

22 September 2021

# **Royal Mail Wholesale**

185 Farringdon Road London EC1A 1AA

### Changes affecting the Access Letters Contract, Wholesale Parcels Contract and C9 Premium Agreement

### Dear Customer

I write with updates on the following matters relating to the Access Letters Contract, Wholesale Parcels Contract and C9 Premium Agreement:

- > Changes to General Large Letter (GLL) pricing structure;
- Standardising 48-way sort mech letter option for NPP1;
- > Withdrawal of A3 Parcels;
- > Confirmation of APP2 and Regional price plan baseline methodologies for 2022/23; and
- > Allocation of Postcode Sectors to Zones 2022/23.

#### Flatlining GLL prices

We are pleased to announce we are simplifying our GLL pricing structure following feedback from Wholesale customers.

Current GLL pricing currently has a total of 502 price steps per Access Service per Zone, with one gram increments above 250g, which customers have fed back is too complex. The change will see the introduction of a simpler pricing structure which is more aligned with industry pricing for fulfilment products, reducing the number of price steps down to 4 per Access Service per Zone - 0-100g, 101-250g, 251-500g and 501-750g.

Access Letters Contract change notice number 082 and C9 Premium Agreement change notice: Change to GLL pricing structure, attached to this letter, gives effect to the above change from 4 April 2022. We have also created a presentation which explains the changes in more detail which you can find <u>here</u>.

#### Standardising 48-way sort mech letter option for NPP1

The 48-way sort mech letter option was introduced in April 2018, providing customers with a more efficient process for presenting machinable letters that reduces the number of sorting selections from 86 to 48, and thereby improving container fill. For customers on National Price Plan One (**NPP1**) who use 48-way sort, we measure your adherence to the price plan profile requirements against 48 sorting selections as opposed to 86.

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 2022, all NPP1 customers will be measured for adherence to the price plan profile requirements against 48 sorting selections, regardless of whether you actually present your mailing items to 48 selections or 86 selections.

Access Letters Contract change notice number 083, attached to this letter, gives effect to the above change from 1 April 2022.

#### Withdrawal of A3 Parcels

We have decided to withdraw A3 Parcels from our parcel services under the Wholesale Parcels Contract and C9 Premium Agreement.

The removal of A3 Parcels means that customers will have greater flexibility in the mailing items they can send under the Wholesale Parcels Contract given that Parcels can be thicker than 25mm in thickness and up to 2kg in weight, as opposed to A3 Parcels which have a maximum weight allowance of 750g and thickness allowance of 25mm. There will be no impact in price on Parcels under 1kg as they are priced the same as A3 Parcels, and additionally we hope the withdrawal will create efficiencies for customers as you will be able to present all Parcels in one container, as opposed to having to split two formats.

Wholesale Parcels Contract change notice number 034 and Parcels User Guide Amendment notice number 051, attached to this letter, gives effect to the above change from 4 April 2022.

#### Confirmation of APP2 and Regional price plan baseline methodologies for 2022/23

The temporary suspension of MCS sampling activity in 2020/21 as a result of the Covid-19 pandemic, impacted our ability, to update the Royal Mail Zonal Posting Profile for Averaged Price Plan Two (APP2) customers on the Access Letters Contract and the Wholesale Parcels Contract, and Price Plan Four (**Regional**) customers on the Access Letters Contract, for the year 2022/23.

Under normal circumstances, we use MCS sampling data, run during a full financial year, to create an accurate representation of the Royal Mail Zonal Posting Profile. However given MCS data was not collected between April 2020 and 6 July 2020 due to the aforementioned suspension, we do not have a complete baseline data set. Therefore, as proposed to customers in April 2020 and May 2021, we will only be updating the 2021/22 Royal Mail Zonal Posting Profile to reflect the allocation of postcode sector to zones (see below) for the purpose of measuring customer conformance to the APP2 and Regional price plans in 2022/23.

These changes affect the Access Letters Contract and the Wholesale Parcels Contract and shall take effect from 1 April 2022, as detailed in Access Letters Contract change notice number 084 and Wholesale Parcels Contract change notice number 035 respectively, as attached to this letter.

#### Allocation of Postcode Sectors to Zones 2022/23

We have completed the annual review of the allocation of Postcode Sectors to Zones and there is some movement of Postcode Sectors for the forthcoming financial year 2022/23. The changes affect the Access Letters Contract and the Wholesale Parcels Contract and the Condition 9 Premium Agreement as detailed in the applicable contract change notices attached to this letter. The following changes come into effect from **1** April **2022**:

- (a) A revised **Royal Mail Zonal Posting Profile for 2022/23**, published in the profiles and permitted variances file which you can find at <a href="https://royalmailwholesale.com/permitted-variances-and-profiles">https://royalmailwholesale.com/permitted-variances-and-profiles</a>.
- (b) A revised **Urban Density Benchmark Profile for 2022/23,** as published in the profiles and permitted variances file which you can find at <a href="https://royalmailwholesale.com/permitted-variances-and-profiles">https://royalmailwholesale.com/permitted-variances-and-profiles</a>.

If you have any questions regarding any of the matters in this letter, please contact your Account Director.

Yours sincerely,

Tim Cable Wholesale Products Director Royal Mail Wholesale



### ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 082 CHANGE TO GLL PRICING STRUCTURE

### Date: 22 SEPTEMBER 2021

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, 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 13.2.1(b) of the General Access Terms and Conditions to reduce the number of weight bands for General Large Letters Services such that the applicable weight bands for General Large Letters Services will be 0-100g, 101-250g, 251-500g and 501-750g, with effect from **4 April 2022**.



# CONDITION 9 PREMIUM CHANGE NOTICE: CHANGE TO GLL PRICING STRUCTURE

# DATED: 22 SEPTEMBER 2021

This notice applies to you if you hold a Condition 9 Premium Access Agreement (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 13.6 of the Contract to reduce the number of weight bands for General Large Letters Services such that the applicable weight bands for General Large Letters Services will be 0-100g, 101-250g, 251-500g and 501-750g, with effect from **4 April 2022**.



### ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 083 STANDARDISING 48-WAY SORT MECH LETTER OPTION FOR NPP1

### Date: 22 SEPTEMBER 2021

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, 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 13.2.1(a) of the General Access Terms and Conditions, that paragraph 5 of Schedule 23: 48-Way Sort Mech Letter Option shall be deleted in its entirety.
- 2.2 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 'Letters profiles and permitted variances' as published on our Website.
- 2.3 The changes detailed in this paragraph 2 will take effect from **1 April 2022**.



# WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 034 WITHDRAWAL OF A3 PARCELS

# DATED: 22 SEPTEMBER 2021

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 Under Clause 13.2.1(a) of the Parcels General Terms and Conditions, we notify you of the following changes to the Contract, to take effect from **4 April 2022**:
  - 2.1.1 The definition of "A3 Parcels" in Schedule 1: Definitions and Interpretation shall be deleted in its entirety.
  - 2.1.2 The definition of "Format" in Schedule 1: Definitions and Interpretation shall be deleted in its entirety.
  - 2.1.3 The definition of "Mailing Item" in Schedule 1: Definitions and Interpretation shall be amended to read as follows:

Mailing Item a Parcel.



### PARCELS USER GUIDE AMENDMENT NOTICE NUMBER 051: WITHDRAWAL OF A3 PARCELS

### Date: 22 SEPTEMBER 2021

This notice applies 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 Changes

- 1.1 We notify you under clause 13.3.3 of the Contract that we are changing the Parcels User Guide to effect the withdrawal of the A3 Parcels Service from **4 April 2022** as follows:
  - 1.1.1 All references to A3 Parcels and specifications related to the A3 Parcels Service shall be deleted in their entirety;
  - 1.1.2 The description of Parcel in Section 5.1 shall be amended to read as follows:

Parcel – format which is

o up to 2kg in weight; or,

o larger than 353mm x 250mm; or,

o the maximum dimensions if rectangular, are no larger than 610mm x 460mm x

460mm and, if cylindrical, has a maximum length of 900mm and the Parcel length when added to twice the diameter does not exceed 1040mm.



### ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 084 APP2 PRICE PLAN BASELINE METHODOLOGIES FOR 2022/23

### Date: 22 SEPTEMBER 2021

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, 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 13.2.1(a) of the General Access Terms and Conditions, that the definition of "Royal Mail Zonal Posting Profile" in Schedule 1: Definitions and Interpretation shall be amended to read as follows:
  - Royal Mail Zonal<br/>Posting Profilea)In the 2022/23 Financial Year, our zonal posting profile as measured<br/>by the combined volumes of Retail bulk Mailing Items and Access<br/>Mailing Items delivered by us to each Zone (excluding London for the<br/>purposes of the Regional Price Plan) in the 2019/20 Financial Year<br/>and expressed as a percentage of the total volume of all those Mailing<br/>Items delivered by us to all Zones (excluding London for the purposes<br/>of the Regional Price Plan) in the 2019/20 Financial Year as published<br/>on our Website;
    - b) In every other Financial Year, 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 the previous 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 the previous Financial Year, as published each year on our Website, and as amended from time to time in accordance with clause 13.2.4 of the General Access Terms and Conditions;
- 2.2 The changes detailed in paragraph 2.1 above will take effect from **1 April 2022**.



### WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 035 APP2 PRICE PLAN BASELINE METHODOLOGIES FOR 2022/23

# DATED: 22 SEPTEMBER 2021

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 13.2.1(a) of the Parcels General Terms and Conditions, that the definition of "Royal Mail Zonal Posting Profile" in Schedule 1: Definitions and Interpretation shall be amended to read as follows:
  - Royal Mail Zonal<br/>Posting Profilea)In the 2022/23 Financial Year, our zonal posting profile as measured<br/>by the combined volumes of Retail bulk Mailing Items and Access<br/>Mailing Items delivered by us to each Zone (excluding London for the<br/>purposes of the Regional Price Plan) in the 2019/20 Financial Year<br/>and expressed as a percentage of the total volume of all those Mailing<br/>Items delivered by us to all Zones (excluding London for the purposes<br/>of the Regional Price Plan) in the 2019/20 Financial Year as published<br/>on our Website;
    - b) In every other Financial Year, 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 the previous 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 the previous Financial Year, as published each year on our Website, and as amended from time to time in accordance with clause 13.2.4 of the General Access Terms and Conditions;
- 2.2 The changes detailed in paragraph 2.1 above will take effect from **1 April 2022**.



# ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 085

# DATED: 22 SEPTEMBER 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 meaning 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 13.2.4 of the General Access Terms and Conditions to change the allocation of Postcode Sectors to Zones with effect from **1 April 2022**.
- 2.2 The change referenced at paragraph 2.1 above will result in a change to the composition of the Royal Mail Zonal Posting Profile for 2022-23 for customers posting on Averaged Price Plan Two (Zones) and the Regional Price Plan (Zones).
  - a. From **1 April 2022**, the Royal Mail Zonal Posting Profile for Averaged Price Plan Two (Zones) will change to:

Royal Mail Zonal Posting Profile	Urban	Suburban	Rural	London
2022 - 23	37.151%	30.766%	17.947%	14.136%

b. From **1 April 2022**, the Royal Mail Zonal Posting Profile for the Regional Price Plan (Zones) will change to:

Royal Mail Zonal Posting Profile 2022-23	Urban	Suburban	Rural
England & Wales	44.403%	35.950%	19.647%
Scotland	38.210%	35.702%	26.088%
Northern Ireland	21.113%	32.155%	46.732%

2.3 The change referenced at paragraph 2.1 above will also result in a change to the composition of the Urban Density Benchmark for Price Plan One (SSCs) with effect from **1 April 2022**, details of which are published on the contracts page of the Website.



# WHOLESALE PARCELS CONTRACT CHANGE NOTICE: NUMBER 036

### DATED: 22 SEPTEMBER 2021

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 meaning 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 13.2.4 of the Parcels General Terms and Conditions to change the allocation of Postcode Sectors to Zones with effect from **1 April 2022**.
- 2.2 The change referenced at paragraph 2.1 above will result in a change to the composition of the Royal Mail Zonal Posting Profile for Price Plan Two (Zones). With effect from **1 April 2022**, the Royal Mail Zonal Posting Profile will change to:

Royal Mail Zonal Posting Profile	Urban	Suburban	Rural	London
2022 - 23	34.396%	30.926%	21.157%	13.521%

2.3 The change referenced at paragraph 2.1 above will also result in a change to the composition of the Urban Density Benchmark for Price Plan One (SSCs) with effect from **1 April 2022**, details of which are published on the contracts page of the Website.



# CONDITION 9 PREMIUM ACCESS AGREEMENT CHANGE NOTICE

# DATED: 22 SEPTEMBER 2021

This notice applies to you if you hold a Condition 9 Premium Access Agreement (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 13.4 of the Contract that the allocation of Postcode Sectors to Zones will change with effect from **1 April 2022**.