



28 June 2018

Royal Mail Wholesale

4th Floor
185 Farringdon Road
London
EC1A 1AA

MIXING SUPPLY CHAIN IDs TRIAL

Dear customer,

We are pleased to invite you to take part in a trial which enables you to mix Mailmark mailing items posted against different Supply Chain IDs (SCIDs) in a container. The trial starts on 10 September 2018.

Currently we require you to ensure that each container you submit to us only contains mailing items belonging to one SCID. A customer challenged this legacy process as they said it drives low container fills and asked us if we could develop a process that enables them to handover containers of mailing items belonging to different SCIDs. Since January 2018, we worked with the customer, their carrier and some other customers that expressed an interest to develop a solution that will support you with reducing the number of containers you use.

We envisage that filling containers with mailing items from different SCIDs will reduce the number of containers which helps you reduce your operational costs and simplifies the handover process for you.

We invite you to take part in the trial if you meet the qualifying criteria outlined below.

What are the potential benefits of the new process?

The new process aims to:

- consolidate mailing items from different SCIDs to maximise your container fills thereby reducing costs;
- simplify your operational process; and
- set-up SCIDs compliantly without incurring additional costs.

What are the qualifying criteria?

To take part in the trial you must:

- have an Access Letters Contract with us; and
- have signed up to Schedule 20: Royal Mail Mailmark of the Access Letters Contract.

What will you need to do during the trial?

Appendix A to this letter provides a copy of the trial agreement which contains the terms that you will need to agree to before you start the trial. Schedule 1 of the trial agreement provides the details of the specification and process you need to adhere to during the trial.

We have also provided a process chart at Appendix B to this letter which shows the differences between the existing process and the process you must follow during the trial.

What changes will you need to make?

(i) **before starting the trial:** You will need to instruct your software provider to make changes to your software to include container IDs in spare field 10 of the eManifest. This enables you to use the Mailmark reports where you have non-compliance data by item and know the container the item was in. You should ask your software supplier directly how to make the change.

(ii) during processing:

- There is no longer a one to one relationship between SCID, eManifest and container. You will need to use the code "99999999" into both the SCID and eManifest fields on the docket. This code identifies the container as a mixed SCID container and informs us to cross check using container IDs between the docket and the eManifest to verify payment. Note this code number is not an example, it is the actual code.
- If using UCIDs, you will need to use a specific UCID for mixed SCID containers and you need to use the same number every time you post this mixed SCID posting.
- You must use only the Mailmark eManifest to denote data opt out for JIC or mailing reference in accordance with the User Guide. As there is no longer a one to one relationship between SCID and container in DocketHub, we cannot use the DocketHub solution for JIC.

When will the trial start?

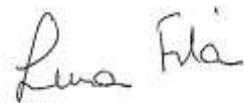
The trial starts on 10 September 2018 and if you want to participate, you must start trialling mixing SCIDs before 3 December 2018. Phase 1 of the trial will continue for 6 months from the date you start.

Will you share the results of the trial?

Yes, we will share the results of the trial with customers at the end of the trial.

If you wish to participate in the trial please contact your Account Director. We ask you to agree to the trial terms and conditions (we attach a copy to this letter at Appendix A) before you start the trial.

Yours sincerely,



Luisa Fulci
Regulated Products Director
Consumer and Network Access

APPENDIX A

ROYAL MAIL MAILMARK®: MIXING SUPPLY CHAIN IDS TRIAL AGREEMENT

DATED _____ 2018

BETWEEN

- (1) **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ ("**us**" or "**we**" or "**our**"); and
- (2) **[Customer's registered name]**, a company registered in **[country]** (number **[insert]**) with its registered address at **[registered address]** ("**you**" or "**your**").

BACKGROUND

- (A) The parties have entered into an Access Letters Contract dated **[insert]** (**Access Contract**) that includes Schedule 20: Royal Mail Mailmark® (**Mailmark**).
- (B) We are trialling a new process which enables you to mix Mailmark Mailing Items belonging to different Supply Chain IDs (SCIDs) into Containers, subject to the terms of this Agreement (**Trial**).
- (C) Both Parties need to make certain changes to their systems and processes under the Access Contract to fulfil the requirements of the Trial. To reduce the risk of errors in developing the overall solution, we are conducting the Trial in phases. The initial phase of the Trial is described in Schedule 1 of this Agreement (**Phase 1 Trial**).
- (D) This Agreement comprising the terms, and the Schedules, is made between you and us in connection with your Access Contract and provides the terms on which we will make available, and you will participate in, the Phase 1 Trial (**Agreement**).

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

- 1.1 Any word or expression in this document which has an initial capital letter, but which is not defined in this Agreement, will have the meaning given in the Access Contract.
- 1.2 When used in this Agreement, each of the following words and expressions has the meaning which is given to it in this clause 1.2:

Container ID means the unique Container identification number that you have designated to the applicable Mixed SCID Container in accordance with the requirements of the User Guide;

Go-Live Date means the date as notified by us to you in writing which must be prior to 3 December 2018;

Mixed SCID Container(s) means a Container containing Mailmark Mailing Items that are from different SCIDs but are all of the same Format, Price Plan and Access Service;

Phase 1 Trial Period means the period commencing on the Go-Live Date and ending on either: (i) a date to be notified in writing by us (such date to be no earlier than 6 months from the Go Live Date) or (ii) on the date we terminate the Phase 1 Trial and/or this Agreement;

Specification means the terms set out in Schedule 1 of this Agreement, as amended from time to time in accordance with this Agreement; and

Success Measures means the criteria set out in Schedule 2 of this Agreement.

2. **PARTICIPATION IN THE PHASE 1 TRIAL**

2.1 As soon as possible after entering into this Agreement you must at your own cost, undertake all systems and procedures changes required to enable you to comply with the Specification for the Phase 1 Trial Period. Once you have done so we will notify you of the Go-Live Date.

2.2 At all times during the Phase 1 Trial Period, both you and we agree that we will each comply with and will perform our respective obligations under the Access Contract and this Agreement.

2.3 Once you have started the Phase 1 Trial it will continue until the end of the Phase 1 Trial Period unless we agree with you in writing to extend the Phase 1 Trial Period or to cease your participation in the Phase 1 Trial Period in accordance with paragraph 2.4 below.

2.4 If you wish to cease your participation in the Phase 1 Trial you will notify us as soon as practicable of the date on which you wish to cease participation and the reasons for it. Upon such cessation, you will cease to handover to us Mixed SCID Containers and the terms of your Access Contract will continue to apply in their entirety as if this Agreement had not existed.

2.5 At the end of the Phase 1 Trial Period (or sooner by agreement if the Success Measures have been met for a sustained period), we may decide to make some or all of the changes introduced by the Phase 1 Trial permanent. In that event, we will notify you in respect of any changes necessary to the terms of the Access Contract, including the User Guide, together with the date on which such changes will take effect and the Phase 1 Trial will become permanent (**Change Date**). You agree that:

(a) for the period between (i) service of the relevant notice amending the Access Contract and (ii) the Change Date, the terms of this Agreement shall continue in full force and effect;

(b) upon the Change Date this Agreement will terminate automatically.

3. **CHANGES TO, OR ENDING, THE TRIAL**

3.1 You and we recognise that the Trial is pioneering in nature and, during the Trial, you or we may consider that this Agreement does not address matters which should be addressed, or that the technical and operational elements of this Agreement do not function in a desirable and/or effective way. If so, you and we agree to work together in good faith to try and resolve any such issues and, if we decide it is necessary, we will make changes and update the terms of this Agreement.

3.2 We will give you written notice of any subsequent phase of the Trial and the applicable specification and terms for that phase.

3.3 We reserve the right to terminate or suspend this Agreement at any time, on not less than fourteen days' prior written notice of such termination or suspension. Where we so suspend, we will give you no less than fourteen days' prior written notice if we then decide to reinstate this Agreement, in which case, the terms of this Agreement shall re-apply on and from the expiry of that reinstatement notice. Termination of this Agreement for any reason shall not affect any rights which have accrued under this Agreement before the date of termination.

3.4 Unless clause 2.5 applies, upon the termination or expiry of this Agreement, or for the duration of any period of suspension, the terms of your Access Contract will continue to apply in their entirety as if this Agreement had not existed.

4. INTERACTION WITH THE ACCESS CONTRACT

4.1 Provided that you comply with your obligations under this Agreement, your compliance with the Specification during the Phase 1 Trial Period will not be considered by us as a breach by you of the terms of your Access Contract, including the User Guide.

4.2 You agree that the terms of this Agreement and our compliance with our obligations under this Agreement will not be considered by you as a breach by us of the terms of your Access Contract, including the User Guide. Except to the extent that the terms of this Agreement expressly differ from the analogous terms in your Access Contract during the Phase 1 Trial Period, it is agreed that your Access Contract will continue in full force and effect.

4.3 If we are prevented from performing an obligation to you under this Agreement by circumstances outside of our control, we will be released from that obligation and will not be liable for any failure to perform it.

4.4 In the event of any inconsistency, ambiguity or conflict between this Agreement and the Access Contract (including the User Guide), this Agreement shall have priority in relation to matters concerning this Agreement.

5. GENERAL

5.1 Clauses 6 (Liability), 9 (confidentiality), 10 (Notices) and (to the extent applicable) clause 18 (General) of your Access Contract will apply to this Agreement as if they had been set out in full herein. For these purposes references to "Contract" in these clauses will be read to mean "this Agreement".

Please sign below to confirm you acceptance of the terms and conditions of this Agreement.

Signed by Luisa Fulci duly authorised for and on behalf of Royal Mail Group Limited	
Signed by [insert name of signatory] duly authorised for and on behalf of [registered name of Customer]	

SCHEDULE 1

Mixing SCIDs Phase 1 Trial - Specification

This Schedule contains the specification that you must adhere to when participating in the Phase 1 Trial.

1. YOUR OBLIGATIONS

- 1.1 During Phase 1 Trial Period, you may handover to us Mailmark Mailing Items in Mixed SCID Containers subject to the terms of this Agreement.
- 1.2 For each Mixed SCID Container, you must declare on the Posting Docket the following information:
 - (a) code number "999999999" in the SCID field (**Mixed SCID Code**);
 - (b) code number "999999999" in the eManifest ID field (**Mixed eManifest ID Code**); and
 - (c) if you choose to use UCIDs to identify your discrete postings, a discrete UCID pertaining to the Posting Entity in the UCID field (**Mixed UCID**).
- 1.3 You must declare the Container ID in spare field 10 of the eManifest for Mailing Items that you put into Mixed SCID Containers.
- 1.4 For Royal Mail Advertising Mail® or Royal Mail Responsible Mail® postings, where you, or the Customer Entity or Originating Posting Customer, as the case may be, wish to exercise the Data Opt Out preference or apply a Mail Reference for the applicable Advertising Mail or Responsible Mail posting, you must use only the Mailmark eManifest to denote these in accordance with the User Guide. For clarity, the Posting Docket must not be used by you to exercise a Data Opt Out preference or to provide the Mail Reference for a Mixed SCID Container.
- 1.5 For Mixed SCID Containers of Advertising Mail or Responsible Mail, each seed/sample of mailing pack design which you submit to us must reference the Mixed UCID pertaining to the Mixed SCID Containers.
- 1.6 For Mixed SCID Containers containing Mailmark Mailing Items from different Supply Chains you must ensure that all Mailmark Mailing Items in each Mixed SCID Container belong to the same Mailmark credit account.

2. SYSTEMS CHANGES

- 2.1 You agree to undertake any necessary changes to your software, at your expense, to enable the accurate and successful upload of the information we set out in paragraph 1 of this Schedule 1.

3. COMPLIANCE

- 3.1 You shall not reuse a Container ID more than once in a 90 day period, commencing from the date you include that Container ID in the eManifest.
- 3.2 If a Mixed SCID Container which you have identified on the eManifest is not handed over to us on the day the eManifest is confirmed, the Container ID for the Mailing Items in that

Mixed SCID Container must not be changed if the Mailing Items are to be resubmitted within 5 days of the eManifest being confirmed.

SCHEDULE 2

Success Measures

Trial	Royal Mail desired outcomes	Customer desired outcomes
Mixing SCIDs	<ol style="list-style-type: none"> 1. To maintain accurate reporting of Mailmark mail performance for each Supply Chain; 2. To maintain ability for our Revenue Protection team to investigate volume discrepancies and identify non-compliances accurately; 3. To identify any other benefits and risks; and 4. To reduce number of Containers required for Mailing Items. 	<ol style="list-style-type: none"> 1. To reduce number of Containers required for Mailing Items consequently reducing logistical costs and simplifying handover; 2. To maintain accurate reporting of Mailmark mail performance for each Supply Chain; 3. To maintain Carriers' ability to bill their end customer accurately; 4. To identify Container ID on the Mailmark eManifest to aid reconciliation between Mailmark Mailing Items on the eManifest and the Posting Docket; and 5. To simplify billing relationship between Mail Producer and Carrier by reducing number of UCIDs.

APPENDIX B

