

CONFIDENTIAL



PRICE LIST OF SERVICES FOR FAST-MOVING

CONSUMER GOODS

FOR 2014

Ljubljana, December 2014

TARIFFS OF FEES FOR MARKETING SERVICES

Activity
Product advertising through PPA activities¹
Product advertising through a Mercator TV AD as part of PPA activities
Product advertising through PPA activities via Mercator direct mail marketing or digital channels
Ad in the campaign leaflet¹: - 1/4 page - 1/3 page - 2/9 page - 2/9 page - 1/3 page
PRODUCT OF THE WEEK service
Combo offer – simultaneous purchase of two or more products; in order to gain certain benefits, it is necessary to buy all products that are part of the so-called combo offer.
Lease of advertising space for a poster or leaflet or logo or prize cards or coupon or floor labels or shelving tape to 1 m or light shelf logo or sound effects. “Stopper” promotional material for marking the gondola endings – in case of leasing the gondola endings, or “wing” promotional material for marking trademarks within the regular shelf space. In case of leasing the endings, the overall marking of the endings is to be charged in accordance with the bundle pricing regime (the package deal offers the possibility of placing promotional material in the form of shelving tapes, headers (markings on the top of an element), and stoppers (for placing labels along the endings), as well as displays etc.).
Distribution of marketing materials (poster, leaflet, logo, prize cards or coupon or floor labels) to stores via the Mercator shipping office.
POS brand advertising within the regular shelf space of the category (overall space arrangement, taking into account POS marketing materials, shall include the possibility of application of: shelving tapes, headers, wings, stoppers, displays and other decorating equipment).
Degustation-Tastings and promotion at a point of sale
Paper bags at the bread and bakery product corner
Declaration

Sorting
Shifting
Advertising in seasonal catalogue M holidays: <ul style="list-style-type: none"> - 1/1, inside - 1/2, inside - 1/1, cover, inner page - 1/2, cover, inner page - 1/1, rear cover - 1/2, rear cover
Advertising in the magazine Maxi Magazin: <ul style="list-style-type: none"> - ad 1/1, inside - double page 2/1, inside - second page of the cover and first page – inner pages 2/1 - a foldout – gatefold 3/1 - penultimate inner page - rear cover
Advertising on security sensors: <ul style="list-style-type: none"> - up to 10 counters - more than 10 counters
Advertising on shopping carts:
Advertising on the webpage www.mmmrecepti.si next to the recipe or an image of a chef. Dimension 300 * 200 pixels: Dimension 300 * 300 pixels: Dimension 400 * 400 pixels:
Advertising on info kiosks The fee depends on the number of locations and the length of an ad (shall not be longer than 60s) 1 location up to 30s 1 location; more than 30s and to the maximum of 60s All locations; up to 30s All locations; more than 30s and to the maximum of 60s
Advertising on the in-house radio: <ul style="list-style-type: none"> - Already prepared ad which is submitted by the supplier - Ad prepared by Mercator according to the applicable Infoneta price list: <ul style="list-style-type: none"> - ad length is up to 15s/all locations/14 days or less - ad length is up to 15s/all locations/14 days and up to 1 month - ad length is up to 15s/a single location/14 days or less - ad length is up to 15s/single location/14 days and up to 1 month - ad length is from 15s to the maximum of 30s/all locations/14 days or less - ad length is from 15s to the maximum of 30s/all locations/14 days and up to 1 month - ad length is from 15s to the maximum of 30s/a single location/14 days or less - ad length is from 15s to the maximum of 30s/single location/14 days and up to 1 month

Advertising on the in-house television and on screens above Tik-Tak counters:

- Already prepared ad which is submitted by the supplier

- Ad prepared by Mercator according to the applicable Infoneta price list:
- ad length is up to 30s/location/day
- ad length is more than 30s/location/day
- ad length is up to 30s/all locations/day
- ad length is more 30s/all locations/day

CRM – Independent targeted campaigns

Direct communication with Mercator Pika card holders that constitute the target group:

1. Preparation of target segment:
 - a. Simple
 - b. Medium-advanced
2. Data processing (the efficiency of activity):
 - a. Basic analysis of efficiency
 - b. Advanced analysis of efficiency
3. Cost of contact (fee per recipient)
 - a. Cost per sent contacts
4. Cost of communication channel:
 - a. Email
 - b. SMS
 - c. Ordinary mail

CRM – Fees for data analysis

1. Basic analysis of PPA activity (response to target group, response to product, number per basket, response with regard to the value and frequency of shopping of a product/product group)
2. Advanced analysis of PPA activity (response to products, number per basket, response with regard to the value and frequency of shopping of a product/product group, analysis within segments (shopping habits, loyalty) of demographic groups, buyers of competitive products, post analysis of the effect on product sale after a certain period)
3. Basic analysis of target segment (monthly monitoring of indicators for three leading trademarks in a category: share of exclusive buyers, share of all buyers, number of purchases per buyer, average purchase, average consumption per period)
4. Advanced analysis of target segment (monthly monitoring of indicators for three leading trademarks in a category: share of exclusive buyers, share of all buyers, number of purchases per buyer, average purchase, average consumption per period, demographic analysis of buyers, upgrade with shopping habits)
5. Definition of product's potential – simple format (definition of early adopters segment, e.g. that there is a competitive product)
6. Definition of product's potential – complex format (definition of early adopters segment, e.g. that there is no competitive product and that this is an innovation)
7. Additional – special analyses (analyses suited to the needs of the client, subject to prior arrangement)
 - for less demanding analyses
 - for medium demanding analyses
 - for advanced analyses

Implementation of co-marketing activities³ involving the organisation of games of chance by the supplier**Implementation of co-marketing activities in connection with the Mercator corporate projects⁴**

Note: Applicable only as separately agreed upon marketing activity in addition to marketing services agreed upon within the framework of a marketing agreement for each calendar year.

¹ Does not apply to fresh fruit and vegetables, newspapers and magazines, special products (fresh organic and gourmet products (sale is limited to the Gourmet corner), local products (products from smaller regional and local suppliers whose sales is limited to specific locations), natural cosmetics and feminine hygiene products), fresh fish at leased fish shops, products for the supplementation of the offer, seasonal products (products in sale for a limited period), products included in strategic corporate projects where the selection is made in accordance with the current trends and corporate strategies of business operations and available advertising space (e.g. PPA activities, Slovenian basket, Local offer – Local project, Best price etc.)

² Organic products and products for specific nutritional purposes: Organic products mean products that have successfully undergone organic certification process and have been labelled as organic products in accordance with statutory provisions; products for specific nutritional purposes mean products intended for consumers with special needs, including diabetic foods, gluten-free products, food supplements, dietary products etc.

³ Co-marketing: Condition for the enforcement of services fee reduction is that the co-marketing activity must be implemented as part of the package of overall marketing mix offer and promotion connected with the implementation of games of chance whereby the prize money. The number of activities is limited to the maximum of 4 per month and can be implemented for an individual calendar only as separately agreed upon marketing activity in addition to marketing services agreed upon within the framework of a marketing agreement for each calendar year. The overall marketing mix offer means that the co-marketing is carried out at the shelf space as a joint marketing approach of both the supplier and Mercator and includes media advertising, organisation of games of chance, prize money provision, whereby the supplier is responsible for advertising via TV, radio, print media, posters, jumbo banners, electronic media etc., and the dealer is responsible for advertising via leaflets, webpages, in-house radio, marking and exposures at the shelf space. The main aim of co-marketing is to facilitate sales and to enable Mercator’s customers friendly and cost-effective shopping experience and thus to improve their satisfaction.

⁴ Mercator corporate projects mean projects organised by Mercator for the promotion of turnover, such as activities serving as the support to topical current events (e.g. Sochi Winter Olympics, football and basketball world cup etc.).

TARIFFS OF FEES FOR MARKETING SHELF SPACE

A) FEES FOR ADDITIONAL EXPOSURE

Activity
Additional exposure:
- Display stand in stores and newspaper stands ⁵
- Model in stores and newspaper stands
- Dispenser in stores and newspaper stands
Dispenser is an equipment of smaller dimensions that is placed on a regular sales shelve and positioned among other product groups. Its aim is to facilitate impulse and complementary purchases. Prior to the execution, the equipment details must be coordinated and agreed with Mercator; the placement is intended for longer time periods, for minimum of 3 months and maximum of up to 1 year.
- Merchandising strips for single use in stores and newspaper stands

- Pallet ⁵
- Finishing bay ⁵
- Finishing Mercator cooling bay/freezing bay or pool ⁵
- Refrigerator of supplier for fresh market programme products (dairy products, meats, sandwiches and other) and freezer ⁵ The maximum allowed dimension may not exceed 60 cm x 100 cm
- Semi pallet ⁵
- Drinks refrigerators (standard, closed)
- Drink refrigerators (large, open, more than 1 m in width)
- Drink refrigerators, impulsive, in stores and newspaper stands ⁵
Freezer for impulse ice creams in stores and newspaper stand department ⁶
- Basket ⁵
- Placement of a self-service machine for the sale of coffee and other beverages (only for locations which have this offer in their product range)

Note: Does not apply to product groups where positioning in regular shelf space is not possible and to product groups which are new and have no regular shelf space yet determined. Does not apply to organic products and products for specific nutritional purposes in the event that positioning in regular shelf space is not possible, but not for more than 2 placements per hypermarket unit (2 placements per unit and not per supplier). In the event of a double positioning of the abovementioned segment – i.e. that the products are on a regular shelf and in addition to that also on a display stand, the positioning is charged on the basis of this price list.

⁵The fee for November is 10% higher and for December 20% higher than the fee in this price list.

⁶Lease during high season is possible only as a package-deal lease from May until August.

B) FEES FOR POSITIONING OF PRODUCTS AT COUNTERS

1. FEE FOR POSITIONING CHEWING GUMS PER YEAR

Fee for placement of chewing gums at the counter with regard to the shelf's level

	Above the conveyor/opposite to the conveyor for large packaging	Opposite to the conveyor above	Opposite to the conveyor below	Children's spot	Frontal above	Frontal below
Counter type/shelf level						

2. FEE FOR POSITIONING CHEWING GUMS AND OTHER SMALL SWEET ARTICLES AT THE NEWSPAPER STAND DEPARTMENT COUNTERS AND TIK-TAK COUNTERS PER YEAR

	For chewing gums on display stands of different types	For small sweet products on display stands of different types
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3. FEE FOR POSITIONING OTHER SMALL SWEET PRODUCTS PER YEAR

Fee for placement of small sweet products (except chewing gums) at the counter with regard to the shelf's level

	Above the conveyor	Opposite to the conveyor above	Opposite to the conveyor below	Children's spot	Frontal above	Frontal below
Counter type/shelf level						

4. FEE FOR POSITIONING ENERGY DRINKS – SHOTS AT COUNTERS PER YEAR

Counter type/shelf level	Opposite to the conveyor above
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5. FEE FOR PLACEMENT OF DISPLAY STANDS AT THE COUNTER

- Display stand by the conveyor – dimensions (45 to 60 cm):
- Display stand by the conveyor – dimensions (up to 45 cm):

Prior to the placement of display stands at the counter, these must be coordinated with and approved by Mercator.

6. FEE FOR PLACEMENT OF ADDITIONAL EQUIPMENT ALONG GONDOLA ENDIGS, FOR A LONGER PERIOD (6 MONTHS)

- Display stand 170 cm in height and 50 cm in width:
- Display stand 140 cm in height and 50 cm in width:

7. FEE FOR POSITIONING OF PRODUCTS ON COUNTER ELEMENTS FOR NON-FOOD PRODUCTS OF THE MARKET PROGRAMME

C) FEES FOR SUPPLIERS OF TOBACCO, TOBACCO PRODUCTS AND SMOKING ACCESSORIES PER MONTH

1. FEE FOR PLACEMENT OF A CIGARETTE DISPLAY STAND WITH AN INTERIOR SIGN (applies to all cigarette display stands)

2. FEE FOR POSITIONING (FACE) IN CIGARETTE DISPLAY STANDS (applies for all positions (faces) in cigarette display stands)

3. FEE FOR SPACE SHARE AND INTERIOR SIGN SETUP IN TOBACCO CORNERS IN HYPERMARKETS

- 1% of shelf space for cigarettes
- interior sign setup within tobacco corners

4. FEE FOR CIGAR DISPLAY STANDS (HUMIDORS) IN TOBACCO CORNERS IN HYPERMARKETS

5. FEE FOR SALES-RELATED CAMPAIGNS

Activity
Weekly sales-related campaigns ⁷

⁷ Campaigns are implemented to abide by law.

6. FEE FOR PLACEMENT OF LIGHTER DISPLAY STANDS

	Store size/no. of counters:
A	Store with one or two counters
B	Store with three or four counters
C	Store with five or more counters
D	Hypermarkets with display stands
E	Tobacco corners (per display stand per location)

TARIFFS OF FEES FOR INTRODUCTION OF NEW PRODUCTS

MERCATOR RETAIL NETWORK⁸:

- introduction of a new product to the product range;
- introduction of a new bio or vegetarian product, food supplement, dietetic product and auxiliary medicines;
- introduction of a new product from the gourmet segment – sale limited to specific locations;
- introduction of a new product from the natural cosmetics and feminine hygiene segment – sale limited to specific locations;

- replacement of a product;
- replacement of a product within the gourmet segment;
- replacement of a product within the natural cosmetics and feminine hygiene segment (replacement of products in the Mercator retail network from one product group for a product from another product group is NOT deemed to be a replacement of products and is charged as a new product);
- expansion of the product range from the Maxi store and health food store to the Mercator retail network;
- expansion of the product range for bio or vegetarian products, food supplements, dietetic products and auxiliary medicines from the Maxi store and health food store to the Mercator retail network;
- expansion of a product from the gourmet segment from the Maxi store to the Mercator retail network – sale limited to specific locations;
- expansion of products of the natural cosmetics and feminine hygiene segment – sale limited to specific locations;
- expansion of a product from the gourmet segment to the Mercator retail network.

⁸ Note: The fee is not charged for various special products, local products and fresh bio products, fresh fruit and vegetables programme products, fresh over-the-counter meat, newspapers, magazines, organic non-food products, limited edition products and seasonal products (products available for sale for a limited period).

MAXI STORE AND HEALTH FOOD STORE:

Introduction of new products and replacements within the Maxi store and health food store product range are free of charge.

A product within the product range may be excluded 6 months after its introduction in accordance with the Mercator's business strategy.

TARIFFS OF FEES FOR HANDLING WASTE PACKAGING

General conditions of advertising in in-house media in Mercator are an integral part of this price list and are presented as Annex No. 1, but do not apply to item C (fee for suppliers of tobacco, tobacco products and smoking accessories) within the fees for shelf space.

If a fee in the price list applies to a yearly basis, it can be recalculated to a monthly basis.

Fees apply as of 1 January 2014 onwards, hereby terminating the validity of:

- Price list for fast moving consumer goods for 2013 that was valid from 8 October 2013 onwards.

Management Board member for Mercator
operations in Slovenia and Croatia
Igor Maroša, m.p.

Annex: General conditions of advertising in Mercator in-house media

1. SECURITY SENSORS

- Advertising according to locations is possible (one or several locations can be chosen for advertising purposes).
- The lease is limited to 1 month (the longest advertising period is 1 month; the lease can be extended if the space is not reserved).
- The reservation must be made at least 3 months prior to the start of advertising.
- Only two partners can advertise within one location at the same time (the advertising expense is therefore distributed pro rata).
- The production, assembly and disassembly of the creative content are charged separately.
- If a partner decides for a lease shorter than 1 month, the fee is reduced pro rata.
- Advertising is possible only upon prior reservation and if the space is not reserved.

2. SHOPPING CARTS

- Conditions of advertising on shopping carts:
 - minimum lease of 50 carts/shop;
 - the lease is done in at least all hypermarkets.
- The reservation must be made at least 3 months prior to the start of advertising.
- The shortest advertising period is 1 month; the term can be extended if the space is not reserved.
- The longest advertising period is 3 months.
- Advertising is possible only upon prior reservation and if the space is not reserved.
- The production, assembly and disassembly of the creative content are charged separately.

3. IN-HOUSE TELEVISION

- Advertising according to locations is possible (one or several locations can be chosen for advertising purposes).
- The lease is limited to 1 month (the longest advertising period is 1 month; the lease can be extended if the space is not reserved).
- The reservation must be made at least 3 months prior to the start of advertising.
- The frequency of playing ads depends on the vacancy of space, whereby the price list is formed on the basis of the ad length and not on its frequency, which can be higher or lower; the fee, however, does not change.
- Advertising is possible only upon prior reservation and if the space is not reserved.

4. SCREENS ABOVE THE TIK-TAK COUNTERS

- Advertising according to locations is possible (one or several locations can be chosen for advertising purposes).
- The lease is limited to 1 month (the longest advertising period is 1 month; the lease can be extended if the space is not reserved).
- The reservation must be made at least 3 months prior to the start of advertising.
- The frequency of playing ads depends on the vacancy of space, whereby the price list is formed on the basis of the ad length and not on its frequency, which can be higher or lower; the fee, however, does not change.
- Advertising is possible only upon prior reservation and if the space is not reserved.

5. INFO KIOSKS

- a) Advertising according to locations is possible (one or several locations can be chosen for advertising purposes).
- b) The lease is limited to 1 month (the longest advertising period is 1 month; the lease can be extended if the space is not reserved).
- c) The reservation must be made at least 3 months prior to the start of advertising.
- d) The frequency of playing ads depends on the vacancy of space, whereby the price list is formed on the basis of the ad length and not on its frequency, which can be higher or lower; the fee, however, does not change.
- e) Advertising in info kiosks is targeted, which means that it is intended for the specific communication of ad messages.
- f) Advertising is possible only upon prior reservation and if the space is not reserved.

6. IN-HOUSE RADIO

- a) Advertising according to locations is possible (one or several locations can be chosen for advertising purposes).
- b) The lease is limited to 1 month (the longest advertising period is 1 month; the lease can be extended if the space is not reserved).
- c) The reservation must be made at least 3 months prior to the start of advertising.
- d) The frequency of playing ads depends on the vacancy of space, whereby the price list is formed on the basis of the ad length and not on its frequency, which can be higher or lower; the fee, however, does not change.
- e) Advertising is possible only upon prior reservation and if the space is not reserved.

7. GENERAL

The supplier must adjust the marketing materials prior to the start of activities in Mercator in cooperation with the person responsible for the programme sector. Materials must be prepared in accordance with the Mercator standards.