



12th March 2010

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CONDITION 7 NOTIFICATION:

Amendments to Royal Mail Tracked™ Terms & Conditions.

Dear Philip,

I am writing to formally notify you, under Condition 7 of Royal Mail's Licence, Royal Mail will be making amendments to the Royal Mail Tracked™ Terms & Conditions and prices. Part 1 re-notifies amendments that were previously notified on the 5th of August and the 22nd of December 2009; the previous letters can be discounted. Part 2 contains new amendments to the Terms & Conditions. These changes will all occur on the 14th of June 2010.

Part 1 – Previously notified amendments to Royal Mail Tracked™

On 14th June 2010 Royal Mail Tracked customers posting less than 300,000 items per annum will be:

- allowed to post items weighing up to 15Kg and to benefit from pricing based on average weights. They will also be able to benefit from optional electronic proof of delivery signature capture and text and email pre-notification at additional cost
- able to take advantage of a lower minimum volume entry level of 2,000 items per annum. The new prices for customers posting between 2,000 and 4,999 items per annum can be found in a revised Royal Mail Tracked pricing calculator. The price will be calculated according to customer's own forecasted annual posting profile. The Tracked calculator can be accessed via Royal Mail's website. The lower entry limit negates the need to combine

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Special Delivery volumes with Royal Mail Tracked volumes to access the latter and so will make adjustments to clauses 5.4 and 5.5 of the Royal Mail Tracked Terms & Conditions.

This lower entry limit represents a benefit to customers and the market as a whole by expanding the availability of item tracking to smaller businesses.

The maximum and minimum daily posting volume bands on the pricing calculator will be simplified (from 5 to 3 bands). For customers sending less than 300,000 items per annum the effect of a daily variable posting volume will be reduced to a maximum of 2% price increase compared with up to 14% currently. For customers sending more than 300,000 items per annum the effect of a daily variable posting volume will be reduced to a maximum price increase of 6.2% compared with up to 50% currently.

Some prices have been changed to remove a few anomalies. To ensure the correct relationship between the weight and item size some price points above 3 kilograms will increase by a maximum of 4%.

Royal Mail will give customers the ability to make one-off postings. They must send at least 100,000 items over a maximum of 5 working days and they will pay the same price as a 300,000 item annual contract.

Part 2 - New notification of amendments to Royal Mail Tracked™ Terms & Conditions

On the 14th June 2010, Royal Mail will be making three further changes.

- 1) At present whilst there is no access permitted to Delivery Offices for postings. From 14th June 2010 this will be explicitly stated in the product Terms & Conditions
- 2) At present customers can choose to optionally present their postings pre-sorted. Given the lack of customer demand for this service (less than 20 out of over 1,100 customers have pre-sorted mail), to simplify the product, this option will be removed from 14th June 2010.
- 3) At present there is no minimum dimension. Given ongoing packets mechanisation, from 14th June 2010 there will be a minimum size of at least 15mm in any dimension.

A revised calculator is available on Royal Mail's [website](#).

A copy of this letter has been sent to Consumer Focus and will be published on Royal Mail's website within four working days. The Royal Mail Tracked Terms and Conditions will be amended and published on Royal Mail's website prior to deployment.

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Yours sincerely,

A handwritten signature in black ink, appearing to read "M Waples". The signature is written in a cursive style with a large, stylized initial "M".

Head of Regulation and Compliance