



28 September 2017

Royal Mail Wholesale

4th Floor
185 Farringdon Road
London
EC1A 1AA

PRICE CHANGES FOR THE ACCESS LETTERS CONTRACT

Dear Customer,

Today we have published new prices for the Access Letters Contract that will come into effect from 2 January 2018.

I am writing to you to summarise the main price changes we are making to Access Letter and Large Letter services. Also enclosed is the formal contract change notice. You can find all of the new prices at www.royalmailwholesale.com/pricing.

Sending mail continues to create a unique, two-way relationship between brands and their customers. More than half of consumers (57%) said that receiving mail makes them feel more valued according to Royal Mail research entitled *The Private Life of Mail*.

Price changes

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.

We have tried to keep price increases as moderate as we can. As in previous years, we have sought to keep our price increases broadly in line with inflation.

For example, for our highly used services: Access Business Mail letter (Mailmark) we are increasing the price by 1.063p (in trays) and for customers who post Access Advertising Letter (Mailmark) items in trays we are increasing the price by as little as 0.314p.

Zonal prices

In acknowledgement of Ofcom's March 2017 statement following the Fundamental Review of Regulation, we have 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. For illustrative purposes the table below shows the Mailmark prices for business and advertising letter items posted in trays for each zone valid from 2 January 2018.

Mailmark	Zonal Price Plan Access Charges for Letter format items posted in trays			
	Urban	Suburban	Rural	London
Business Mail	20.249p	22.786p	25.531p	24.855p
Advertising Mail	14.353p	16.890p	19.635p	18.959p

Mailmark prices

We continue to encourage customers to use Mailmark as it is the cheapest and most efficient product. It provides customers with helpful information about the performance of their mail. So far this financial year, 76% of Letter items were sent using Mailmark. We are also pleased to see

customers taking up our offer to test Mailmark poly items and hope this will result in increased take up of Mailmark. In December 2015, we communicated our intention to withdraw the legacy barcode, CBC¹, and notified cessation on 12 June 2017. Please can we remind customers that we will stop supporting this service from 1 January 2018.

Encouraging mail in trays

We continue to encourage mail in trays as they are more efficient. As a result, we offer lower prices for mail in trays compared to mail in bags. From 2 January 2018, the item discount on Letters in trays will be increased to 0.27p and the item discount for Large Letters (up to 10mm thick) in trays will be increased to 0.7p.

Advertising Mail Catalogue product

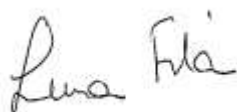
We are pleased that the Advertising Mail Catalogue trial has been warmly welcomed by advertisers. As a result we have adopted this product as a new Access service. Advertisers can use the catalogue product to increase the size of their catalogues and generate more or bigger sales orders in order to improve the return on their catalogue investment. The product enables advertisers to take advantage of five price points for both Letter and Large Letter formats which, in effect, reduces prices for catalogues between 101g – 150g.

Incentives

We have increased the range of incentive schemes we offer customers and under these incentives, customers can access discounts of up to 30% on business mail and up to 15% on advertising mail.

Full details of our prices are now published on our website www.royalmailwholesale.com/pricing. Please note that we will notify changes to the charges that are detailed as “Other Charges” in the price files on the website shortly in a separate notice.

Yours sincerely,



Luisa Fulci

duly authorised for and on behalf of
Royal Mail Group Limited

¹ Mailmark migration decision document 4 December 2015

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ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 035

28 SEPTEMBER 2017

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.

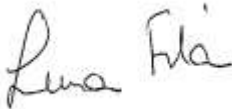
1 Definitions and interpretation

- 1.1 If a word or expression is defined in these notices, it shall have the meaning given in these notices.
- 1.2 Any words or expressions which are not defined in these notices, 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 these notices.

2 Change to Access Charges

- 2.1 We hereby give you notice under clause 13.2.3 of the General Access Terms and Conditions to change the Access Charges, excluding changes to General Large Letter services and the charges that are detailed as "Other Charges" in the price files on the Website .
- 2.2 The change referred to in paragraph 2.1 shall take effect on and from 2 January 2018.
- 2.3 Full details of the Access Charges as amended pursuant to paragraph 2.1 of this notice are available on our Website (www.royalmailwholesale.com).

Signed by



Luisa Fulci
Director Regulated Products