from time to time following the end of each applicable Financial Year.

5.9 Paragraph 4 in Schedule 3 – Price Plans OPTION D (Regional Price Plan (Zones)) shall be amended as follows:

4 We will review your Actual Posting Profile for each chosen Region and we will provide you with details of your Actual Posting Profile on a monthly basis in a written report within a reasonable time after the end of the calendar month to which the report applies. In the written report after the end of each Quarter, we will also:

(a) provide details of your performance against the Dynamic Royal Mail Zonal Posting Profile; and

(b) indicate whether according to the profile of your Mailing Items by Zone to that point you are likely to be required to pay any Profile Adjustments for that Financial Year.

Yours sincerely,



Tim Cable  
Wholesale Products Director  
Royal Mail Wholesale

**WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 039  
MEASURING NPP1 PARCEL CUSTOMERS AGAINST 48 SORTING SELECTIONS**

**DATED: 19 AUGUST 2022**

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 185 Farringdon Road, London, EC1A 1AA.

**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 give you notice under clause 13.2.3(c) of the General Access Terms and Conditions to change the Permitted Variances used in the measurement of your profile and compliance with National Price Plan One (SSCs). Customers who were previously measured for adherence to the Profile Commitment against 86 SSCs will going forward be measured against 48 SSCs, using the Permitted Variances applicable to 48 SSCs as set out in the document titled 'Parcels profiles and permitted variances' as published on our Website.
- 2.2 The changes detailed in this paragraph 2 will take effect from **1 April 2023**.

Yours sincerely,



Tim Cable  
Wholesale Products Director  
Royal Mail Letters