

## **CONTRACTUAL TERMS AND CONDITIONS OF BROADCASTING OF MEDIA COMMERCIAL COMMUNICATION IN PROGRAM SERVICES**

1. MARKÍZA – SLOVAKIA, spol. s r.o. is a broadcaster of:
  - a) TV MARKÍZA television program service based on television broadcasting license No. T/41/1995 pursuant to a decision dated 7 August 1995 as amended (hereinafter referred as "**TV MARKÍZA**");
  - b) TV MARKÍZA television program service based on television broadcasting license No. TD/17/2010 pursuant to a decision dated 12 January 2010 (hereinafter referred as "**TV MARKÍZA**");
  - c) DOMA television program service based on television broadcasting license No. TD/7 pursuant to a decision dated 16 December 2008 (hereinafter referred as "**DOMA**");
  - d) DAJTO television program service based on license No. TD/47 granted by the Council for Broadcasting and Transmission pursuant to a decision dated 4 July 2011 (hereinafter referred as "**DAJTO**"),

granted by the Council for Broadcasting and Transmission as a competent authority under Act No. 308/2000 Coll. on Broadcasting and Transmission and on Amendment of Act No. 195/2000 Coll. on Telecommunications as amended.

2. MARKÍZA - SLOVAKIA, spol. s r.o. is based on a contractual relationship with TV NOVA s.r.o. (ID No.: 458 00 456) exclusively entitled to conclude contracts for the broadcasting, teleshopping, product placement and sponsorship of programs broadcast by the NOVA INTERNATIONAL television program service on the territory of the Slovak Republic under a license for television broadcasting No. RRTV/69/2016-FIA, File No. 2015/1083/FIA/CET as defined by the Radio and Television Broadcasting Council dated as of 7.1.2016 (hereinafter referred as "**NOVA INTERNATIONAL**").

(hereinafter referred to as TV MARKÍZA, DOMA, DAJTO and NOVA INTERNATIONAL jointly for the purposes of these Contractual Terms and Conditions as "**Program Services**" or as "**Program Service**").

### **A. INTRODUCTORY PROVISIONS**

- 1) These are the Contractual Terms and Conditions of broadcasting of media commercial communication in Program Services (hereinafter referred to as the "**Contractual Terms and Conditions**"), which form an integral part and annex to the order/Contract for Broadcasting of media commercial communication in Program Services/ General Contract/ Commercial Agreement (hereinafter referred to as the "**Contract**") and shall become valid along with the Contract. Individual provisions of the Contractual Terms and Conditions shall not apply only if otherwise agreed in the Contract (under Section 273 (2) of the Commercial Code) or if their application is expressly excluded in the Contract.
- 2) For the purpose of the Contractual Terms and Conditions, "Price" shall mean a total price for fulfilment excluding VAT, agreed in the Contract (hereinafter referred to as the "**Price**").
- 3) For the purpose of the Contractual Terms and Conditions, "MS" shall mean MARKÍZA - SLOVAKIA, spol. s r.o., ID No. 31 444 873 (hereinafter referred to as "**MS**").
- 4) Any reference in these Contractual Terms and Conditions to the "**Commercial Code**" shall mean a reference to Act No. 513/1991 Coll., Commercial Code, as amended.

### **B. DEFINITION OF TERMS**

For the purposes of the Contractual Terms and Conditions, the following terms shall have the following meaning

- 1) **Media Commercial Communication** shall mean audio, video or audio-visual information which directly or indirectly promotes products, services or good reputation of an entity engaged in economic activity, and which – in return for monetary consideration or other comparable valuable consideration – is aired as part of a program or accompanies a program. Media Commercial Communication includes especially advertising, teleshopping, sponsorship, and product placement.

- 2) **Advertising** shall mean any public notice aired by Program Services for monetary consideration under the Act No. 308/2000 Coll. on Broadcasting and Retransmission and on the Amendment of Act No. 195/2000 Coll. on Telecommunications, the aim of which is to support the sales, purchase or lease of goods or services, including real estates, rights, and obligations or to achieve other results desired by the Advertiser.
- 3) **Advertising time** shall mean the provision of broadcasting time in the broadcasting of Program Services for the purposes of media commercial communication.
- 4) **Shot** shall mean a short audio-visual or visual work or other short Advertising or Teleshopping notice included in an advertising block or teleshopping block (also referred to as the "**Ad shot**") or identification of a sponsor within the sponsored program (also referred to as the "**Sponsor link**"), aired as part of Program Services or as part of each Program Service individually. Tandem Shot shall mean either repeated reservation of an identical Shot within a single advertising block, or deploying two (2) Shots from the same Advertiser (i.e. the client) within one advertising block or deploying within one advertising block the Shot that includes product or services presentation that objectively, visually and verbally are not primarily related to the product or service presented in the Shot, regardless of the reservation within the advertising block (referred to as the "**Tandem Shot**").
- 5) **Advertising Campaign** or **Campaign** shall mean the provision of Advertising time in the amount and to the extent specified in the Contract in the respective Program Service or Program Services. Within the services under the preceding sentence, MS shall provide the Advertiser with services specified in Section D.20) hereof (hereinafter referred to as the "**Implementation of Campaigns**").
- 6) **Teleshopping** shall mean a direct offer broadcast to the public with the intention of providing goods or services, including deliverables, rights, and obligations in return for monetary consideration. The teleshopping may take the form of:
  - (a) teleshopping shot or
  - (b) teleshopping slot for a period of at least 15 minutes.
- 7) **Sponsorship** shall mean any performance provided to the Advertiser, designated as direct or indirect funding of program or the Program Service for a purpose to promote the name, business name, trademark, good reputation, goods or activities of the Advertiser.
- 8) **Product Placement** (hereinafter referred to as the "**PP**") shall mean audio, visual or audio-visual information on products, services or trademarks featured in the program in return for monetary consideration or other comparable consideration.
- 9) **Gross rating point** (hereinafter referred to as the "**GRP**") shall mean audience expressed as a gross percentage of total number of potential viewers, which reflects the value of the advertising block in TG, determined on the basis of minutes data of audience survey performed by the company TNS Slovakia s.r.o. based on the average audience of the advertising block (ie average break).
- 10) **Target Group** (hereinafter referred to as the "**TG**") shall mean a specified part of the Total Population aged 12 – 54 including guests (i.e. the person who watches TV in household and is not a member of such households, respectively member of people-meter panel), VOSDAL ("viewing on the same day as live", i.e. viewing the program from the record on the same day as the program was aired on TV) and delayed viewing within three days of the broadcast.
- 11) **Predicted rating** shall mean estimated rating determined by MS Advertising Centre before airing an advertising block.

### C. CONDITIONS FOR ENTERING INTO A CONTRACT WITH THE ADVERTISER AND RESERVATION PERIOD

- 1) **A precondition for Entering into the Contract** in the respective Program Service between MARKÍZA – SLOVAKIA, spol. s r.o. (hereinafter referred to as the “**MS**”) and natural persons and legal entities (hereinafter referred to in singular as the “**Advertiser**”) is the acceptance of a binding order from the Advertiser side. The binding order must be signed by an authorised representative of the Advertiser (statutory authority or another person with signatory rights, whereby the Advertiser is obliged to prove such authorisation to MS) and, in addition to the precise identification of the Advertiser (name, registered office, company ID number, tax ID number, VAT ID number, etc.), the Advertiser must also specify which Program Service the Campaign is being ordered for (provided that the conditions of percentage split under Section C.2) hereof are met), time specification of Campaign, specification of footages and a financial budget for the Campaign (Price). Along with the binding order, the Advertiser shall, upon MS request, deliver an extract from the Commercial Register or other register no more than 3 months old, or other document proving the facts declared by the Advertiser. If the Advertiser of the binding order for broadcasting of media commercial communication is an agency, the acceptance of the respective binding order shall necessitate the submission of a written exclusive authorisation from the agency to purchase the respective advertising space in Program Services or in each of the Program Services individually, issued by the client, and a written confirmation that the Advertiser’s scope of business activities includes advertising activities or intermediation of advertising sales, as well as specific information about the client to the extent set out in this Section. In the event of failure to fulfil the above-stated conditions, MS shall be entitled to reject the respective binding order, to refuse to enter into the Contract, and to refuse to air the respective Campaign.  
The binding orders of pharmaceutical products must, in addition to the above mentioned facts, contain also a product specification, stating whether the respective product is a drug listed in the Database of Medical Products kept by the State Institute for Drug Control. The binding orders shall be accepted for individual months of the calendar year, unless otherwise determined by MS.
- 2) The Advertiser acknowledges that with the effect from 1 January 2019 the Advertising Campaign (provision of Advertising to the agreed extent) shall be implemented exclusively in accordance with the following determined percentage (%) split of available GRPs’ among MS Program Services
  - a. 76% of predicted GRPs within TV MARKÍZA Program service,
  - b. 13% of predicted GRPs within DOMA and NOVA INTERNATIONAL Program Services,
  - c. 11% of predicted GRPs within DAJTO Program service.

MS reserves the right to change the proportion percentage split under the preceding sentence (maximum 3 times in the course of the calendar year 2019) and the change in the proportion in percentage split shall be notified in writing to the Advertiser with whom MS entered into the Contract at least 45 days before commencement of the month in which new proportions in percentage split shall be applied. MS is not obliged to notify the Advertiser with the change set percentage (%) split of GRP for individual Program Services pursuant to the preceding sentence, if applied percentage (%) split of GRP for any Program Service is below 10% in any given month.

- 3) MS shall prepare on the basis of the binding order a Contract draft within 7 working days of the receipt of the binding order from the Advertiser according Article 1) of this Section C. of Contractual Terms and Conditions. Upon the draft of the Contract is being sent to email address of the contact person of the Advertiser, the reservation period for broadcasting of media commercial communication shall commence, ending within the period of following 5 working days (hereinafter referred to as the “**reservation period**”). If the Contract has not been signed within reservation period by the authorized person of the Advertiser, upon expiration of the reservation period the reservation of Advertising time and the draft Contract shall be automatically deemed null and void and the Advertiser shall pay to MS a reservation fee of 50% of the Contract Price according the last Contract draft sent by MS to the Advertiser prior to expiration of the reservation period, based on an invoice issued by MS. If Contract

has been signed during the reservation period and the authorized person of the Advertiser has changed the required number of GRPs compared to the required GRP number in a binding order during the reservation period, the contracting entity is required to pay MS a reservation fee corresponding to 50% of the GRP difference in the binding order and the signed Contract, based on an invoice issued by MS. For the purposes of calculating the GRP value, the base CPPs agreed in the Memorandum on price conditions for a particular client of the Advertiser or in the Contract will apply, otherwise to GRP will apply the CPP amount under the Sales Model 2019 MS published on webpage [www.markiza.sk](http://www.markiza.sk). The method of concluding the contracts referred to in Section 3) and 4) of this Article of the Contractual Terms and Conditions applies to advertisement broadcasting only.

- 4) Only during the reservation period the Advertiser shall be entitled to make binding adjustments of the respective Advertising time, provided that such adjustments are in accordance with the current offer of advertising time for specified Program Service and the conditions specified herein. Such adjustments of Advertising time MS shall reflect in the Contract draft within the reservation period.
- 5) By signing the Contract (i.e. in the case of PP by written acceptance/ acknowledgment of the binding order of the Advertiser by MS, and/ or in case of sponsorship by written confirmation/ signing of the terms of the Contract by the Advertiser prepared by MS on the basis of a binding order, and/ or in the case of advertising by written confirmation of draft of Contract prepared under Section 3) or 4) of this Article of the Contractual Terms and Conditions), the agreed contractual terms shall become binding for both contracting parties and may not be unilaterally amended by the Advertiser. If the Advertiser decides, after execution of the Contract, not to air a delivered Shot and to air an alternative Shot, the Advertiser shall be obliged to request MS in writing for such a change at least 5 working days in advance and deliver to MS an alternative Shot before the planned airtime (in accordance with Section D.1 hereof) provided that the respective change does not affect the agreed Price. If the Advertiser fails to deliver an alternative Shot as given in the preceding sentence (in accordance with Section D.1 hereof), it shall be deemed a material breach of the Contract by the Advertiser, MS shall not be liable for non-performance (failure to air the undelivered Shot), which could have not been implemented as a result of failure of/breach by the Advertiser to meet its obligations, and MS shall be entitled to be paid a contractual penalty of 100% of the agreed Price related to broadcasting of respective Shot.
- 6) MS reserves the right not to enter into the Contract with the Advertiser or not to accept the binding order of the Advertiser especially:
  - a) if a criminal prosecution has been commenced against the Advertiser,
  - b) if the Advertiser's assets have become a part of insolvency proceedings or if there is justifiable belief that insolvency proceedings or restructuring proceedings are to be filed against the Advertiser,
  - c) if the entitled party files a petition to place the Advertiser's assets under receivership, or
  - d) if, during previous Campaigns, the Advertiser has failed to perform obligations arising out of the Contract or the Contractual Terms and Conditions (e.g. failure to pay invoices in a due and timely manner or causes damage to the reputation of MS by its action),
  - e) MS is not objectively able to meet the conditions of the Advertiser in the binding order (e.g. sold out Advertising time),
  - f) if, by airing a Shot in which – with regard to the origin, content, or form thereof - there could be, at the discretion of MS:
    - i. a breach of generally binding regulations, especially Act No. 308/2000 Coll. on Broadcasting and Transmission and on Amendment of Act No. 195/2000 Coll. on Telecommunications, Act No. 147/2001 Coll. on Advertising and on the amendment and supplementation of certain acts, Act No. 250/2007 Coll. on Consumer Protection, Act No. 185/2015 Coll. the Copyright Act, Act No. 270/1995 Coll. on the State Language of the Slovak Republic, the Commercial Code, the Civil Code, and the Constitution of the Slovak Republic,
    - ii. a breach of these Contractual Terms and Conditions,

- iii. a breach of license terms and conditions specified in licenses for Program Service ,
  - iv. the potential of sanction against MS by third parties (e.g. the owners of rights, state administration bodies, entities affected by unfair competition etc.),
  - v. a breach of the legitimate interests of MS in relation to third parties, especially to other broadcasters and other legal entities, including but not limited to, if a Shot represents media commercial communication of a competitor of MS or media commercial communication of a product (service) competing to the MS product (service), including but not limited to e.g. program service, audio-visual media service on demand, etc. or service provided by the retransmission provider which is not at the same time the provider of Program Services,
  - vi. a conflict with good morals or fair business practice.
- 7) If any of the facts stipulated in letter f) Section C.6 occurs and it is possible to remedy the situation by replacement of a defective Shot, MS shall request that the Advertiser deliver an adjusted or alternative Shot. If the Advertiser fails to deliver an adjusted or alternative Shot, the Contract shall not be executed. If any of the facts stipulated in letter f) Section C.6 occurs in the period after execution of the Contract and the Advertiser fails to deliver an adjusted or alternative Shot prior to the planned airtime (in accordance with Section D.1) of Contractual Terms and Conditions), it shall be deemed a material breach of the Contract by the Advertiser, MS shall not be liable for non-performance (failure to air the undelivered Shot), which could have not been implemented as a result of failure of/breach by the Advertiser to meet its obligations, while MS shall be entitled to be paid a contractual penalty of 100% of the agreed Price related to broadcasting of respective Shot. MS shall be also entitled to withdraw from the Contract immediately without any sanctions and penalties claimed by the Advertiser. Any claim of MS for compensation of damage exceeding the contractual penalty shall not be affected thereby.

#### **D. CONDITIONS FOR INCLUSION OF SHOT IN BROADCASTING, BROADCASTING, AND PRICES**

- 1) Material for Campaign broadcast (i.e. the breakdown of broadcast Shots, carriers thereof, Accompanying Documentation of the Advertising Shot) including the delivery of adjusted or alternative Shot according Section C.7) or C.5) of these Contractual Terms and Conditions must be delivered by the Advertiser at its own expenses and risk to MS, no later than within 3 working days prior to the commencement of the first airing. For purposes of these Contractual Terms and Conditions the delivery of the shot shall be deemed by uploading to FTP server of MS. Shots must comply with the "Technical Terms and Conditions for Inclusion of Advertising Shots in Broadcasting of Program Services "published on webpage [www.markiza.sk](http://www.markiza.sk).
- 2) The Advertiser shall, at the latest together with uploading the Shot to the FTP server, deliver by email to responsible person in MS (e-mail address of a particular sales person in MS Sales Department) duly completed Accompanying Documentation of the Shot (including e-mail address of the person in charge on the part of the Advertiser) signed by an authorised signatory, for broadcast in the specified Program Service, containing a written specification of placing the Shot in the respective Program Service if the Advertiser delivers more than one Shot. A list of music used in the Shot, containing the name of the used songs, including the author of music, author of lyrics, performer, and length of the music used shall form an essential part of such Accompanying Documentation. If the Advertiser fails to deliver the duly completed Accompanying Documentation of Shot for broadcast in the specified MS program service to MS, it shall be deemed a material breach of the Contract by the Advertiser. In such a case MS shall be entitled not to include the Shot in the broadcast and MS shall not be liable for non-performance (failure to air the undelivered Shot), which could have not been implemented as a result of failure of/breach by the Advertiser to meet its obligations, while MS shall be entitled to be paid a contractual penalty of 100% of the Price related to broadcasting of respective Shot. In such a case MS shall be also entitled to withdraw from the Contract with immediate effect. Any claim MS may have for compensation of damage exceeding the contractual penalty shall not be affected thereby.

- 3) The Advertiser is responsible for the accuracy and completeness of the information contained in the Accompanying Documentation of the Shot to the supplied pursuant to Section D.2) of these Contractual Terms and Conditions. If, due to inaccuracies of data provided, will be applied against MS any contribution from third parties, the Advertiser undertakes to pay MS a contractual penalty in the amount of proven claims of third parties on the basis of an invoice duly issued by MS within its maturity period which shall not be less than 30 days from the receipt by the Advertiser. Payment of the contractual penalty does not affect any claim of MS for compensation of damages and damages exceeding the contractual penalty.
- 4) MS shall be entitled not to include a Shot in the broadcast if the Shot has not been delivered to MS as specified in Section 1) of this Article hereof. If, despite this fact, MS includes the Shot that is delivered lately in the broadcast, MS shall not be liable for any defects connected with its broadcasting and for damage including loss of profit incurred thereby to the Advertiser or any third party.
- 5) If the Advertiser breaches the obligation under Section 1) of this Article hereof (the Advertiser fails to deliver a Shot or fails to deliver it on time in accordance with these Contractual Terms and Conditions or delivers a defective Shot to MS and fails to amend it or fails to deliver an alternative Shot prior to the planned airtime date pursuant to Section C. 7) or C.5) of these Contractual Terms and Conditions, it shall be considered a material breach of the Contract. In such a case MS shall not be liable for due and timely implementation of the respective performance (failure to air undelivered Shot, the Shot not delivered in time or defective Shot), which could not be fulfilled as a result of failure of the Advertiser to meet its obligations, and MS shall be entitled to be paid a contractual penalty of 100% of the agreed Price related to broadcasting of respective Shot. In such a case MS shall be further entitled to withdraw from the Contract with immediate effect. Any claim of MS for compensation of damage exceeding the contractual penalty shall not be affected thereby.
- 6) MS is exclusively authorised to disseminate any Shot produced for the Advertiser. MS shall, based on a written order of the Advertiser submitted together with the binding order for Advertising time in respective Program Service at the latest, produce a Shot for the Advertiser for its exclusive broadcast in Program Services, or dub an already-produced Shot into the Slovak language so that it can be aired in Program Services. The Advertiser shall pay a sum to MS specified in the order confirmed by the Advertiser for the production or dubbing of the Shot. If the produced or dubbed Shot is to be used by the Advertiser also for purposes other than broadcasting in Program Services, the Advertiser shall pay to MS a sum agreed between the Advertiser and MS in a separate contract, which shall form integral part of the order confirmed by the Advertiser. The respective sum based on such a separate contract shall include financial settlement for all creative persons participating in the production or dubbing of the Shot for use outside of the MS Program Services, in accordance with the applicable provisions of the Copyright Act.
- 7) MS shall air Shots in accordance with advertising blocks as stated in the Advertising price list of the respective Program Service (hereinafter referred to as the "**Price list**") and possibly specified positions within the specific advertising block specified the Contract. The confirmed airtime schedules shall be observed to the agreed extent with exception of the program modifications. The prices stated in the price list are excluding VAT. The applicable VAT rate shall be added to the invoiced amounts.
- 8) In the event of any changes being made to the planned airtime in the specified Program Service, the Advertiser shall only pay for the actual broadcast of Advertising, while MS shall be entitled to air the Shots with pre-specified positions also within unplanned (out-of-structure) program provided that the Campaign media parameters within the particular Contract (predicted rating) are kept. During the term of the Contract MS shall be entitled to air, due to time and program-related reasons also another, technological Shots outside the framework of the fixed airtime. The airing of such Shots shall fully depend on MS operational capacity and the respective time schedule shall be defined in the Contract

made between MS and the Advertiser. In such a case the total price for the Campaign stated in the Contract between MS and the Advertiser shall include the airing of all Shots, including technological Shots, the price of which with regard to their character shall not be individually specified in the Contract.

- 9) Changes in the price list shall be published by MS two weeks before they become effective on the webpage [www.markiza.sk](http://www.markiza.sk). Changes in price list shall not affect the Price in the Contract signed by both parties.
- 10) If the Advertiser fails to observe the contractually confirmed footage length of a Shot, MS shall be entitled not to air such Shot; however, the Advertiser shall be obliged to pay the contractually agreed Advertising time. In case of longer Shot footage MS shall be entitled to charge for the respective Shot the price as per price index corresponding to the nearest longer footage.
- 11) MS reserves the right to change the predictive ratings of advertising block, at the latest 5 business days from the date of their release in the for planning and evaluation of TV advertising campaigns. MS is required to notify all Advertisers affected by such change by e-mail delivered to the address of the contact person of the contracting entity.
- 12) In the event that more than one Contract has been created in any given month for any Shot, MS is required to deliver 100% of GRPs ordered by the Advertiser, the total of which will correspond to the sum of GRPs ordered 'on all the Contracts created for that Shot in the given month.
- 13) If by assessing the respective month of the Campaign MS finds out that the client's Campaign ordered by the Advertiser for the evaluated month in case of Combined Shots is in terms of GRPs agreed over-delivered or under-delivered, and the Advertiser has placed an order for the identical client in the next calendar month, MS has the option to take into account the over-delivery or under-delivery to Advertiser's client so, that in the following calendar month will provide to the Advertiser less media commercial communication on the part that has been over-delivered for the previous month, or will provide to the Advertiser more media commercial communication for the part that has been under-delivered for the previous month within the meaning of this paragraph of Contractual Terms and Conditions, unless otherwise agreed with the Advertiser. MS procedure mentioned in the previous sentence has no impact on the scope of services provided and the price of services agreed in the Contract. The price for services specified in the Contract is calculated from predicted ratings. If the Advertiser has not placed an order for the identical client for the next calendar month, the price for services will be in case of undelivered total required GRP reduced in proportion to the undelivered GRP. The range of services agreed in the Contract remains unchanged.
- 14) **Conditions for broadcasting the Sponsor link**
  - a. Sponsorship must include identification of a sponsor – the Advertiser, and must include the name if it is a legal person/entity, trade name or name and surname, if a natural person, or logo of the sponsor.
  - b. Sponsorship within the sponsored program must be specifically marked at the beginning and end of the program. It means that the program must be marked at least two times.
  - c. Under the sponsorship it is not possible to use various elements of advertising slogans and advertising campaign of the Advertisers. It is possible within it indicate one of his well-known products, services, or its trademark of the sponsor – the Advertiser. By production of sponsorship may not be used edited advertising spot.
  - d. Any slogan, or animation, can be used only if it was not part of another advertising campaign in Slovakia. The exception is the advertising slogan, which is registered as a trademark at the Industrial Property Office.

- e. The sponsorship can include (show) one of the known products or services of the sponsor or more of the products or services of the sponsor, if this link is used solely to identify the sponsor or to emphasize the relationship between the program and its sponsorship.
- f. Broadcast sponsorship announcements within a program must not be substantively identical (first sponsor link – one product, another sponsor link – a different product, etc.).
- g. Sponsorship must identify the sponsor – the Advertiser and its connection with sponsored programs (in picture or sound). Sponsor link fulfils the primary function of information, i.e. to inform the viewer of the sponsorship program and enable them to identify the sponsor – the Advertiser.
- h. Sponsorship must not contain elements typical for advertisement, showing the extent of their promotional purposes leading to direct or indirect promotion of the sponsor, product or services of the sponsor – the Advertiser. This includes both visual and verbal ways of promotion, especially positive evaluations, expressive words, slogans used in advertising or excerpts from commercials which lead to promotion. Sponsorship message must not specify or advertise feature/attribute of the product including positive evaluation of the sponsor, its product or service.
- i. Sponsorship may also include contact information for the sponsor, for example telephone number, fax number, e-mail or website address of the sponsor, but these may not prompt the recipient to contact the sponsor – the Advertiser.

**15) Surcharges for positions in advertising block:**

- a. For a requested first position of the Shot in an advertising block a surcharge of 35% shall be added to the Shot Price by MS.
- b. For a requested last position of the Shot in an advertising block a surcharge of 30% shall be added to the Shot Price by MS.
- c. For the second or second-to-last or other requested position of the Shot in an advertising block a surcharge of 25% shall be added to the Shot Price by MS.
- d. For placing the second part of the Shot in the same advertising block a surcharge as defined in Section 19) "Tandem Shot price index" of this Article shall be charged.

16) If a product, service, name or logo of an entity other than the Advertiser (or the client if the Advertiser is an agency) appears in the Shot for up to 5 seconds of a 30-second Shot or in the same ratio in a Shot footage of different length, MS shall be entitled to charge a surcharge of 25% for each product, service, name or logo of the Price related to broadcasting of respective Shot. If the respective presentation is longer, the surcharge amount shall be determined by MS upon agreement with the Advertiser.

**17) Surcharges for Sponsor link, Product Placement and requested airing of the Shot (collection of ads)**

- a. For a Sponsor link MS shall charge the surcharge of 20% of the Price related to broadcasting of respective Sponsor link, except months July - August 2019. For a Sponsor link in the form of injection (virtual banner) MS shall charge a surcharge of 40% of the Price related to broadcasting of respective Sponsor link.
- b. Product Placement within the selected shows of MS shall be invoiced according to an independent calculation on the basis of the type of Product Placement and the given show's ratings.
- c. For a Shot aired on request (collection of ads) within the selected advertising block by rotating of two or more Shots, MS shall charge the surcharge of 5 % of the Price related to broadcasting of respective Shot stated in the Contract.

**18) Price index of Shots of various lengths:**

<b>Shot</b>	10"	15"	20"	25"	30"	35"	40"	45"	50"	55"	60"
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<b>duration</b>	and less										
<b>Price index</b>	50%	75%	90%	95%	100%	125%	145%	160%	180%	190%	200%

19) **Tandem Shot price index:**

<b>Cumulated length</b>	15"	20"	25"	30"	35"	40"	45"	50"	55"	60"
<b>Price index</b>	85%	95%	110%	125%	135%	150%	160%	180%	190%	200%

20) **Campaign implementation services:**

- a. Media planning of Campaigns of the Advertiser, i.e. Media plan elaborated in writing according to the Advertiser's requirements and delivered to the Advertiser prior to entering into the Contract for broadcasting of media commercial communication in the respective Program Service.
- b. Evaluation of media activities – post-buy of the Advertiser's Advertising Campaigns based on results of viewership ratings, delivered to the Advertiser always at the end of the respective calendar month pursuant to the specific Contract.
- c. Providing the information about ratings of TV program services and visit rate of MS web portals, including the related services.

Documents delivered in performance of Campaign implementation services must be delivered in person, by registered mail or via e-mail message delivered to the address of the Advertiser's contact person. The Advertiser acknowledges and agrees that remuneration for Campaign implementation is included in the invoiced Price calculated after airing of the Campaign and shall be in the amount of 10% of the stated Price.

**E. PAYMENT AND INVOICING TERMS**

- 1) Price shall be paid against an invoice issued by MS. The invoice shall be issued and the payment shall be made in Euros, unless other currency is agreed in the Contract.
- 2) Invoices shall be, as a rule, issued by MS on a monthly basis. The Advertiser shall pay each invoice within 21 days of the date of its issue, unless otherwise agreed in the Contract by the parties. If the Advertiser is in delay in payment of the due price, MS shall be entitled to claim from the Advertiser and the Advertiser shall be obliged to pay a late payment interest of 0,06% of the outstanding amount for each even commenced day of delay. A breakdown of the actual airtime of the respective Campaign shall form an integral part of the invoice. Objections concerning the invoices must be submitted by the Advertiser to MS by the 5<sup>th</sup> day from the delivering of the invoice; otherwise MS shall consider the invoice to be accepted by the Advertiser.
- 3) Prior to commencement of the Campaign broadcast MS shall be entitled to request an advance payment from the Advertiser. Unless agreed otherwise, the Advertiser shall pay the contractually agreed price of the Campaign in advance, no later than 5 working days before the commencement of the Campaign broadcast. If the Advertiser fails to pay within the period specified in this Section, it shall be considered a material breach of the Contract and MS shall be entitled to withdraw from the Contract. Any claim of MS for compensation of damage shall not be affected thereby.
- 4) MS shall be entitled to terminate the airing of a Shot and withdraw from the specific Contract also if the Advertiser fails to perform its financial or other contractual obligations towards MS even if based on other contractual relationship made with MS. In such a case MS shall call upon the Advertiser to remedy the situation and if the Advertiser fails to do so within a reasonable period provided to it for the fulfilment of its obligations, MS shall be entitled to withdraw from the Contract. Withdrawal shall become effective upon expiration of the provided period. However, the Advertiser shall pay to MS the

due amounts along with compensation of damage and additional expenses incurred to MS as a result of airing termination.

- 5) The invoice shall be deemed paid on the day when the due sum is credited to the MS bank account.
- 6) All bank expenses and fees of correspondence banks and the Advertiser's bank shall be borne by the Advertiser.

## **F. LIABILITY**

- 1) The Advertiser shall be solely and fully liable for the content of the Shot. The Advertiser undertakes to submit, for the broadcast of the program within the specified Program Service, a Shot, the content, form, and implementation of which shall be in accordance with applicable legal regulations of the Slovak Republic, which shall also meet the television broadcasting standards and license terms and conditions, and which shall not infringe any third party rights. The Advertiser undertakes to comply especially with provisions of Act No. 308/2000 Coll. on Broadcasting and Transmission and on Amendment of Act No. 195/2000 Coll. on Telecommunication, Act No. 147/2001 Coll. on Advertising and on amendment and supplementation of certain acts, Act No. 250/2007 Coll. on Consumer Protection, Act No. 185/2015 Coll. of the Copyright Act, Act No. 270/1995 Coll. on the State Language of the Slovak Republic, the Commercial Code, the Civil Code and the Constitution of the Slovak Republic. Should any third party seek to impose a financial claim on MS due to a Shot being in conflict with the above-stated regulations, the Advertiser agrees to pay to MS a sum of all costs claimed by such a third party from MS, including the financial claims, as well as the costs incurred to MS in relation to assertion of such claims. Any claim of MS for compensation of damage shall not be affected thereby. If the Advertising for drugs is part of the Shot contents, the Advertiser undertakes to submit for the respective MS Program Service broadcast a Shot prepared in accordance with the respective provisions of Act No. 308/2000 Coll. as amended and the following text (hereinafter referred to as the "**Notice and Recommendation**"):

**"Read the instructions carefully or consult your physician or pharmacist before using this product."**

Notice and Recommendation in Advertising for drugs must be displayed in the Advertising depending on the number of words for the period of 0.5 second/1 word, however, always at least 8 seconds in total. Notice and Recommendation in Advertising for drugs must be displayed in the Advertising in such a size which enables viewers to read it clearly, the recommended size and type of front is specified in the Technical Terms and Conditions for Inclusion of Advertising Shots in Broadcasting of Program Services. At the same time, the Notice and Recommendation for the purpose of legible reading by regular viewer shall be displayed in clear contrast with the background of the Shot. If another text is contained in Advertising for drugs in addition to the above Notice and Recommendation (hereinafter referred to as the "**Additional Text**"), the conditions related to size and type of font, shall apply to the full extent to the entire text contained in Advertising including the Additional Text. The Advertiser shall be also obliged the Notice and Recommendation including Additional text to prolong, depending on the number of words taking into account the condition stated in the first sentence of this Section. Notice and Recommendation must be always placed before the Additional Text.

If any third party asserts financial claims from MS due to a shot containing Advertising for drugs being in conflict with the above given text and/or with the respective legal regulations, the Advertiser undertakes to pay to MS the sum equal to the asserted financial claim and the costs related to assertion of such a claim. No claim of MS for compensation of damage shall be affected thereby.

- 2) By executing the Contract, the Advertiser warrants that it has obtained all necessary consents for the use of the Shot from any third person participating in the production of the Shot, that it has financially (one-off payment) settled all rights to intangibles in relation to the use of the Shot in such a manner

that MS shall not be affected at any time in the future by any such settlement. The Advertiser undertakes to indemnify MS against all claims of any nature which might be asserted against MS by third parties in relation to airing of the Shot. The Advertiser further agrees to compensate MS for all costs incurred in relation to assertion of claims by third parties in relation to provisions concerning competition law, the right for protection against unfair business practices, general personal rights, copyrights, industrial property rights, and product identification rights. No claim of MS for compensation of damage shall be affected thereby.

- 3) The Advertiser before the Contract signature undertakes to obtain all necessary consents from any third parties involved in the production of the Shot, for the purposes of incorporating the timer in the Shot (i.e. countdown till the end of the advertising block) by MS and in this context the Advertiser undertakes also financially settle (lump sum) all rights to intangible assets in connection with the adjustment of the Shot, in a way that MS was not affected by such settlement in the future. MS is authorized for incorporation timer in the Shot. The Advertiser commits to deprive MS of all claims of any nature whatsoever applied by third parties in connection with the broadcasting of the Shot adjusted for timer. The Advertiser further agrees to compensate MS for all costs incurred in relation to assertion of claims by third parties in relation to provisions concerning competition law, the right for protection against unfair business practices, general personal rights, copyrights, industrial property rights, and product identification rights. No claim of MS for compensation of damage shall be affected thereby.
- 4) With reference to provision of Section 379 of the Commercial Code and with regard to all circumstances related to execution of the Contract, MS hereby states that total foreseeable real damage which could occur in the event of a breach by MS shall not exceed the amounts for Shots which have not been aired. MS excludes the liability for any loss, expenses, receivables, special, indirect, accidental, consequential or exemplary damage, including but not limited loss of profit, loss of clients or goodwill as a result of any breach.
- 5) MS shall cover any reasonably foreseeable damage (*in Slovak: predvídateľná škoda*) which is suffered by the Advertiser as a consequence or in relation to the failure of MS to fulfil any obligation under the Contract or the applicable laws, however such damage shall not include any indirect or consequential damage (*in Slovak: nepriama alebo následná škoda*), such as damage arising, without limitation, from any loss of profit, loss of revenue, losses of the Advertiser resulting from claims by other suppliers/clients, increased costs of operation, loss of production, loss of finance, loss or denial of opportunity, loss of access to markets, loss of goodwill, loss of business reputation, future reputation, damage to credit rating or any similar loss. For the avoidance of doubt, MS stipulate's that it does not foresee that could cause the Advertiser such damage in excess of 100% of the Price for non-aired Shots. Section 379 and 385 of the Commercial Code shall not apply.
- 6) MS shall not be liable for any delay or default in the performance of obligations under the Contract caused by force majeure and circumstances excluding liability, communication service failures, technical broadcast failure, power outages or low electricity supplies, the observance of legal regulations or license terms and conditions, including the observance of legal obligations, such as the provision of information to the public, disputes between employees and employers or other events.

#### **G. EARLY TERMINATION OF THE CONTRACT**

- 1) The Advertiser shall be entitled to withdraw from the Contract only for reasons provided by law in accordance with the provisions of the Commercial Code as amended. Any withdrawal from the Contract must be made in writing and shall become effective upon delivery of the written notice of withdrawal to MS.

- 2) At any time prior to airing of Campaign the Advertiser shall be entitled to unilaterally cancel the Contract by paying a withdrawal fee. If the Advertiser uses its right to unilaterally cancel the Contract within a period shorter than:
  - a. Over 21 days before the planned Campaign airing, the Advertiser shall be obliged to pay MS a withdrawal fee in the amount of 50% of the Price.
  - b. Over 14 days and up to 21 days before the planned Campaign airing, the Advertiser shall be obliged to pay MS a withdrawal fee in the amount of 70% of the Price.
  - c. Up to 14 days before the planned Campaign airing, the Advertiser shall be obliged to pay MS a withdrawal fee in the amount of 100% of the Price.

MS shall confirm the Campaign cancellation to the Advertiser in writing. Such a document shall be used also in any potential disputes regarding invoicing of withdrawal fee.

- 3) MS shall be entitled to withdraw from the Contract for reasons provided for by law in accordance with the provisions of the Commercial Code as well as in the cases specified herein. Any withdrawal from the Contract must be made in writing and shall become effective upon the delivery of the written notice of withdrawal to the Advertiser, unless otherwise specified in the Contract or by law.

#### **H. OTHER PROVISIONS**

- 1) During the term of the Contract the Advertiser shall be obliged to notify MS within 3 days of any change regarding its business name, registered office or place of business, scope of activities, statutory authorities including the manner of their acting against third parties, capital participation, entering into a contract on transfer of enterprise or contract on transfer of a part of enterprise, commencement of putting the Advertiser into liquidation, commencement of enforcement proceedings related to Advertiser's assets and commencement of proceedings under Act No. 7/2005 Coll. on Bankruptcy and Restructuring. During the term of the Contract the Advertiser shall be further obliged to notify MS in writing of the date of VAT payer registration cancellation, VAT payer registration date, immediately after such a date. During the term of the Contract a foreign Advertiser shall notify MS without undue delay of formation and termination of a permanent establishment pursuant to Act No. 595/2003 Coll. and the respective treaty on avoidance of double taxation, formation and termination of establishment pursuant to Act No. 222/2004 Coll. or notification on place of business of such a foreign entity. Failure to comply with this obligation shall be considered a material breach of the Contract.
- 2) Only those obligations of MS expressly determined by the Contract and these Contractual Terms and Conditions shall be deemed to be obligations of MS that occurred against the Advertiser based on the Contract. MS excludes any warranties, obligations or guarantees which could indirectly result from the context of these Contractual Terms and Conditions or the Contract or on which the Contracting Parties could rely in connection with negotiations that preceded the execution of the Contract.
- 3) The Advertiser is not entitled to assign any rights and obligations arising from this Contract or these Contractual Terms and Conditions to any third party.
- 4) For purposes of these Contractual Terms and Conditions are applied the following methods of delivering of documents: delivery personal or via e-mail or registered mail. Documents relating to the termination of the Contract, contractual penalties or damages shall be delivered either personally or by registered mail. The document shall be deemed to be delivered even in the event of refusal to accept the document, while the date of delivering is the date of refusal. By delivering the documents via post office the document shall be deemed to be delivered after 3 days from the date of dispatch, in case of e-mail on the day of confirmation of its delivery.

## I. FINAL PROVISIONS

- 1) These Contractual Terms and Conditions and the Contract, including the relevant annexes, constitute an entire, complete and mutual agreement between MS and the Advertiser regarding the performance contained in the Contract.
- 2) These Contractual Terms and Conditions, the Contract, and the relations arising from or related to the Contract have been made in compliance with the respective provisions of the Commercial Code as amended and Act No. 308/2000 Coll. on Broadcasting and Transmission and on the Amendment of Act No.195/2000 Coll. on Telecommunications as amended and other generally binding legal regulations applicable in the Slovak Republic.
- 3) All disputes arising from this Contract and Contractual Terms and Conditions, including disputes concerning its validity, interpretation or cancellation, shall be settled by the competent courts of the Slovak Republic.
- 4) The Contractual Terms and Conditions may be modified or amended only upon agreement of the Parties, in the form of provisions of the Contract or amendment to the Contract, the part of which shall be the Contractual Terms and Conditions.
- 5) If any provision of the Contractual Terms and Conditions is or shall become invalid, other provisions of the Contractual Terms and Conditions shall remain valid to the full extent.
- 6) Application of General Terms and Conditions of the Advertiser or any other General Terms and Conditions is hereby expressly excluded, unless otherwise agreed between MS and the Advertiser in writing.
- 7) The Advertiser has read these Contractual Terms and Conditions, understands their contents, and agrees to be bound by them. The Advertiser agrees with the amount of fees and penalties set out herein and confirms that, from its viewpoint, they are not in conflict with good morals.

These Contractual Terms and Conditions become valid on 1<sup>st</sup> January 2019