

MASTER CONTRACT

VALID BEFORE 1 APRIL 2019

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The Master Contract

Commit your advertising budget on Mediacorp and you can be sure of high returns. By signing a Master Contract, you are entitled to a Fixed Bonus Quantum Scheme (FBQ) which means you'll get free bonus airtime. And if you renew your Master Contract before its expiry date, you can enjoy Early Bird Bonus equivalent to 12% of your total nett investment. You'll also be rewarded with Volume Discount, meaning we'll give you an upfront cash discount, according to the level of your expenditure.

EARLY BIRD BONUS

An advertiser who renews his Master Contract before its expiry date will enjoy Early Bird Bonus airtime equivalent to 12% of his total nett investment (after Volume Discount).

Note:

- Early Bird Bonus airtime can be used any time within the 12-month contract period except during the festive period of November and December.
- Mediacorp will recover any bonus airtime used that does not commensurate with the actual 12-month nett expenditure.

VOLUME DISCOUNT

Where an advertiser signs a Master Contract for a commitment on his TV expenditure for a 12-month period, he enjoys an upfront cash discount, according to his level of expenditure with Channel 5, Channel 8 and Channel U.

Annual Gross Expenditure Level	Volume Discount
\$ 25,000 ~ < \$ 50,001	2.5%
\$ 50,001 ~ < \$ 100,001	3.0%
\$100,001 ~ < \$ 200,001	4.0%
\$200,001 ~ < \$ 300,001	5.0%
\$300,001 ~ < \$ 400,001	6.0%
\$400,001 ~ < \$ 500,001	7.0%
\$500,001 ~ < \$ 600,001	8.0%
\$600,001 ~ < \$ 700,001	9.0%
\$700,001 ~ < \$ 800,001	10.0%
\$800,001 ~ < \$ 900,001	11.0%
\$900,001 ~ \$1,000,000	12.0%

Note:

- The Master Contract can be signed at any time in the year.
- Volume Discount is given from the first dollar invested with Channel 5, Channel 8 and Channel U.
- An advertiser may upgrade his level of expenditure during the contract period. The new level of discount will be applied from the point of upgrading. No retrospective discount will be given.
- Packages will not be entitled to any Volume Discount or any further discounts off the package price.

FIXED BONUS QUANTUM

FBQ is a simple bonus structure. A fixed Special Bonus (SB) is pegged to every level of nett commitment in the Master Contract. You can opt to convert your Special Bonus (SB) to Flexi-Fringe Bonus (FFB) at twice its value.

Nett Commitment	Special Bonus (SB) or	Flexi-fringe Bonus (FFB)
\$1,000,001 and above	18%	36%
\$500,001 ~ < \$1000,001	15%	30%
Below \$500,001	12%	24%

The above FBQ structure is effective from November 1999

For example:

New Contract / Renewal

At \$400,000 nett commitment, client can choose SB at 12% or FFB at 24%. A combination of SB and FFB is allowed. For example, instead of 12% SB, client can opt for 5% SB instead and the remaining 7% (of SB) can be converted into 14% FFB.

Therefore, the client will get 5% SB + 14% FFB.

FBQ Upgrading

Commit \$400,000 nett	12% SB	= \$48,000
Upgrade to \$600,000 nett		
Increment of \$200,000 nett	15% on \$200,000	= \$30,000
	Total SB	= \$78,000

Note:

- Advertisers can opt for Special Bonus or Flexi-Fringe Bonus.
- Early Bird Bonus (12%) remains. Advertisers can however opt to convert it into Flexi-Fringe Early Bird Bonus at twice the value (ie. 24%).
- Flexi-Fringe Bonus airtime is scheduled by Mediacorp. No dictation of programmes will be entertained.

GUIDELINES TO THE USE OF BONUS AIRTIME

- Bonus airtime can be used in all programmes except News programmes and special programmes.
- Bonus spots will be confirmed 3 working days before the date of telecast (inclusive). Prior to that, such spots may be pre-empted by paid spots.
- Bonus airtime cannot be used to buy premium positions, programme sponsorship, packages or bundles.
- Bonus airtime cannot be used in the months of November and December.
- All bonus airtime must be used within the specified 12-month contract period and only during January to October. No extension of the deadline will be allowed.

The Master Contract

EARLY BIRD BONUS

An advertiser who renews his master contract before its expiry date will enjoy Early Bird Bonus airtime equivalent to 12% of his total net investment (after volume discount) on Mediacorp: okto, Suria and Vasantham.

Note:

- Mediacorp will recover any bonus airtime used that does not commensurate with the actual 12-month nett expenditure.
- Early Bird Bonus airtime is computed based on net commitment upon renewal of master contract. Subsequent upgrading of commitment will not be entitled to any increase in Early Bird Bonus airtime.

VOLUME DISCOUNT

As soon as an advertiser signs a master contract for a commitment on his TV expenditure for a 12-month period, he enjoys an upfront cash discount, according to his level of expenditure on Mediacorp: okto, Suria and Vasantham.

Annual Gross Expenditure Level	Volume Discount
\$ 5,000 ~ \$ 10,000	2.5%
\$ 10,001 ~ \$ 20,000	3.0%
\$ 20,001 ~ \$ 30,000	4.0%
\$ 30,001 ~ \$ 40,000	5.0%
\$ 40,001 ~ \$ 50,000	6.0%
\$ 50,001 ~ \$ 60,000	7.0%
\$ 60,001 ~ \$ 70,000	8.0%
\$ 70,001 ~ \$ 80,000	9.0%
\$ 80,001 ~ \$ 90,000	10.0%
\$ 90,001 ~ \$100,000	11.0%
\$100,001 ~ \$150,000	12.0%
\$150,001 ~ \$200,000	13.0%
\$200,001 ~ \$300,000	14.0%
\$300,001 & above	15.0%

Note:

- The Master Contract can be signed at any time in the year.
- Volume Discount is given from the first dollar invested with Mediacorp: okto, Suria and Vasantham.
- An advertiser may upgrade his level of expenditure during the contract period. The new level of discount will be applied from the point of upgrading. No retrospective discount will be given.
- Packages will not be entitled to any Volume Discount or any further discounts off the package price

GUIDELINES TO USE OF BONUS AIRTIME (INCLUDING MASTER CONTRACT BONUS)

Bonus airtime can be used in all programmes except special programmes.

Bonus spots will be confirmed 3 working days before the date of telecast (inclusive). Prior to that, such spots may be pre-empted by paid spots.

All bonus airtime cannot be used for special packages, sponsorship and premium positioning.

All bonus airtime must be used within the specified period. No extension of the deadline will be allowed.

BLACK-OUT PERIODS FOR USE OF BONUS AIRTIME

All bonus airtime cannot be used during the following period:

- okto - During June, November and December
- oktoSports - During November and December
- Suria - During the Ramandan month and Hari Raya Puasa
- Vasantham - 4 weeks before and during Deepavali

Discount Plan

Enjoy the benefits of Mediacorp Radio's Volume Discount scheme when you sign a Master Contract for one calendar year. Being a flexible scheme, you can choose to upgrade your Master Contract commitment and enjoy even higher discounts during the validity period.

Nett Commitment	Volume Discount
\$ 10,000 – \$ 75,000	8%
\$ 75,001 – \$150,000	14%
\$150,001 – \$250,000	20%
\$250,001 – \$350,000	25%
\$350,001 – \$500,000	30%
\$500,001 and Above	35%

EARLY BIRD INCENTIVE DISCOUNT

An advertiser who renews his Master Contract before its expiry will enjoy a 10% Early Bird Incentive Discount. (effective 1 Jan 2011)

Note:

- Early Bird Incentive is applicable to Spot Buys and Sponsorship Programmes only.
- Volume Discount is applicable to Spot Buys only.
- If an advertiser fails to meet its Nett Commitment during the Contract Period, its Volume Discount shall be withdrawn or reduced based on actual expenditure.
- Volume Discount, Total Audience Plan, Full Week Plan, Cross Language Station Buys are to be computed after Early Bird Incentive Discount.
- Packages will not be entitled to any Volume Discount or any further discounts off the package price.

Master Contract Recovery

MASTER CONTRACT RECOVERY

Recovery of Excess Discounts for Non-fulfilment of Total Nett Commitment Under Master Contracts

Any and all discounts and bonuses granted to an advertiser/agency under a Master Contract are based on the allocation of the Total Nett Commitment to each media platform as specified in the Master Contract and subject to fulfilment of the Total Nett Commitment.

If the advertiser/agency is unable to meet the Total Nett Commitment by the end of the Contract period, Mediacorp shall be entitled to recover any and all excess discounts and bonuses granted.

For Master Contracts with Single Platform

Mediacorp will recover an amount equivalent to the difference between the actual discounts and/ or bonuses granted based on the committed amount for that media platform and the discounts and bonuses applicable based on the actual amount spent under the Master Contracts for that media platform.

Please see example below:

Example A : Client signs a \$450,000 Master Contract with TV (Channel 5/Channel 8/Channel U):

Platform	Nett Commitment	Master Contract Entitlements	Nett Fulfilment
TV Channel 5/ Channel 8/ Channel U	\$450,000.00	7% Volume Discount	\$350,000.00

Calculation of Volume Discount Recovery

Nett fulfilment	\$350,000.00
Gross fulfilment @ 7%	\$376,344.09 (\$350,000/ 0.93)
VD amount @ 7%	\$ 26,344.09
VD entitled based on fulfilment @ 6%	\$ 22,580.65
Recovery	<u>\$ 3,763.44</u> (\$26,344.09 - \$22,580.65)

Above illustration assumes all expenditure are entitled to Volume Discount (VD)

Example B : Client signs a \$270,000 Master Contract with Radio Stations

Platform	Nett Commitment	Master Contract Entitlements	Nett Fulfilment
Radio	\$270,000.00	25% Volume Discount	\$75,000.00

Calculation of Volume Discount Recovery

Nett fulfilment	\$ 75,000.00
Gross fulfilment @ 25%	\$100,000.00
VD amount @ 25%	\$ 25,000.00
VD entitled based on fulfilment @ 8%	\$ 8,000.00
Recoverable amount	<u>\$ 17,000.00</u> (\$25,000.00 – \$8,000.00)

Above illustration assumes all expenditure are entitled to Volume Discount (VD)

Master Contract Recovery

For Master Contracts with Multiple Platforms

Mediacorp will recover, as above, the excess discounts and/ or bonuses granted for the platform beginning with the biggest shortfall and then thereafter in descending order, based on the amount under-fulfilled for each applicable platform.

Please see example in table below:

Platform	Nett Commitment	Master Contract Entitlements	Nett Fulfilment	Over-fulfilled/ (Under-fulfilled)
Channel 5/ Channel 8/ Channel U	\$1,300,000.00	12% Volume Discount & 18% Special Bonus	\$700,000.00	(\$600,000.00)
okto/ Suria/ Vasantham	\$100,000.00	12% Volume Discount	\$200,000.00	\$100,000.00
Radio	\$500,000.00	30% Volume Discount	\$200,000.00	(\$300,000.00)
	<u>\$1,900,000.00</u>		<u>\$1,100,000.00</u>	<u>(\$800,000.00)</u>

Platform	Distribution of Overall Shortfall	Bonus Usage	Master Contract Entitlements used for Recovery			Recovery Amount	
			Fulfilment used for Recovery	Bonus/Volume Discount Entitlement (%)	Bonus Entitlement	Bonus Recovery	Volume Discount Recovery
Channel 5/ Channel 8/ Channel U	\$800,000.00	\$200,000.00	\$700,000.00	10% Volume Discount & 15% Special Bonus	\$105,000.00	\$95,000.00	\$15,909.10
okto/ Suria/ Vasantham				No Recovery for okto/ Suria/ Vasantham			
Radio			\$300,000.00	25% Volume Discount			\$14,285.72
	<u>(\$800,000.00)</u>						

Calculation of Volume Discount Recovery on Radio

Nett Commitment	\$ 500,000.00	(VD = 30%)
Gross Commitment	<u>\$ 714,285.71</u>	
VD amount @ 30%	<u>\$ 214,285.71</u>	
Nett fulfilment	\$ 200,000.00	
Gross fulfilment @ 30%	\$ 285,714.29	
VD amount @ 30%	\$ 85,714.29	
VD amount @ 25%	<u>\$ 71,428.57</u>	
Recoverable amount	<u>\$ 14,285.72</u>	(\$85,714.29 – \$71,428.57)

Calculation of Volume Discount Recovery on Channel 5/Channel 8/Channel U

Nett Commitment	\$1,300,000.00	(VD = 12%)
Gross Commitment	<u>\$1,477,272.73</u>	
VD amount @ 12%	<u>\$ 177,272.73</u>	
Nett fulfilment	\$ 700,000.00	
Gross fulfilment @ 12%	\$ 795,454.55	
VD amount @ 12%	\$ 95,454.55	
VD amount @ 10%	<u>\$ 79,545.45</u>	
Recoverable amount	<u>\$ 15,909.10</u>	(\$95,454.55 – \$79,545.45)

Above illustration assumes all expenditure are entitled to Volume Discount/Special Bonus

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