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## What pricing change is Claranet making?

Claranet Limited will be implementing an annual price increase of 3% to the service charges for existing customers covered by the Claranet Master Services Agreement, effective from 1st December 2020.

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## How can Claranet raise prices?

Clause 7.4 of the Claranet Master Services Agreement provides as follows:

*“Fees may also be increased by Claranet once at any time in each Contract Year linked to the rate of increase in the Retail Prices Index during the preceding 12 month period, or by 3% whichever is the higher.”*

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## Why is Claranet increasing prices?

Our costs rise year-on-year due to a combination of regular and contractual general price increases imposed on us by our suppliers, and operational cost increases due to inflation and rising demand of our resources.

We constantly strive to maximize operational savings so that we can absorb inflationary effects and supplier price increases as much as possible. However, it is not always feasible to absorb these completely. In this position, we must take financially responsible decisions to ensure we maintain our strong financial position.

Our financial strength has afforded us the ability to offer class-leading services to our customers. Our broad portfolio of services now makes us the largest mid-market provider of integrated hosting, networks, communications and security services in the UK and continental Europe.

Our recent and consistent inclusion as a Leader in Gartner’s Magic Quadrant for Managed Hybrid Cloud Hosting for the sixth consecutive year is further evidence of our strength in the marketplace and the quality of our customer offering.

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## Why is the increase 3% and how was it calculated?

Claranet has calculated the increase by combining the aggregate of the regular price increases imposed on us by our suppliers and the increase in the national Retail Prices Index. This factors in the measures for the average cost of goods and services across the country for consumers and businesses.

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## When will the increase come into effect?

The increase will come into effect in the next customer billing cycle on or after 1st December 2020.

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## How will you be told about the price increase?

You will be notified by email and by notice published to the website.

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## How will the increase appear on invoices?

The price change will be blended with the existing charges in the next invoice effective from 1st December 2020.

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## Do you have the right to cancel your contract in response to the price increase?

You do not have the right to cancel your contract(s).

If you seek to cancel your contract, you will be subject to early termination charges for the remainder of the Term of your services as provided for in the Claranet Master Services Agreement.

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## Will this increase happen every year?

We review our operational costs on an ongoing basis and will do whatever we can to absorb inflationary effects. Any potential increases will be judged on an annual basis, taking all appropriate factors into account. However, as our suppliers are regularly applying annual price increases to Claranet, there is a higher likelihood that we will apply our own annual increase.

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## If I have questions, to whom should I speak?

Any questions can be directed to your Account Manager and/or Service Manager in the first instance. You can also direct general feedback to [customerfeedback@uk.clara.net](mailto:customerfeedback@uk.clara.net).