

Recipient name
Organisation
Address line 1
Address line 2
Address line 3

Chorus New Zealand Limited
Chorus House
66 Wyndham Street
AUCKLAND

[Date]

Dear [],

Re: Market Development Fund

FY20 – Round One

On 31 January 2018 we launched the Market Development Fund. The Fund is designed to provide funding and marketing support for our customers in their efforts to move Kiwis to better broadband on our network.

We now want to provide you with a further opportunity to sign up to participate in initiatives under the Market Development Fund and, at the same time, launch new support initiatives for you to participate in.

In this funding round we have a total of \$500,000 available across the following opportunities:

- 1. Marketing fibre to seniors** – supporting seniors to connect to fibre.
 - You can apply for a contribution of up to \$30,000 to assist you with marketing and educational activity that encourages and supports seniors (65+) to connect to fibre.
- 2. Getting kiwis to ask for the 'The fastest fibre'** – supporting customers onto higher speed plans.
 - You can apply for a contribution of up to \$50,000 to assist you with promoting gig-speed plans using the term 'the fastest fibre' in your advertising.
- 3. Businesses need business-grade fibre** – supporting your marketing efforts to get kiwis onto Chorus business-grade fibre.
 - You can apply for a contribution of up to \$50,000 to assist you with marketing and educating businesses on the need for business grade fibre.

Additional opportunities may be added to this funding round.

These initiatives are described in more detail in the Schedules to the Appendix of this letter.

Sign up

If you have any questions please contact your account manager. If you have already signed up to the terms set out in the Appendix to this letter, you don't need to do anything more to be eligible to apply under any of these new support initiatives.

If you want to make an application to the Market Development Fund under these new support initiatives and you haven't already accepted the terms set out in the Appendix to this letter, you will need to do so by signing below and returning the signed letter to us. You'll need to do this before making any applications to the Market Development Fund.

Yours faithfully

Ed Hyde
Chief Customer Officer,
Chorus New Zealand Limited

[Customer's Company Name] agrees to the Market Development Fund terms as set out in this letter and attached appendix.

Authorised Signatory Name:

Authorised Signatory Position:

Organisation:

Date:

APPENDIX

Terms

The terms of operation and use of the Market Development Fund (**Fund**) between Chorus New Zealand Limited (**Chorus**) and you (**Terms**) are as follows:

Establishment and purpose of the Fund

1. We have established the Fund to provide additional support to service providers in relation to certain marketing activities designed to encourage consumers to move to better broadband on our network.
2. You agree and acknowledge that any contribution we pay to you from the Fund will be applied by you in accordance with the Terms set out below.

Applications to the Fund

3. Applications to the Fund may be made by any service provider that has agreed to these Terms.
4. Applications must:
 - a. be made in writing using the template(s) set out in the Schedule to this Appendix; and
 - b. meet any other specific requirements set out in this Appendix and the Schedules to this Appendix (as applicable).

Notification of successful application

5. We will notify you in writing as to whether your application has been successful by the Notification Date as set out in the Schedules to this Appendix (as applicable).

Invoicing and payment of the Funding Amount

6. If we notify you that your application has been successful and you have been awarded funding (**Funding Amount**):
 - a. you must raise an invoice payable by us for the Funding Amount (pro-rated, if applicable) by the Invoice Date as set out in the Schedules to this Appendix (as applicable), which includes details of the nominated bank account into which payment of the invoice is to be made (**Nominated Bank Account**);
 - b. we will pay invoices raised in accordance with clause 6(a) by the Payment Date as set out in the Schedules to this Appendix (as applicable) by direct payment into the Nominated Bank Account; and
 - c. the proposed marketing activity the subject of that application will be deemed to be **Funded Marketing Activity**.

Reimbursement requirements

7. If the Funded Marketing Activity is not completed prior to the Longstop Date as set out in the Schedules to this Appendix (as applicable), we may (at our absolute discretion) require you to reimburse the Funding Amount to us.
8. If you fail to reimburse the Funding Amount to us in accordance with clause 7, we may (at our absolute discretion) exclude you by written notice from any further application rounds for the Fund until such time as these amounts are paid.

Post-Activity Analysis

9. You must provide us with written analysis of the results of the Funded Marketing Activity (including conversion details) in the form notified by us in a Customer Update (**Post-Activity Analysis**) within one month of completing that activity.
10. If you fail to provide us with Post-Activity Analysis within the required timeframe, we may exclude you by written notice from any further application rounds for the Fund until such time as the Post-Activity Analysis is provided.

General Terms

11. We each agree that the following general terms apply in relation to this letter agreement:
 - a. *Entire Agreement* - this letter agreement constitutes the entire agreement between the parties relating to its subject matter, and supersedes any previous representations, negotiations, proposals, agreements, undertakings or arrangements of any nature with respect to that subject matter;
 - b. *Authority* - each party represents and warrants to the other that it has the power and authority to enter into, comply with and perform this letter agreement, and that the persons executing this letter agreement on behalf of the parties have the necessary authority to do so;
 - c. *Confidentiality* - the parties agree to keep (i) the fact and the terms of this letter agreement, and (ii) any information provided to them by another party relating to, or in connection with, this letter agreement, in each case confidential to them and their legal or other professional advisors save as may be necessary to enforce this letter agreement, or as the parties expressly agree in writing, or as is otherwise required by law or the rules of any stock exchange. A disclosure of confidential information will not constitute a breach of this letter agreement where it is disclosed by us to the Commerce Commission, Crown Infrastructure Partners or the Ministry of Business, Innovation and Employment;
 - d. *Announcements* – you will not make any media release or public announcement relating to, or in connection with, this letter agreement or the Fund without our prior written consent;
 - e. *Disputes* –
 - i. the parties will attempt to resolve any dispute arising in relation to, or in connection with, this letter agreement at the lowest level of escalation.
 - ii. If a dispute arises, either party may serve on the other party a notice setting out, in summary, the nature of the dispute (**Dispute Notice**). Representatives of the parties will meet within 15 days of the Dispute Notice to attempt to resolve the dispute.
 - iii. If the dispute is not resolved within that time period, the dispute may be referred by either party to the senior management or executives of both parties and both parties will then seek to resolve the dispute within a further 15 days.
 - iv. For the avoidance of doubt, nothing in this clause will prevent either party from seeking urgent injunctive relief where damages alone would be an inadequate remedy.

- i. *Changes to terms and termination* – we may extend any of the time periods or extend the scope of the terms by giving 30 days’ notice in a Customer Update. We may further restrict the scope of the terms or disestablish the Fund at any time. If this occurs, we will give you 60 days’ notice unless we’re required to restrict the scope of the terms or disestablish the Fund due to an external event, in which case the notice may be shorter;
- j. *Counterparts* - the parties acknowledge that the execution of counterpart copies of this Settlement Agreement, and its transmission by facsimiles or email each to the other or their respective agents or solicitors, shall be sufficient to bind the parties; and
- k. *Governing Law and Jurisdiction* – this letter agreement will be governed and construed in accordance with the laws of New Zealand, and the parties agree to submit to the exclusive jurisdiction of the New Zealand courts.

Schedule 1

Get your customers on Chorus' fibre

Part A – Overview

1. We have contributed \$500,000 to fund these support initiatives (**Funding**), which will be available during the period from 09 September 2019 – 13 December 2019.
2. The funding for this support initiative will be made available in one funding application round. The key dates for the funding application round are as follows or such alternative dates as notified by us to you in a Customer Update:

| Key Dates | Application Round |
|--------------------------|----------------------------------------------------------------------------------------------|
| Date opens | 09 September 2019 |
| Date closes | 13 December 2019 or until the date on which the Funding is fully allocated |
| Notification Date | Within 10 days of receipt of a completed Application Form |
| Invoice Date | No later than 3 months from the date we notify you that your application has been successful |
| Payment Date | Confirmed by Chorus once invoice is received |
| Longstop Date | 29 February 2019 |

Part B - Specific requirements for applications

3. Applications must be for:
 - a. an amount of:
 - i
 - 1 \$30,000 or less for any Marketing Fibre to Seniors Activity; and
 - 2 \$50,000 or less for any Getting Kiwis to Ask For 'The fastest fibre' Activity; and
 - 3 \$50,000 or less for any Businesses Need Business-Grade Fibre Activity.
 [Note: There is no minimum amount required for an application]; and
 - ii no more than 50% of the amount of the Estimate Cost. **Estimate Cost** means the estimate of the full cost to undertake the proposed marketing activity (calculated by you acting reasonably and in good faith, by reference to your proposed media schedule). [Note: We will provide contributions from the Fund at a maximum of a 'dollar for dollar' basis only. For example, if you apply for a Funding Amount of \$20,000, the Estimated Cost must be a minimum of \$40,000. You must provide us with your proposed media schedule as part of your application.];
 - b. Marketing Fibre to Seniors Activity, Getting Kiwis to Ask For 'The fastest fibre' Activity or Businesses Need Business-Grade Fibre Activity. For the purposes of this clause 3:

Marketing Fibre to Seniors Activity means any proposed marketing activity which:

- is scheduled for completion prior to the Longstop Date; and
- is targeted at:
 - Chorus fibre areas only and promotes fibre on Chorus' network; and
 - consumers in the 65 years + demographic. *[Note: There will need to be a clear association between the 65+ demographic and the placement/nature of the proposed marketing activity.]; and*
- eligible activity includes educational based communications, event expenses or any advertising that encourages and supports seniors to connect to fibre. *[Note: material must be provided to confirm eligibility.]*

Getting Kiwis to Ask for 'The fastest fibre' Activity means any proposed marketing activity which:

- is scheduled for completion prior to the Longstop Date; and
- is targeted at:
 - Chorus fibre areas only and promotes gig-speed fibre on Chorus' network; and
- uses the term 'the fastest fibre' in your advertising material *[Note: material must be provided to confirm eligibility.]*

Businesses Need Business-Grade Fibre Activity means any proposed marketing activity which:

- is scheduled for completion prior to the Longstop Date; and
- is targeted at:
 - Chorus fibre areas only and promotes business-grade fibre on Chorus' network; and
- Encourages or promotes a business-grade fibre connection in your advertising material *[Note: material must be provided to confirm eligibility.]*

4. You are entitled to make only one application to the Fund for each of these support initiative.

Part C – Allocation of Funding

5. We will allocate funding to applications on a 'first in time' basis, by reference to the date and time we receive applications from you and other service providers.

Schedule 3
Application Forms

MARKET DEVELOPMENT FUND APPLICATION

65+ targeted marketing

Please complete, sign and send your completed funding application form and all applicable cost estimates to **MDF@chorus.co.nz** in **one email**.

Before completing this form please note, we are unable to proceed with your application unless all requested information is provided.

Service provider name:

Primary contact details

| | | | |
|--------|----------------------|--------|----------------------|
| Name: | <input type="text"/> | Title: | <input type="text"/> |
| Email: | <input type="text"/> | Phone: | <input type="text"/> |

Proposed marketing activity

Please detail all type(s) of marketing activity you intend to undertake within this co-funded campaign, specifying any specific targeting by region and where appropriate any specific audience targeting and activity timing.

| Activity type: | Activity targeting | Activity date: |
|----------------|--------------------|----------------|
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Funding

Please provide a media schedule including all media and total media investment.

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Total media investment: | <input type="text"/> |
| Requested Chorus funding: <i>(Funding is available for media, print and distribution costs only. Creative execution is not funded).</i> | <input type="text"/> |

MARKET DEVELOPMENT FUND APPLICATION

65+ targeted marketing

Note: Capitalised terms used in this application form have the same meaning as given to them in the Marketing Development Fund terms and conditions.

I confirm that activity fits within the criteria set out in the Market Development terms and conditions.

Name: _____

Position: _____

Signature: _____

Date: _____

Chorus New Zealand Limited