

[Date]

[Client Name]
[Client Title]
[Company Name]
[Company Address]

Subject: Tiered Pricing Proposal and Master Contract Renewal for [Project/Service Name]

Dear [Client Contact Name],

Our records indicate that the Master Contract between [Your Company Name] and [Client Company Name] is scheduled to expire on [Expiry Date]. We have valued our partnership over the past [Number] years and are pleased to propose a renewal that introduces a new tiered pricing structure designed to scale with your business growth.

Proposed Tiered Pricing Structure:

To provide better cost-efficiency as your volume increases, we are moving to the following model effective [Date]:

- **Tier 1:** [Unit Range, e.g., 1-500] - \$[Price] per unit
- **Tier 2:** [Unit Range, e.g., 501-1,000] - \$[Price] per unit
- **Tier 3:** [Unit Range, e.g., 1,001+] - \$[Price] per unit

Contract Renewal Terms:

- **Renewal Term:** [Number] months/years
- **Effective Date:** [Date]
- **Key Updates:** [Briefly mention any changes to SLAs or terms, or state "All other terms remain as per the original Master Contract"]

By moving to this tiered model, [Client Company Name] will benefit from reduced marginal costs as your requirements expand. This structure ensures that our partnership remains sustainable and aligned with your long-term objectives.

Attached to this letter is the formal Master Contract Addendum. Please review and return a signed copy by [Date] to ensure uninterrupted service.

We look forward to continuing our successful collaboration.

Sincerely,

[Your Name]
[Your Title]
[Your Company Name]