



9th January 2015

Royal Mail Wholesale

2nd Floor
185 Farringdon Road
London
EC1A 1AA

ACCESS LETTERS CONTRACT PROVISION FOR INCENTIVE SCHEMES AND PROMOTIONS

Dear Customer,

Over the past few months, we have discussed with many of you our intention to introduce incentive schemes and promotions in Access in order to stimulate mail volume growth. These incentive schemes and promotions would reward customers who sign up for the scheme or promotion and send new, incremental mail volume through Royal Mail Wholesale by awarding postage credits or other financial rewards to customers who have successfully participated in the scheme or promotion.

The customer feedback on the proposed introduction of incentive schemes and promotions in Access has been really positive with unanimous agreement that the mail industry stands to benefit from incentives that genuinely grow mail volumes and that financial incentive schemes in Royal Mail Wholesale, in particular, would be a great way to help stimulate growth.

Change to the Access Letters Contract

Royal Mail Wholesale has never offered incentive schemes or promotions before so the concept of paying financial rewards in Wholesale is new. To ensure that the Access Letters Contract permits us to implement incentive schemes and promotions, we will add a provision at clause 13.2 which will establish a minimum notice period for the introduction of any incentive scheme or promotion and provide clarification that the schemes and promotions, including the awards that would be made to successful participants in the schemes and promotions, will not be counted as a change to Access Charges or Permitted Variances.

The new provision will become clause 13.2.5 and will read as follows:

Incentive Products and Promotions: on giving you at least 70 days' written notice, to introduce from time to time incentive products and promotions of specified duration which are intended to promote the use of Access Services and increase the volumes of Letters and Large Letters. The introduction of such incentive products and promotions shall not be considered to be a change to any Access Charge or Permitted Variance for the purposes of clause 13.2.3 and, accordingly, any such incentive products and promotions will not count towards the number of changes permitted under clause 13.2.3.

When we discussed the proposed introduction of incentive schemes and promotions in Access with customers, some customers had queries about how we would be able to monitor compliance with the requirements of the scheme or promotion and whether it would be possible to deploy the schemes and promotions in a cost effective manner. Prior to the introduction of any future scheme or promotion, we intend to discuss with you specific features of the proposed scheme or promotion in order to come up with optimal solutions to those sorts of issues which will work for all parties.

Timescales

1. Implementation of Contract Change by Consent of All Access Letters Contracts Holders

Under clause 13.2.1 of the Access Letters Contract we are required to provide at least 190 days' notice if we wish to make this type of contract change, which means that we would only be able to announce incentives and promotions for Access customers after 20 July 2015.

As adding clause 13.2.5 to the Access Letters Contract would be a beneficial change for you, your customers and us, we seek your consent to make this change sooner so that we may start announcing incentives and promotions for you and the other Access customers from 9th February 2015.

If you agree that clause 13.2.5 should be added to your Access Letters Contract from 9th February 2015, please sign two originals of the change agreement in Annex A to this letter and return the two signed originals of the change agreement to me at our address which appears at the top of this letter within 30 days of the date of this letter.

Please note that the addition of clause 13.2.5 to the Access Letters Contract will only take effect on the earlier date of 9th February 2015 if all holders of Access Letters Contracts consent to adding clause 13.2.5 to the Access Letters Contract. We will notify you by email, on 9th February, of whether all holders of Access Letters Contracts have given their consent to this change.

If we have received consent to add this clause from all Access Contract holders, we will sign and date the two original change agreements that you executed and return one fully executed original to you. If we do not receive this unanimous consent, then we will dispose of your signed original change agreements in a secure manner and will proceed with implementation of the contract change described in this letter in accordance with clause 13.2.1(a) of the Access Letters Contract as described in section 2 of this letter below.

2. Implementation of Contract Change in accordance with Access Letters Contract clause 13.2.1(a)

If less than all of the holders of Access Letters Contracts give consent to adding clause 13.2.5 to the Access Letters Contract, then this clause will be added to the Access Letters Contract in accordance with clause 13.2.1(a) of the Access Letters Contract on 20th July 2015.

We attach at Annex B the formal contract change notice under clause 13.2.1(a) of the Access Letters Contract which describes the change that will be made to clause 13.2 of the Access Letters Contract effective 20th July 2015.

Yours sincerely,



Luisa Fulci
Director Regulated Products
Consumer and Network Access

ANNEX A: FORM OF CHANGE AGREEMENT

AGREEMENT TO CHANGE ACCESS LETTERS CONTRACT

DATED: 9 JANUARY 2015

Background and Interpretation

You (**the customer**) and Royal Mail Group Limited (**Royal Mail**) have entered into the Access Letters Contract dated the Access Start Date (the **Contract**).

All capitalised words and expressions defined in, and rules of interpretation contained in, the Contract shall have the same meanings when used in this agreement.

Contract Change

In consideration of the payment of one pound sterling to Royal Mail, the customer and Royal Mail agree that, with effect from 9th February 2015, the following subclause shall be added to clause 13.2 of the General Access Terms and Conditions of the Contract:

"13.2.5 Incentive Products and Promotions: on giving you at least 70 days' written notice, to introduce from time to time incentive products and promotions of specified duration which are intended to promote the use of Access Services and to increase the volumes of Letters and Large Letters. The introduction of such incentive products and promotions shall not be considered to be a change to any Access Charge or Permitted Variance for the purposes of clause 13.2.3 and, accordingly, any such incentive products and promotions will not count towards the number of changes permitted under clause 13.2.3;"

General

Save as amended by this agreement, which shall have precedence in relation to the matters discussed in this agreement, the terms of the Contract shall remain in full force and effect and are hereby ratified and confirmed.

This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England.

Each of the customer and Royal Mail irrevocably agrees that the courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

EXECUTED by the Parties

Signed by [insert name of signatory] _____

duly authorised for and on behalf of
[registered name of Customer]

Signed by [insert name of signatory] _____

duly authorised for and on behalf of
Royal Mail Group Limited

ANNEX B

ACCESS LETTERS CONTRACT CHANGE NOTICE NUMBER 011

DATED: 9 JANUARY 2015

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

If a word or expression is defined in this notice, it shall have the meaning given in this notice.

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.

All of the rules about how to interpret the Contract shall apply to this notice.

2 Contract Changes

We hereby give you notice under clause 13.2.1(a) of the General Access Terms and Conditions, to make the change to the Contract detailed in this Change Notice Number 011 with effect from 20th July 2015.

In the General Access Terms and Conditions, clause 13.2 will change to add a new sub-clause 13.2.5 which reads as follows:

"13.2.5 Incentive Products and Promotions: on giving you at least 70 days' written notice, to introduce from time to time incentive products and promotions of specified duration which are intended to promote the use of Access Services and to increase the volumes of Letters and Large Letters. The introduction of such incentive products and promotions shall not be considered to be a change to any Access Charge or Permitted Variance for the purposes of clause 13.2.3 and, accordingly, any such incentive products and promotions will not count towards the number of changes permitted under clause 13.2.3;"

Signed by



Luisa Fulci

duly authorised for and on behalf of
Royal Mail Group Limited