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**GENERAL TERMS AND CONDITIONS OF PROMOTION ON TV  
CHANNELS NOVA AND ON TV CHANNELS OF OTHER  
PROVIDERS**

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**April 1, 2017**

**PREAMBLE**

These General Terms and Conditions represent the general terms and conditions concerning the procurement of the broadcasting of a Promotion on TV Channels NOVA and on TV Channels of Other Providers by the Provider and shall apply to all Advertisers purchasing a Promotion on TV Channels NOVA and on TV Channels of Other Providers.

These General Terms and Conditions shall enter into effect on April 1, 2017 and shall substitute any and all previous general terms and conditions regulating the broadcasting of the Promotion on TV Channels NOVA.

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**PART 1  
DEFINITIONS**

1.1 For the purposes of these General Terms and Conditions, the below terms shall have the following meaning:

“**Act on Consumer Protection**” shall mean Act No. 634/1992 Coll., on the Protection of Consumer, as amended;

“**Act on Operation of Radio and Television Broadcasting**” shall mean Act No. 231/2001 Coll., on the Operation of Radio and Television Broadcasting and on amendment to certain acts, as amended;

“**Act on Regulation of Advertising**” shall mean Act No. 40/1995 Coll., on the Regulation of Advertising, as amended;

“**Advertisement**” shall mean (i) a Promotion or (ii) an Internet Advertisement;

“**Advertiser**” shall mean a natural or legal person that purchases a

Promotion from the Provider and enters into the relevant contractual documentation with the Provider for these purposes;

“**Advertising Break**” shall mean a part of the broadcasting of TV Channels NOVA determined for the broadcasting of Advertising Spots that is separate from the other broadcasting in accordance with applicable laws, in particular, with the Act on Operation of Radio and Television Broadcasting;

“**Advertising Campaign**” shall mean the broadcasting of Advertising Spots in the volume set forth in the Specific Order;

“**Advertising Spot**” shall mean an audiovisual or (as the case may be) visual announcement, display or other presentation determined for the support of business activities, in particular, support of the consumption or sale of goods, housing, the lease or sale of real estate, the sale or exercise of rights or obligations, and support for providing services;

“**Agency**” shall mean a natural or legal person that purchases a Promotion from the Provider for a Client and enters into the relevant contractual documentation with the Provider for these purposes;

“**Binding Allocation**” shall have the meaning ascribed to it in Article 2.1 hereof;

“**Binding Order**” shall mean an irrevocable order, whereby the Advertiser purchases and undertakes an obligation to place, by means of one or more Specific Orders or Product Placement Orders, the Advertisement in a specified Partial Order Volume and on specified Media Channels during the Relevant Period and which shall be in all substantial features identical to the template attached as *Annex No. 1* hereto, or which is for such purpose provided to the Advertiser by the Provider;

“**Binding Specification**” shall mean a proposal on the placement of the Advertising Spots which shall be in all substantial features identical to the template attached as *Annex No. 4* hereto;

“**Binding Sponsorship Order**” shall mean an irrevocable order of Sponsorship Spots made pursuant to these General Terms and Conditions, which, upon conclusion, shall set forth the basic conditions for the placement of a Partial Order Volume, or any part thereof corresponding to the purchased volume of Sponsorship Spots, on the given TV Channels NOVA;

“**Booking Period**” shall mean a period during which Specific Orders may be executed for the placement of Spots purchased by means of one or more Binding Orders. The Booking Period shall commence no later than thirteen (13) days prior to the start of the calendar month for which the Specific Order is being made and shall terminate five (5) working days prior to the day of the broadcasting of the relevant Spots;

“**Business Corporations Act**” shall mean Act No. 90/2012 Coll., on Business Companies and Cooperatives (Business Corporations Act), as amended;

“**Cancellation Fee**” shall mean the compensation for the broadcasting time reserved by the Provider;

“**Civil Code**” shall mean Act No. 89/2012 Coll., the Civil Code, as amended;

“**Client**” shall mean a natural or legal person for whose presentation or for promotion of whose products and/or services Binding Orders or Specific Orders are entered into between the Provider and the Advertiser; Binding Orders or Specific Orders may be also entered into for presentation of another member of the Client's Group or for promotion of such person's products and/or services and the term Client shall then include also such person. The Client may be the Advertiser or a person other than the Advertiser. In the event that the Client is a person different from the Advertiser, then the Advertiser is obliged to provide the Provider with the draft of Binding Order or Specific Order and an authorization to their conclusion, which shall be in all substantial respects identical with the template attached to as *Annex no. 5* hereto;

“**Confidential Information**” shall have the meaning ascribed to it in

Article 6.12 hereof;

“**Copyright Act**” shall mean Act No. 121/2000 Coll., the Copyright Act, as amended;

“**Current Order Volume**” shall mean the sum of all Partial Order Volumes purchased so far by the Advertiser by means of multiple Binding Orders concluded for the same Relevant Period and for the purposes of promoting one Advertiser or its individual Client. The Current Order Volume shall always be calculated as of the date of the execution of the Binding Order currently being concluded, including the Partial Order Volume purchased by means of such Binding Order;

“**Day of Filming**” shall have the meaning ascribed to it in Article 5.1 hereof;

“**Extensive Modification**” shall have the meaning ascribed to it in Article 2.20 hereof;

“**General Terms and Conditions**” shall mean these General Terms and Conditions of Promotion on TV Channels NOVA and on TV Channels of Other Providers;

“**Group**” shall mean in relation to the Client any person controlled by, controlling or under common control with the Client on the basis of direct or indirect possession of more than 50% of the voting rights or shareholding interests of such person or on the basis of direct or indirect possession of the power to direct or cause the direction of the management and policies of such person by contract or otherwise;

“**Inappropriate Placement**” shall have the meaning ascribed to it in Article 5.6 hereof;

“**Inappropriate Spot**” shall have the meaning ascribed to it in Article 4.11 hereof;

“**INTERGRAM**” shall mean INTERGRAM – Independent Association of Performing Artists and Producers of Audio and Audiovisual Recordings, a civic association;

“**Internet Advertisement**” shall have the meaning ascribed to it in the General Terms and Conditions of the Internet Advertisement issued by the Provider for the period from April 1, 2017;

“**Manner of Product Placement**” shall have the meaning ascribed to it in Article 2.3 hereof;

“**Media Channels**” shall mean TV Channels NOVA, Servers or other media channels which the Provider may designate as such in the future;

“**Order Cancellation**” shall have the meaning ascribed to it in Article 2.27 hereof;

“**Order Volume**” shall mean the total volume of Advertisement expressed in monetary amounts, without VAT and after deduction of all discounts and bonuses (net net volume), purchased by the Advertiser on all Media Channels by means of one or more Binding Orders for the purpose of the promotion of one Advertiser or its individual Client, for placement during the same Relevant Period;

“**OSA**” shall mean OSA – Society for the Protection of Rights of Music Authors and Publishers, a civic association;

“**Other Media Channels**” shall mean (i) TV NOVA SPORT, (ii) the Servers, (iii) Sponsorship on the Media Channels, (iv) Product Placement in a Program on TV Channels NOVA, or (v) other media channels which the Provider may designate as such in the future;

“**Partial Order Volume**” shall mean a part of the Order Volume purchased by the Advertiser by means of one Binding Order;

“**Price of Advertising Spots**” shall mean the price for the broadcasting of the Advertising Spots;

“**Price of Product Placement**” shall mean the price for the Product Placement;

“**Price of Sponsorship Contributions**” shall mean the value of the Sponsorship Contributions provided;

“**Pricing Terms and Conditions**” shall mean the Pricing Terms and Conditions of Promotion on TV Channels NOVA stipulating, *inter alia*, the manner of determining the price for the broadcasting of Spots on TV Channels NOVA and for Product Placement in a Program on TV Channels NOVA;

“**Product**” shall mean a product, service, or trademark tied to a product or service, provided by the Advertiser for the purpose of its placement in a Program, including possible use by the performing artists involved in connection with acting out the Program Script;

“**Product Placement**” shall mean any form of incorporating the Product or a reference to the Product in the Program for payment or similar consideration in accordance with Sections 2 and 53a of the Act on Operation of Radio and Television Broadcasting;

“**Product Placement Order**” shall mean an irrevocable order which shall be in all substantial features identical to the template attached as *Annex No. 3* hereto, or which is for such purpose provided to the Advertiser by the Provider, executed in accordance with these General Terms and

Conditions, which, upon its conclusion, shall set forth the conditions of a specific Product Placement;

“**Program**” shall mean a sequence of moving pictures with or without sound, the content, form and function of which forms a closed unit of television broadcasting and represents a separate item of television broadcasting, produced by or for the Provider for the purpose of the broadcasting thereof on TV Channels NOVA, containing, *inter alia*, a Product Placement and an audiovisual, or solely visual, indication whereby the Provider, in accordance with Section 53a of the Act on Operation of Radio and Television Broadcasting, informs the viewer of the Product Placement in such sequence;

“**Promotion**” shall mean (i) the broadcasting of Advertising Spots, Sponsorship Spots or Teleshopping Spots on TV Channels NOVA, (ii) Product Placement in a Program on TV Channels NOVA, or (iii) other forms of promotion on TV Channels NOVA determined by the Provider. For the purposes of Part 7 of these General Terms and Conditions the Promotion includes also broadcasting of Advertising Spots or other forms of promotion on TV Channels of Other Providers;

“**Promotion Price**” shall mean (i) the Price of Advertising Spots, (ii) the Price of Sponsorship Contributions, and (iii) the Price of Product Placement;

“**Provider**” shall mean TV Nova s.r.o., ID No. 45800456, with its registered seat at Prague 5, Kříženeckého nám. 1078/5, Postal Code 152 00, registered with the Commercial Register maintained by the City Court in Prague, Section C, Insert No. 10581;

“**Purpose**” shall have the meaning ascribed to it in Article 5.2 hereof;

“**Relevant Period**” shall mean (i) the calendar year 2017, or, as the case may be, (ii) the period from November 4, 2016 till the end of the calendar year 2018 or any other period of consecutive calendar months during the period from November 4, 2016 till December 31, 2016 and the calendar years 2017 and 2018, if so stated by the Provider and the Advertiser in the relevant Binding Order;

“**Reservation Period**” shall have the meaning ascribed to it in Article 2.17 hereof;

“**Script**” shall mean a literary work intended to be acted out for the purpose of creating a Program;

“**Servers**” shall have the meaning ascribed to it in the General Terms and Conditions of Internet Advertisement issued by the Provider for the period from April 1, 2017;

“**Special Advertising Campaign**” shall have the meaning ascribed to it in Article 3.1 hereof;

“**Specific Order**” shall mean an irrevocable order, which shall be in all substantial features identical to the template attached hereto as *Annex No. 2*, or which is for such purpose provided to the Advertiser by the Provider, executed in compliance with these General Terms and Conditions by means of which the Advertiser, during the Relevant Period, places the Promotion purchased by means of one or more Binding Orders on TV Channels NOVA.;

“**Sponsorship**” shall mean the provision of a Sponsorship Contribution;

“**Sponsorship Contribution**” shall mean a contribution provided as direct or indirect financing of TV Channels NOVA or TV programs on TV Channels NOVA with the aim to promote the name, business name or services, products or other performances of an individual or a legal entity, as defined by the Act on Operation of Radio and Television Broadcasting;

“**Sponsorship Contributions Price List**” shall mean a price list stipulating, in particular, the Price of Sponsorship Contribution provided for the financing of a particular program of the Provider. The Sponsorship Contributions Price List shall be issued by the Provider and a current version thereof shall be available at the Provider’s registered office and on the Provider’s website;

“**Sponsorship Spot**” shall mean an audiovisual or (as the case may be) visual sponsorship message by means of which the Provider, in compliance with Section 53 of the Act on Operation of Radio and Television Broadcasting, informs a viewer about a sponsored program;

“**Spot**” shall mean (i) an Advertising Spot, (ii) a Sponsorship Spot or (iii) a Teleshopping Spot;

“**Spots Broadcasting Schedule**” shall mean a list provided and signed by the Advertiser, containing, in particular, the name of the Advertiser, monitoring code, indication of the Spot and its footage and the date when the Spot is to be broadcasted;

“**Technical Terms and Conditions**” shall mean the Technical Terms and Conditions of Advertisement stipulating, *inter alia*, basic technical requirements for the takeover of carriers containing the Spots and broadcasting of Spots in the television broadcasting of TV Channels NOVA.;

“**Teleshopping Spot**” shall mean an audiovisual or only visually processed

direct offer of goods, including immovable assets, rights and obligations or services, set for broadcasting on TV Channels NOVA;

“**TV Channels NOVA**” shall mean TV Rating Channels and TV NOVA SPORT;

“**TV Channels of Other Providers**” shall mean TV rating channels operated by other providers than the Provider, which the Provider may designate as such in the future;

“**TV NOVA**” shall mean a television broadcast of the Nova program in the Czech Republic operated by the Provider;

“**TV NOVA ACTION**” shall mean a television broadcast of the Nova Action program in the Czech Republic operated by the Provider;

“**TV NOVA 2**” shall mean a television broadcast of the Nova 2 program in the Czech Republic operated by the Provider;

“**TV NOVA CINEMA**” shall mean a television broadcast of the Nova Cinema program in the Czech Republic operated by the Provider;

“**TV NOVA GOLD**” shall mean a television broadcast of the Nova Gold program in the Czech Republic operated by the Provider;

“**TV NOVA SPORT**” shall mean TV NOVA SPORT 1 and TV NOVA SPORT 2 or either of these channels;

“**TV NOVA SPORT 1**” shall mean a television broadcast of the Nova sport 1 program in the Czech Republic and Slovak Republic operated by the Provider;

“**TV NOVA SPORT 2**” shall mean a television broadcast of the Nova sport 2 program in the Czech Republic and Slovak Republic operated by the Provider;

“**TV NOVA SPORT Binding Order**” shall mean an irrevocable order, whereby the Advertiser purchases and undertakes an obligation to place during the Relevant Period, by means of one or more Specific Orders or Product Placement Orders, Promotion exclusively on TV NOVA SPORT and which shall be in all substantial features identical to the template attached as *Annex No. 6* hereto, or which is for such purpose provided to the Advertiser by the Provider;

“**TV Rating Channels**” shall mean TV NOVA, TV NOVA CINEMA, TV NOVA ACTION, TV NOVA 2 and TV NOVA GOLD or other media channels which the Provider may designate as such in the future; and

“**Visualization**” shall mean a graphic presentation of a Sponsorship Spot, containing all audio recordings and texts used in the Sponsorship Spot, which provides a complex overview of the content and execution of the Sponsorship Spot.

## PART 2

### GENERAL METHOD OF PURCHASING PROMOTION ON TV CHANNELS NOVA

#### A. Purchase of Promotion by means of Binding Orders and Placement thereof on TV Channels NOVA

2.1 Unless otherwise stipulated by these General Terms and Conditions, the Advertisers shall purchase the Promotion on the relevant TV Channels NOVA by means of individual Binding Orders, which shall determine, in particular, the Partial Order Volume, including the allocation of parts thereof among Other Media Channels (hereinafter referred to as the “**Binding Allocation**”), the Current Order Volume and the period for which the Binding Order is being executed. One Binding Order may be executed for the purchase of the Promotion of one Advertiser or Client. In the event that the Provider and the Advertiser stipulate in the relevant Binding Order a Relevant Period that differs from the Relevant Period stated in any other Binding Orders entered into between the Provider and the Advertiser for the Promotion of the same Advertiser or Client, the Relevant Period stipulated therein shall apply to such Binding Order, regardless of the other Binding Orders with different Relevant Periods.

2.2 The Binding Order shall be deemed executed upon signature by the Provider and the Advertiser and further it shall be deemed executed in case the Advertiser confirms by email to the Provider the acceptance of the Binding Order proposal received from the Provider. In such case the Advertiser shall deliver the duly signed Binding Order to the Provider without undue delay.

2.3 The Partial Order Volume shall be placed on TV Channels NOVA by means of one or more Specific Orders. In the event that the Advertiser purchased a Promotion as a Product Placement by means of a Binding Order, the Partial Order Volume or a part thereof corresponding to the Product Placement shall be placed by means of one or more Product Placement Orders, which determine, in particular, the Product, Price of Product Placement, form and manner of Product presentation, the expected number of Program episodes with the Product Placement, including the time period in which the

Program is to be broadcasted (hereinafter referred to as the “**Manner of Product Placement**”), whereas the Advertiser shall negotiate each such Product Placement Order with the Provider with respect to the specific need to use the Product in the Program in connection with acting out the Program Script.

2.4 The obligation to execute the Binding Order shall not apply to the Advertiser who in the given Relevant Period purchases exclusively (i) a placement of the Promotion on TV NOVA SPORT, (ii) Sponsorship on TV Channels NOVA, or (iii) a Product Placement in a Program on TV Channels NOVA. In such cases, the Advertiser may, instead of the Binding Order, execute only the TV NOVA SPORT Binding Order or Specific Order (in the case referred to in (i) above), the Binding Sponsorship Order (in the case referred to in (ii) above), or the Product Placement Order (in the case referred to in (iii) above), whereas if these General Terms and Conditions or any other contractual documentation executed in writing between the Provider and the Advertiser in connection with procuring the broadcasting of the Promotion stipulates any rights or obligations in relation to the Binding Order, then such TV NOVA SPORT Binding Order, Specific Order, Binding Sponsorship Order or Product Placement Order shall, for the purposes of procuring the broadcasting of such Advertiser's Promotion, be deemed the Binding Order, except, however, for any and all provisions of the relevant documentation regulating the provision of the discount on the Promotion Price in connection with the direct execution of the Binding Order.

2.5 The Provider shall be entitled to cancel the already concluded Binding Order, Specific Order, TV NOVA SPORT Binding Order, Binding Sponsorship Order or Product Placement Order in entirety or partially, in the event that the Office for the Protection of Competition, the Council for Radio and Television Broadcasting or any other duly empowered public authority commences or has commenced proceedings or an investigation following the execution of the relevant Binding Order, Specific Order, TV NOVA SPORT Binding Order, Binding Sponsorship Order or Product Placement Order that (i) is aimed at prohibiting an activity which the Provider is bound to perform under such Binding Order, Specific Order, TV NOVA SPORT Binding Order, Binding Sponsorship Order or Product Placement Order; and/or (ii) could, in the reasonable opinion of the Provider, cause harm to or be to the detriment of the Provider if the Provider continued performing activities pursuant to the relevant Binding Order, Specific Order, Binding Sponsorship Order or Product Placement Order.

2.6 The obligation to execute the Binding Order shall not apply to the Advertiser who purchases a placement of a Promotion in respect of a time period not exceeding three (3) calendar months provided that both the Advertiser and the Provider agree on this for efficiency reasons. In such cases, the Advertiser may, instead of the Binding Order, execute only the respective Specific Order, whereas if these General Terms and Conditions or any other contractual documentation executed in writing between the Provider and the Advertiser in connection with procuring the broadcasting of the Promotion stipulates any rights or obligations in relation to the Binding Order, then such Specific Order shall, for the purposes of procuring the broadcasting of such Advertiser's Promotion, be deemed the Binding Order, except, however, for any and all provisions of the relevant documentation regulating the provision of the discount on the Promotion Price in connection with the direct execution of the Binding Order.

#### B. Promotion Price and Terms of Payment

2.7 The Promotion Price shall be determined and paid pursuant to (i) these General Terms and Conditions and Pricing Terms and Conditions, valid as of the day of conclusion of the Binding Order; (ii) the relevant Sponsorship Contributions Price List valid as of the day of conclusion of the Specific Order; and (iii) other potential written contractual arrangements concluded between the Provider and the Advertiser.

2.8 The Advertiser shall become obliged to pay the Promotion Price to the Provider at the moment of broadcasting of the Promotion. The moment of broadcasting of the Promotion shall be deemed as the moment:

- (a) when the Promotion is broadcasted by the Provider on the relevant TV Channel NOVA; or

- (b) when the Promotion should have been broadcasted by the Provider on the relevant TV Channel NOVA, but was not broadcasted for reasons on the part of the Advertiser.
- 2.9 Unless otherwise stipulated below, the Promotion Price shall be due pursuant to the invoices issued by the Provider on a monthly basis retrospectively. The applicable amount of VAT shall also be included in the invoices. The last day of the calendar month for which the invoice is being issued shall be deemed the date of the taxable supply within the meaning of Act No. 235/2004 Coll., on Value Added Tax, as amended. The Promotion Price shall be paid by the Advertiser within forty (40) days following the date of the issuance of the invoice, whereas the payment shall be deemed settled upon the entire amount of the Promotion Price being credited to the Provider's bank account.
- 2.10 In the event that the Advertiser is in default with the payment of the Promotion Price, or with the fulfillment of any other financial obligation towards the Provider, the Provider shall be entitled:
- (a) to claim a contractual penalty from the Advertiser in the amount of 0.5% of the outstanding amount for each day of the Advertiser's default in payment of such financial obligation; and
  - (b) not to broadcast any Promotion purchased by the Advertiser until all outstanding amounts have been paid by the Advertiser.
- 2.11 Notwithstanding Article 2.9 hereof, the Provider shall be entitled to require payment of 100% of the Promotion Price at least five (5) days before the broadcasting of the Promotion in the following cases:
- (a) the Advertiser has never invested in the television advertising in the Czech Republic or has not invested, within its spending concerning the television advertising market, in the TV Channels NOVA within the period of eighteen (18) months preceding the execution of the Binding Order;
  - (b) the Advertiser is in default with a fulfillment of any financial obligation towards the Provider.
- 2.12 In the event that the Advertiser stipulated in Article 2.11(a) hereof duly fulfills all of its obligations towards the Provider arising in connection with the procurement of broadcasting of the Promotion within the period of three (3) months after the first purchase of the Promotion, the Advertiser shall be entitled to propose to the Provider a future payment of the Promotion Price on the basis of invoices issued pursuant to Article 2.9 hereof.
- 2.13 Should any entitlement to a contractual penalty arise for the Provider in connection with the procurement of broadcasting of the Promotion, the Provider shall issue an invoice for an amount corresponding to the amount of the relevant claim. The invoice so issued shall be due within forty (40) days following its delivery to the Advertiser.
- 2.14 Unless expressly stipulated otherwise in the relevant contractual documentation, all prices, other financial considerations and data expressed in financial amounts shall not include the applicable VAT. Should any fulfillment be subject to VAT, the applicable VAT determined in accordance with the applicable legal regulations shall be charged to the Advertiser along with such fulfillment.
- 2.15 In the event that an Agency participates in a tender for representation of a potential Client, the Provider shall send the Agency upon its request a price calculation concerning the price for the procurement of broadcasting of the given Client's promotion. In the event that the Agency is subsequently awarded the tender, the Binding Order or Specific Order in relation to such Client shall be entered into between the Provider and the Agency under conditions that do not substantially differ from the conditions set forth in the relevant price calculation, unless the characteristics of the Promotion purchased differ from those set out in the tender. In the event that the tender for representation of a potential Client is awarded to an Agency that did not request the Provider to send a price calculation in relation to the relevant Client, the Binding Order or Specific Order in relation to such Client shall be entered into between the Provider and the Agency under conditions that do not substantially differ from the conditions set forth in the relevant price calculation made by the Provider and sent to any other Agency in connection with the tender for representation of the given Client, unless the characteristics of the Promotion purchased differ from those set out in the tender.
- 2.16 The Provider shall always prepare the price calculation under Article 2.15 hereof so that it corresponds and complies with these General

Terms and Conditions, the Pricing Terms and Conditions, the relevant Sponsorship Contributions Price List or other applicable price lists valid as of the day of creation of the relevant price calculation. The Provider shall send the price calculation under Article 2.15 hereof to the relevant Agency at its request only if the Agency proves that it is duly participating in the relevant tender announced by the given Client and is authorized by the Client in this regard to request that the Provider send a price calculation.

#### C. Specific Terms and Conditions for Placement of Advertising Spots on TV Channels NOVA

- 2.17 Following the commencement of the Booking Period, the Advertiser shall produce the Binding Specification and deliver it to the Provider. Based on such delivered Binding Specification, the Provider shall prepare and send to the Advertiser a draft Specific Order. In the event that the Advertiser delivers to the Provider more than one Binding Specification for broadcasting of the same Spot, then the Provider shall be entitled to include all of the Binding Specifications into a single draft Specific Order. Upon sending such draft of the Specific Order to the Advertiser, the reservation period (hereinafter referred to as the "**Reservation Period**") shall commence. The Reservation Period shall mean a period of ten (10) working days during which the Provider undertakes not to revoke the produced draft Specific Order although the draft Specific Order is not confirmed by the Advertiser's signature or by email. Should the Specific Order be concluded within the course of the Reservation Period, the Reservation Period shall terminate even prior to the lapse of the abovementioned period.
- 2.18 The Advertiser shall be entitled to make changes to the Binding Specification during the course of the Reservation Period in accordance with Articles 2.19 and 2.20 hereof. Any such change shall be reflected by the Provider in a modified draft Specific Order under the below specified conditions.
- 2.19 The Provider shall reflect the changes to the Binding Specification by producing a new draft Specific Order, provided that such changes:
- (a) are in compliance with the current offer and available capacity of Advertising Breaks;
  - (b) do not represent more than a 10% decrease of the Price of Advertising Spots compared to the latest draft Specific Order produced by the Provider; and
  - (c) do not represent a repeated decrease of the Price of Advertising Spots during the same Reservation Period.
- 2.20 In the event that the Advertiser makes the Binding Specification above the limits stipulated in Articles 2.19(b) and 2.19(c) hereof (hereinafter referred to as the "**Extensive Modification**"), the Provider shall reflect the Extensive Modification of the Binding Specification in a newly prepared draft Specific Order under the condition that the Advertiser shall pay the Provider a Cancellation Fee in the amount of 5% of the Price of Advertising Spots stipulated in the latest draft Specific Order produced prior to the Extensive Modification being made.
- 2.21 The Specific Order shall be deemed executed at the moment when the draft thereof is confirmed by the Advertiser's signature and further it shall be deemed executed in case the Advertiser confirms by email to the Provider the acceptance of the Specific Order proposal received from the Provider. In such case the Advertiser shall deliver the duly signed Specific Order to the Provider without undue delay. In the event that the Advertiser does not confirm the Specific Order neither by its signature nor by email by the end of the Reservation Period and the Specific Order thus will not be concluded, the Advertiser shall pay to the Provider a Cancellation Fee in the amount of the Price of the Promotion stipulated in the latest draft Specific Order produced by the Provider prior to the expiry of the Reservation Period in accordance with these General Terms and Conditions.
- 2.22 In the event that the Advertiser cancels or otherwise terminates an already concluded Specific Order or any part thereof, it shall be obligated to pay the Provider a Cancellation Fee in the amount of the Promotion Price corresponding to the cancelled Specific Order or part thereof.

#### D. Specific Terms and Conditions for Placement of Sponsorship Spots on TV Channels NOVA

- 2.23 In the event that an Advertiser purchases by means of the Binding Order a part of the Partial Order Volume as the Sponsorship, the Advertiser and the Provider may conclude a Binding Sponsorship

Order, which shall specify conditions for the placement of the Sponsorship so purchased by means of Sponsorship Spots.

- 2.24 For the avoidance of doubt, both the Provider and the Advertiser declare that the Binding Sponsorship Order in accordance with Article 2.23 hereof shall be executed for the purposes of setting forth further conditions for the broadcasting of Sponsorship Spots and shall not increase the total Order Volume purchased by the Advertiser.
- 2.25 The execution of the Binding Sponsorship Order shall not affect the Advertiser's obligation to execute one or more Specific Orders regarding the placement of Sponsorship in the volume set forth in the given Binding Sponsorship Order.
- 2.26 The Advertiser shall be obliged to supply the Provider with the Visualization no later than fourteen (14) days prior to the day stipulated in Article 4.5 hereof, so that the Provider may assess the compliance of the draft Sponsorship Spot to which the Visualization relates with these General Terms and Conditions. Should the Provider have any objections concerning the Visualization, it shall deliver such objections to the Advertiser and shall request that the Advertiser rectify the draft Sponsorship Spot in compliance with such request. In the event that the Provider does not express its opinion on the Visualization within seven (7) days after the delivery thereof to the Provider pursuant to this Article 2.26, it shall be deemed that the Provider has no objections thereto and the parties shall further proceed pursuant to Article 4.5 *et seq.* of these General Terms and Conditions. In the event that the Advertiser fails to adjust, based on the aforesaid request by the Provider, the draft Sponsorship Spot to comply with the requirements set out in this request and does not provide the Provider with such Sponsorship Spot within the time limit and in compliance with the conditions stipulated in Articles 4.5 and 4.6 hereof, or if the Spot is an Inappropriate Spot, the Provider shall be entitled, in compliance with Article 4.7 hereof, not to broadcast the Sponsorship Spot and, at the same time, the Provider shall be entitled to claim a contractual penalty pursuant to Article 4.9 hereof.
- 2.27 In the event that the Advertiser cancels or otherwise terminates an executed Binding Sponsorship Order (hereinafter referred to as the "Order Cancellation"), the Provider shall be entitled to request that the Advertiser pay the Cancellation Fee as follows:
- (a) 20% of the total volume of the Binding Sponsorship Order, provided the Order Cancellation is made more than six (6) months prior to the beginning of the period which has been stipulated by the Advertiser in the Binding Sponsorship Order as the period for placement of the Partial Order Volume determined for the Sponsorship;
  - (b) 50% of the total volume of the Binding Sponsorship Order, provided the Order Cancellation is made three (3) to six (6) months prior to the beginning of the period which has been stipulated by the Advertiser in the Binding Sponsorship Order as the period for placement of the Partial Order Volume determined for the Sponsorship;
  - (c) 75% of the total volume of the Binding Sponsorship Order, provided the Order Cancellation is made more than one (1) and less than three (3) months prior to the beginning of the period which has been stipulated by the Advertiser in the Binding Sponsorship Order as the period for placement of the Partial Order Volume determined for the Sponsorship; or
  - (d) 100% of the total volume of the Binding Sponsorship Order, provided the Order Cancellation is made in the time period up to one (1) month prior to the beginning of the period which has been stipulated by the Advertiser in the Binding Sponsorship Order as the period for placement of the Partial Order Volume determined for the Sponsorship.
- 2.28 The Advertiser shall also be obliged to pay the Cancellation Fee in the amount stipulated in Article 2.27(d) hereof in the event that the Advertiser, contrary to the provisions of these General Terms and Conditions, fails to fulfill its obligation to place the purchased Sponsorship Spots by virtue of executing one or more Specific Orders. After the lapse of each time period stipulated in the Binding Sponsorship Order as the period for placement of the Sponsorship Spots, the Provider (if a Binding Sponsorship Order has been executed) shall assess whether the Advertiser has duly fulfilled its obligation to place the agreed volume of the Binding Sponsorship Order by virtue of one or more Specific Orders and, as the case may be, the Provider shall, in compliance with Article 2.27(d) hereof,

charge to the Advertiser the potential Cancellation Fee with respect to the part of the agreed volume of the Binding Sponsorship Order which has not been duly placed by the Advertiser by virtue of one or more Specific Orders within the time period for placement stipulated by the Binding Sponsorship Order.

- 2.29 The Advertiser shall be obliged to pay the Cancellation Fee within forty (40) days following the date of the issuance of the invoice by the Provider, whereas the Cancellation Fee shall be deemed settled upon the amount of the Cancellation Fee being credited to the Provider's bank account.

**D. Specific Terms and Conditions for Purchase of Promotion on TV NOVA SPORT**

- 2.30 In the event of conclusion of the TV NOVA SPORT Binding Order the provisions of Articles 6.7 and 6.8 hereof shall apply *mutatis mutandis*.

**E. Specific Terms and Conditions for Product Placement in a Program on TV Channels NOVA**

- 2.31 The Advertiser acknowledges and agrees that the final decision on the Manner of Product Placement in the Program is fully in the discretion of the Provider, in particular with regard to the conditions imposed in the Act on Operation of Radio and Television Broadcasting in connection with the Product Placement, and the Advertiser undertakes to respect such decision of the Provider. The Provider undertakes that it shall make the necessary effort that may reasonably be required of it so that the final decision on the Manner of Product Placement in the Program does not differ in material aspects from the specifications of the Manner of Product Placement set forth in the Product Placement Order. The Advertiser acknowledges that the Products of other Advertisers may also be placed in the Program.
- 2.32 The Advertiser acknowledges and agrees that in the event that technical or operational reasons worthy of consideration arise on the part of the Provider, the Provider shall be entitled to postpone the time period of the Program's broadcasting negotiated in the Product Placement Order, for up to 24 calendar months.

**F. Terms and Conditions for Teleshopping Spots Placement on TV Channels NOVA**

- 2.33 The Advertisers shall purchase the Promotion in the form of Teleshopping Spots under the conditions specified by the Provider and communicated to the Advertiser and based on the contractual documentation concluded between the Advertiser and the Provider in writing. Unless stated in the written contractual documentation otherwise, the provisions of Part 4, Part 6 (A), (C), (D), (E) and part 7 of these General Terms and Conditions shall apply to the purchase of Promotion in the form of Teleshopping Spots *mutatis mutandis*.

**PART 3  
SPECIAL METHOD OF PURCHASING PROMOTION ON TV  
RATING CHANNELS**

**Purchase of Promotion on TV Rating Channels as a Special Advertising Campaign**

- 3.1 Besides the manner of purchasing the Promotion set forth in Part 2 hereof, Advertisers may purchase and place the Promotion on the TV Rating Channels by means of Specific Orders as a special Advertising Campaign prepared by the Provider so that it meets the special requirements of the relevant Advertiser, such as:
- (a) specifications of the target audience group in relation to the given Advertising Campaign;
  - (b) the requested number of gross rating points that shall be delivered by this Advertising Campaign in relation to the given target audience group (where a gross rating point means one exposure of the Advertising Spot to one percent of the given target audience group), or the requested ratings for the Advertising Campaign (expressed as a percentage) within the given target audience group (*i.e.* the requested reach of the given target audience group by the relevant Advertising Campaign); or
  - (c) the time period in which this Advertising Campaign shall be broadcasted.
- (hereinafter referred to as the "Special Advertising Campaign")
- 3.2 In the event that the Advertiser is interested in broadcasting a Special Advertising Campaign, it shall communicate this fact to the Provider,

including the specific parameters under which it wishes to broadcast such Special Advertising Campaign. The Provider shall subsequently prepare a draft Specific Order which shall take into account these parameters depending on the Provider's resources (particularly with regard to the currently available capacity on the TV Rating Channels) and shall contain the Promotion Price in relation to the requested Special Advertising Campaign (either as a total price for the Special Advertising Campaign or a price per gross rating point). The Specific Order shall be deemed executed once the Advertiser approves the draft prepared by the Provider by affixing its signature thereto and further it shall be deemed executed in case the Advertiser confirms by email to the Provider the acceptance of the Specific Order proposal received from the Provider. In such case the Advertiser shall deliver the duly signed Specific Order to the Provider without undue delay.

- 3.3 The Provider shall broadcast the Special Advertising Campaign in a manner at its sole discretion so as to fulfill all the relevant parameters of the Special Advertising Campaign set forth in the corresponding Specific Order, particularly so that (i) the number of gross rating points requested by the Advertiser in relation to the given target audience group are delivered or (ii) the ratings requested by the Advertiser for the Advertising Campaign (expressed as a percentage) within the given target audience group are reached.
- 3.4 For the purposes of the Special Advertising Campaign, the Promotion Price shall always mean the Promotion Price stipulated in the relevant Specific Order. In the event that in the Specific Order the Advertiser (i) set the minimum number of requested gross rating points and this number was not delivered, or (ii) set the minimum requested ratings for the Advertising Campaign (expressed as a percentage) within the given target audience group and these ratings were not reached, the Promotion Price shall be recalculated by the Provider on a pro rata basis depending on the Special Advertising Campaign results actually achieved. In the event that in the Specific Order the Advertiser set (i) the minimum number of requested gross rating points and this number was exceeded, or (ii) the minimum requested ratings for the Advertising Campaign (expressed as a percentage) within the given target audience group and these ratings were exceeded, the Promotion Price shall not be further recalculated by the Provider.
- 3.5 In the event that the Advertiser cancels a concluded Specific Order or any part thereof prior to paying the Promotion Price, the Provider shall be entitled to a Cancellation Fee in the amount of the Promotion Price corresponding to the cancelled Specific Order or part thereof.
- 3.6 The Specific Order pursuant to this Part 3 hereof shall not be considered a Binding Order pursuant to Article 2.4 hereof.
- 3.7 The Provider shall be entitled to cancel the already concluded Specific Order in entirety or partially, in the event that the Office for the Protection of Competition, the Council for Radio and Television Broadcasting or any other duly empowered public authority commences or has commenced proceedings or an investigation following the conclusion of the Specific Order that (i) is aimed at prohibiting an activity which the Provider is bound to perform under such Specific Order, and/or (ii) could, in the reasonable opinion of the Provider, cause harm to or be to the detriment of the Provider if the Provider continued performing activities pursuant to such Specific Order.
- 3.8 In relation to the purchase of the Promotion pursuant to this Part 3 hereof, the provisions of Articles 2.8 to 2.10, 2.13 and 2.14 hereof shall apply *mutatis mutandis*.

**PART 4  
GENERAL PROVISIONS FOR PRODUCTION  
AND DELIVERY OF SPOTS FOR THE PURPOSES OF THEIR  
BROADCASTING**

- 4.1 Unless agreed otherwise in writing between the Provider and the Advertiser, production of the Spot shall be procured by the Advertiser. The Advertiser shall also be obliged to deliver the Spot to the Provider in compliance with the Specific Order, these General Terms and Conditions, the Technical Terms and Conditions and/or any other contractual documentation executed in writing between the Provider and the Advertiser in connection with the procurement of broadcasting of the Promotion.
- 4.2 The Advertiser shall be fully liable for the content of the Spot and shall indemnify the Provider in connection with any and all claims of any nature asserted against the Provider by third persons and relating

to the Spots and their broadcasting, in particular, claims asserted in connection with the Act on Operation of Radio and Television Broadcasting, the Act on Regulation of Advertising, the protection of personal rights, competition law as well as unfair competition law, copyright law and rights relating thereto, industrial property rights, rights relating to the appellation of origin and any other rights and any other costs incurred by the Provider in connection with the claims asserted by third persons within the meaning of this Article 4.2. Upon Provider's request the Advertiser shall communicate to the Provider within 5 (five) working days who is the processor (in Czech: "zpracovatel") of the Spot in the meaning of the Act on Regulation of Advertising.

- 4.3 Upon conclusion of the Specific Order, the Advertiser represents and warrants that it duly entered into license agreements with the holders of the copyrights and rights related thereto and is entitled to incorporate the relevant copyrighted works in the Spots, including a right to use them for the purposes of the TV broadcasting of the Spot on the TV Channels NOVA, and that it settled any and all remunerations for such use. The warranties pursuant to the previous sentence shall not apply to the TV broadcasting of audio works (with or without text) of authors represented by OSA. The licenses to use the audio works of the authors represented by OSA in the TV broadcasting shall be acquired by the Provider on the basis of the respective collective agreements concluded with OSA. The Provider shall also settle through OSA any and all fees for the TV broadcasting of such works on the TV Channels NOVA. The licenses to incorporate the works of the authors represented by OSA, and authors of currently protected works not represented by OSA, in the Spots shall be acquired by the Advertiser directly from such authors and, at the same time, the Advertiser shall be obliged to settle any and all fees for such use, whereas in the event that the author is represented by OSA, the Advertiser shall be obliged to do so through OSA. Accordingly, the Advertiser shall be obliged to acquire a license for the TV broadcasting of the relevant works on the TV Channels NOVA directly from the authors not represented by OSA and settle directly with such authors any and all authors' fees for such use. Should the Spot contain any audio or audiovisual recording, the Advertiser represents and warrants that it acquired from the producers and the performing artists whose artistic performances are recorded on such recordings the license to incorporate such artistic performances and recordings in the Spot and their use in the TV broadcasting of the Spots, and that it settled any and all fees for the license to use them for the broadcasting of the Spot on the TV Channels NOVA and that it settled the respective entitlements of such producers of audio or audiovisual recordings and performing artists in connection with the aforesaid use. Should the Spot contain any audio recording made for commercial purposes or a musical audiovisual recording, the Advertiser shall be obliged to acquire the license for its incorporation in the Spot directly from the producer of such recording and pay the producer the relevant remuneration for such use. The license to incorporate artistic performances recorded on an audio recording made for commercial purposes or a musical audiovisual recording in the Spot shall be acquired by the Advertiser through INTERGRAM and, at the same time, the Advertiser shall settle through INTERGRAM any and all remuneration for such use. The Advertiser undertakes to provide the Provider upon its request with copies of the agreements proving the settlement of claims of the relevant right holders in the aforesaid extent and a copy of a report to INTERGRAM.
- 4.4 The Advertiser shall, no later than as of the day of handover of the carrier containing the Spot, supply the Provider with information concerning the producer of the Spot and the musical arrangement of the Spot, containing the name of each music composition used, the name of the author of the music and the lyrics, a translation of the lyrics (where necessary), the name of the publisher and the exact footage of the music used. If the Spot also contains an audio recording made for commercial purposes or a musical audiovisual recording, the Advertiser shall indicate such fact in the musical arrangement of the Spot and shall supply information on the audio recording made for commercial purposes or the musical audiovisual recording used, *i.e.*, the name of the producer of the audio recording made for commercial purposes or the musical audiovisual recording used. If the musical arrangement of the Spot does not explicitly indicate that the Spot contains an audio recording made for commercial purposes or the musical audiovisual recording, such fact

shall be deemed as a binding representation by the Advertiser that the Spot does not contain any such recording.

- 4.5 The Advertiser shall supply the Provider with the carriers containing the Spots and the Spots Broadcasting Schedule, which must comply with the Specific Order, no later than five (5) working days prior to the first broadcasting of the Spot pursuant to the given Specific Order and the Spots Broadcasting Schedule.
- 4.6 The Advertiser shall be obliged to hand over the Spots to the Provider in compliance with the Technical Terms and Conditions and the Spots Broadcasting Schedule. Upon the Advertiser signing the Specific Order, or as the case may be, upon its confirmation by email, the Advertiser represents that the Spots are in compliance with these General Terms and Conditions, the Technical Terms and Conditions, the Spots Broadcasting Schedule and/or any other contractual documentation executed in writing between the Provider and the Advertiser in connection with the procurement of broadcasting of the Promotion.
- 4.7 The Provider shall be entitled not to broadcast a Spot:
- (a) with respect to which the Advertiser fails to supply the Provider in time with a duly completed musical arrangement of the Promotion pursuant to Article 4.4 hereof and the Spots Broadcasting Schedule or the carriers of the Spots pursuant to Article 4.5 hereof;
  - (b) in the event that the Advertiser fails to provide the Spot in accordance with Article 4.6 hereof; or
  - (c) in the event that the Advertiser fails to adhere to the footage of the Spot agreed upon in the Specific Order.
- 4.8 If any event stipulated in Article 4.7 hereof occurs, the Provider shall be authorized, at its discretion, to broadcast a different Spot of the Advertiser than the Spot in connection with which the Advertiser has breached its obligations. The broadcasting of the different Spot shall not be deemed faulty performance by the Provider and shall not affect the Advertiser's obligation to pay the Promotion Price.
- 4.9 If any event stipulated in Article 4.7 hereof occurs and the Provider does not exercise its right pursuant to Article 4.8 hereof, the Provider shall have the right to claim a contractual penalty from the Advertiser in the amount of that part of the Promotion Price corresponding to the price of the Spots which the Provider, for the reasons stated in Article 4.7 hereof, did not broadcast, and, at the same time, the Provider shall be entitled to partially or fully cancel the Specific Order.
- 4.10 All carriers containing the Spots handed over by the Advertiser to the Provider shall remain in the ownership of the Advertiser. The Provider undertakes to store the carriers with due custodial care during the term of the Specific Order; however, the Provider shall be liable for damages caused thereto only up to the amount of their provable purchase price. The Advertiser undertakes to take over the carriers containing the Spots after the termination of the broadcasting of the Spots pursuant to the Specific Order. In the event that the Advertiser fails to take over the carriers with the Spots within six (6) months following the broadcasting of the last Spot pursuant to the Specific Order, the Provider shall be entitled to destroy such carriers.
- 4.11 In the event that the Advertiser fails to provide the Spots in accordance with Article 4.6 hereof or if, according to the Provider, the broadcasting of the Spot could result in:
- (a) a breach of generally binding legal regulations, in particular (i) the Act on Regulation of Advertising; (ii) the Act on Operation of Radio and Television Broadcasting; and/or (iii) the Act on Consumer Protection;
  - (b) a breach of obligations stipulated by the Council for Radio and Television Broadcasting in any license granted for the operation of TV Channels NOVA;
  - (c) a possible recourse against the Provider by third parties (e.g. in respect of disputes concerning copyright or unfair competition, disputes relating to protection of personal rights); and/or
  - (d) a threat to the justified interests of the Provider;
- (hereinafter referred to as the **"Inappropriate Spot"**), the Provider shall, if there are at least five (5) working days remaining until the scheduled broadcasting of the relevant Spot, notify the Advertiser in writing of the Inappropriate Spot and request that the Advertiser rectify the situation by submitting a corrected or substitute Spot, which shall comply with the General Terms and Conditions and the

Technical Terms and Conditions. In the event that (i) the Inappropriate Spot is delivered less than five (5) working days prior to its scheduled broadcasting, or (ii) the Advertiser fails to deliver a corrected or substitute Spot sufficiently in advance prior to the scheduled broadcasting of the Spot, but no later than in the time limit stipulated in Article 4.5 hereof, the Provider shall not be obliged to broadcast the Inappropriate Spot and, at the same time, the Provider shall have the right to claim a contractual penalty from the Advertiser in the amount of that part of the Promotion Price corresponding to the price of broadcasting the Spot or Spots determined in the Specific Order which the Provider, for the reasons stated in this Article, did not broadcast, and, at the same time, the Provider shall be entitled to fully or partially cancel the Specific Order.

## PART 5 SPECIAL PROVISIONS FOR PROVIDING AND RETURNING A PRODUCT FOR THE PURPOSES OF PRODUCT PLACEMENT

- 5.1 For the purposes of Product Placement the Advertiser shall be obliged to provide the Product to the Provider in accordance with the Product Placement Order, these General Terms and Conditions, or other contractual documentation executed in writing between the Provider and the Advertiser in connection with the procurement of the Product Placement at the latest five (5) working days before the day of commencement of filming the relevant scene in the Program according to the Script which contains the Product Placement (hereinafter referred to as the **"Day of Filming"**), unless another date is stipulated in the Product Placement Order.
- 5.2 The Advertiser acknowledges and agrees that the Product, in case of its use for the purpose of a Product Placement, shall be used by the Provider, or, as the case may be, actors, directors, other performing artists or other persons who are employed by the Provider, or who are in any other contractual relationship with the Provider, who perform or otherwise participate in the creation of the Program, particularly for the purpose of (i) artistic enactment of the Script to the extent necessary for the enactment of the appropriate context of the individual Script scenes, (ii) filming and recording such enactment in a tangible medium, (iii) broadcasting the Program on the relevant TV Channels NOVA or any other channels, including the internet, at the discretion of the Provider, (iv) any other transmission of the Program to the public in accordance with the relevant provisions of the Copyright Act, (v) adaptation of the Program, including its translation, and use of the adapted Program to the same extent and in the same manner as set forth in this Article 5.2 hereof, and (vi) copying the Program for the purpose of making it accessible through these copies, and distributing, renting and lending the original or a copy of the Program in any manner (hereinafter referred to as the **"Purpose"**).
- 5.3 By concluding the Product Placement Order, the Advertiser shall provide to the Provider, at the latest on the day the Product Placement Order is concluded, all rights necessary for the fulfillment of the Purpose, and acknowledges and agrees that the Provider shall be entitled to provide or assign these rights to a third party, and the Advertiser further declares that at the latest on such day it obtained all necessary rights and settled all remunerations related thereto. If as a result of these obligations being breached by the Advertiser, a third party makes a claim of any nature against the Provider, the Advertiser undertakes to settle in full these claims and reimburse the Provider all costs that the Provider incurred as a result of such claims being assessed.
- 5.4 For the avoidance of doubt, the Purpose shall not be deemed a Product Placement in the form of an advertisement or a hidden advertisement, and the Program shall not directly encourage the purchase or rental of the Product through the Product Placement, particularly by special mention of the Product for the purpose of its promotion, or by inappropriately emphasizing the placed Product.
- 5.5 In the event that the Advertiser breaches its obligations set forth in Article 5.1 or 5.3 hereof or the Advertiser's representations set forth in Article 5.3 hereof prove to be false, the Provider shall be entitled not to place the Product in the Program. In such cases the Provider shall be entitled at its discretion either (i) place a different product of the Advertiser in the Program instead of the Product in relation to which the Advertiser breached its obligations, provided the Provider has such other product at its disposal, whereas the placement of such other product of the Advertiser in the Program shall not be deemed faulty performance on the part of the Provider and shall not affect the

Advertiser's obligation to pay the Price of Product Placement in the agreed amount, or (ii) not implement the Product Placement at all and request that the Advertiser pay a contractual penalty in the amount of 50% of the Price of Product Placement for the non-implemented Product Placement. In the event that the Provider makes use of its entitlement under point (ii) of the previous sentence, the Provider shall at the same time be entitled to entirely or partially cancel the Product Placement Order.

5.6 In the event that pursuant to the discretion of the Provider the Product Placement specified in the relevant Product Placement Order could result in:

- (a) a breach of generally binding legal regulations, in particular (i) the Act on Regulation of Advertising, (ii) the Act on Operation of Radio and Television Broadcasting, and/or (iii) the Act on Consumer Protection;
- (b) a breach of obligations stipulated by the Council for Radio and Television Broadcasting in any license granted for the operation of TV Channels NOVA;
- (c) a possible recourse against the Provider by third parties (e.g. in respect of disputes concerning unfair competition, disputes relating to the protection of personal rights, etc.); and/or
- (d) a threat to the legitimate interests of the Provider;

(hereinafter referred to as the "**Inappropriate Placement**"), the Provider shall, if there are at least five (5) working days remaining until the scheduled Day of Filming, notify the Advertiser in writing of the Inappropriate Placement and request that the Advertiser rectify the situation to comply with the Product Placement Order, these General Terms and Conditions, or other contractual documentation concluded in writing between the Provider and the Advertiser in connection with the procurement of the Product Placement. In the event that (i) the Product Placement Order contains an Inappropriate Placement and there are less than five (5) working days remaining until the scheduled Day of Filming, or (ii) the Advertiser fails to rectify the situation sufficiently in advance prior to the scheduled Day of Filming, but no later than in the time limit stipulated in Article 5.1 hereof, the Provider shall not be obliged to procure the Inappropriate Placement and, at the same time, the Provider shall have the right to a contractual penalty from the Advertiser in the amount of 50% of the Price of Product Placement for the unimplemented Product Placement, and the Provider shall at the same time be entitled to entirely or partially cancel the Product Placement Order.

5.7 In the Product Placement Order, the Advertiser and the Provider shall agree, *inter alia*, whether the Product is a Product that shall be returned to the Advertiser or a Product that shall not be returned to the Advertiser. A Product that shall be returned to the Advertiser remains the property of the Advertiser and the Provider undertakes to store the Product with due care while the Product Placement Order is in effect, whereas the Provider shall be liable for damage caused thereto only up to the Product's provable purchase price. Normal wear and tear due to regular use of the Product while filming the Program in accordance with the Script shall not be considered Product damage. The Provider undertakes to return such Product to the Advertiser and the Advertiser undertakes to take over such Product from the Provider without undue delay, but at the latest five (5) working days from the day on which the filming of the last scene in the Program according to the Script containing the Product Placement is completed, unless the Product Placement Order stipulates another time limit. The Advertiser acknowledges and agrees that in the event that the Advertiser fails to take over the Product from the Provider within five (5) working days from the day on which the filming of the last scene in the Program according to the Script containing the Product Placement is completed, unless the Product Placement Order stipulates another time limit, the Provider shall, at its discretion, store this Product at the cost of the Advertiser or deliver it to the Advertiser's address at the cost of the Advertiser. The Advertiser further acknowledges and agrees that a Product whose purchase price is less than CZK 10,000 or which, considering the manner in which it is used, is consumed shall not be returned to the Advertiser.

5.8 The Advertiser represents and warrants that all information that it will provide to the Provider in connection with the Product Placement shall be complete, accurate, current and in accordance with the legal regulations of the Czech Republic, including EU legal regulations directly applicable in the Czech Republic. The Advertiser further

represents and warrants that the Product Placement in a Program and the subsequent broadcasting thereof by the Provider shall not result in a violation of any valid legal regulations of the Czech Republic, including EU legal regulations directly applicable in the Czech Republic, particularly the Act on Regulation of Advertising and the Act on Operation of Radio and Television Broadcasting, and also that the rights of third parties shall in no way be affected. If any rightful claims are assessed against the Provider by third parties as a result of false representation according to this Article 5.8, the Advertiser undertakes to settle these claims and reimburse the Provider for any and all costs it incurred as a result of such claims being assessed.

## PART 6 OTHER CONDITIONS OF PROMOTION

### A. Claims

- 6.1 In the event that the Provider provides the Advertiser with faulty performance, the Advertiser shall, under the terms and conditions set forth in Article 6.4 hereof, be entitled to a discount from the Promotion Price pursuant to Article 6.5 hereof.
- 6.2 The following shall, in particular, be deemed as the Provider's faulty performance:

- (a) broadcasting of the Spot in other than the required quality;
- (b) broadcasting of a Spot other than the Spot required by the Advertiser, except for cases referred to under Article 4.8 hereof; and
- (c) placement of a different Product than the one requested by the Advertiser in the relevant Product Placement Order, except for cases referred to under Article 5.5 hereof;

whereas faulty performance pursuant to (a) to (c) above shall not be deemed a material breach of contract.

- 6.3 Notwithstanding the fulfillment of the conditions referred to in Article 6.2 hereof, the following shall not be deemed the Provider's faulty performance:

- (a) failure to broadcast the relevant TV Channel NOVA caused by events beyond the Provider's control. Events beyond the Provider's control shall mean, e.g. civil unrest, military operations, state of emergency or alert, interference by the state or other public authority, weather, failure of communication services, technical failure of broadcasting, lack of electricity, observance of legal regulations by the Provider, including observance of statutory obligations such as providing information to the public, disputes between employees and employers and any other similar events; and
- (b) interruption of the broadcasting of the Promotion due to the fulfillment of the Provider's obligations arising under the generally binding legal regulations.

- 6.4 The Advertiser shall be obliged to assert the claim of faulty performance to the Provider in writing within one (1) month following the date when the Spot or Program containing the Product Placement which is the subject of the claim was broadcasted on the relevant TV Channel NOVA. It must be evident from the claim (i) which particular performance of the Provider is the subject of the claim; and (ii) what, in the opinion of the Advertiser, the Provider's faulty performance consists in.

- 6.5 The Provider shall be entitled to examine whether the claim is rightful. In the event that the Provider considers the claim to be rightful, the Advertiser shall be entitled to a discount from the Promotion Price determined by the Provider in an amount reflecting the character and the extent of the claimed faulty performance.

- 6.6 In the event that an invoice for the Promotion Price, in respect of which the claim was asserted, has already been issued by the Provider, the discount from the Promotion Price shall be applied in the form of a correcting tax document. In other cases, the Provider shall decrease the Promotion Price charged for the faulty performance by the relevant discount.

### B. Contract Fee

- 6.7 Upon conclusion of the Binding Order the Provider shall be entitled to a contract fee to cover the costs connected with conclusion of the Binding Order and with reservation of appropriate capacity for placement of the Advertisement, whereas the amount of the contract fee shall be determined based on the Partial Order Volume according



to the following table, but shall never exceed 30% of the Partial Order Volume.

Partial Order Volume (in CZK)	Contract Fee (in CZK)
0 – 19 999 000	5 000 000
20 000 000 – 39 999 000	10 000 000
40 000 000 – 79 999 000	20 000 000
80 000 000 and more	30 000 000

In the event that the Advertiser, with a concluded Binding Order, places, by means of one or more Specific Orders or Product Placement Orders, an Advertisement on the relevant Media Channels during the given Relevant Period, then the contract fee shall be decreased by the Price of the Advertising Spots corresponding to such placed Advertisement, but at the most by such amount so that the contract fee will be 0 CZK. The contract fee is payable based on an invoice issued by the Provider (a) after being notified by the Advertiser about the part of the Partial Order Volume which will not be placed during the given Relevant Period, or, in the event that no such notification occurs (b) within fifteen (15) calendar days after the lapse of the Relevant Period.

- 6.8 The provisions of Article 6.7 hereof shall not affect the Recalculation (as defined in the Pricing Terms and Conditions) in accordance with the relevant provisions of the Pricing Terms and Conditions, nor shall they affect the Advertiser's obligation to return the discounts granted by the Provider in the event that the Advertiser fails to fulfill the conditions for the granting thereof in accordance with the relevant provisions of the Pricing Terms and Conditions.

#### C. Compensation for Damage

- 6.9 In the event that the Advertiser or the Provider is in breach of any of its obligations arising under these General Terms and Conditions, the Binding Order, the Specific Order or any other contractual documentation executed in writing between the Provider and the Advertiser in connection with the procurement of the broadcasting of the Promotion, it shall compensate the other party for damage caused by such breach. The Provider shall be liable for damage caused by the Provider only up to the amounts provably paid by the Advertiser to the Provider for the procurement of the broadcasting of the Promotion in the Relevant Period. The liability for damage as well as compensation for damage shall be governed by the applicable provisions of the Civil Code. The right to compensation for damage incurred as a result of a breach of an obligation, in respect of which a contractual penalty or late payment interest is applicable, shall not be affected by the payment of the contractual penalty or late payment interest.
- 6.10 The Provider shall not be liable for the non-fulfillment or delayed fulfillment of its obligations caused by events beyond the Provider's control. Events beyond the Provider's control shall mean force majeure, e.g. civil unrest, military operations, state of emergency or alert, interference by the state or other public authority, weather, failure of communication services, technical failure of broadcasting, lack of electricity, observance of legal regulations or the license conditions by the Provider, including observance of statutory obligations such as providing information to the public, disputes between employees and employers and any other similar events.

#### D. Dispute Resolution

- 6.11 Any disputes between the Provider and the Advertiser arising under or in connection with these General Terms and Conditions, the Binding Order, the Specific Order or any other contractual documentation executed in writing between the Provider and the Advertiser in connection with the procurement of the broadcasting of the Promotion shall at first be settled in an amicable way. In the event that such amicable settlement is not reached within one (1) month after the initiation of the dispute resolution, such dispute shall be finally resolved in *ad hoc* arbitration proceedings in accordance with the UNCITRAL arbitration rules, as effective on the date on which the relevant Binding Order or Specific Order was entered into, by three arbitrators. The Provider and the Advertiser shall each appoint one arbitrator and the third arbitrator, who shall chair the arbitration court, shall be appointed by virtue of the mutual agreement between such two appointed arbitrators. In the event that such appointed

arbitrators do not agree on the name of the chairing arbitrator within thirty (30) days after the appointment of the second arbitrator, the third arbitrator shall be appointed in accordance with the legal regulations of the Czech Republic by a competent court of the Czech Republic. The venue of the arbitration shall be Prague and the language of the arbitration shall be Czech.

#### E. Confidentiality

- 6.12 Both the Provider and the Advertiser undertake neither to utilize for themselves or any third party nor to disclose to any third party any confidential information which they acquire or which will be disclosed to them in connection with the procurement of the broadcasting of the Promotion. For the purpose hereof, confidential information shall be deemed, in particular, any Binding Order, Specific Order or any other contractual documentation executed in writing between the Provider and the Advertiser in connection with the procurement of the broadcasting of the Promotion, and furthermore business, organizational, financial, proprietary, marketing and other related information concerning the Provider and/or the Advertiser, their business partners or other persons personally or proprietarily connected with them, and which are not publicly available, regardless of whether or not its disclosure is capable of causing harm to the entity which the information concerns (hereinafter referred to as "**Confidential Information**"). Any Confidential Information concerning or relating to the Provider, especially any Binding Order, Specific Order or any other contractual documentation executed in writing between the Provider and the Advertiser in connection with the procurement of the broadcasting of the Promotion, shall be deemed a business secret of the Provider.
- 6.13 The confidentiality obligation under Article 6.12 hereof shall not apply to the disclosure of Confidential Information:
- to companies which form a holding with the Provider or the Advertiser pursuant to the applicable provisions of the Business Corporations Act;
  - to the employees of the Provider or the Advertiser and to persons acting to their benefit (e.g. lawyers, auditors, experts, etc.), provided that the knowledge of such Confidential Information is necessary for the fulfillment of such person's tasks within the realization of these General Terms and Conditions;
  - provided that the Provider or the Advertiser granted a prior written consent to the disclosure of Confidential Information; and/or
  - in the event of the duty to prevent or report a commitment of a criminal offence or any other duty imposed by law. In such an event, the Provider or the Advertiser shall indicate the provided information as business secret and the Advertiser shall notify the Provider of its provision without undue delay.
- 6.14 Notwithstanding Article 6.12 hereof, the Provider or the Advertiser shall be entitled to provide the relevant Binding Order and/or Specific Order or information contained therein, as well as the draft Binding Order or Specific Order or price recalculation, which is the basis for such draft, to the relevant Client, for whose presentation or for promotion of whose products and/or services such Binding Order and/or Specific Order was or will be entered into between the Provider and the Advertiser. Should this be the case, the Advertiser is obliged to designate the provided information as a business secret of the Provider and to impose an obligation on the Client in writing not to disclose the provided information to any third party.

### PART 7 TERMS AND CONDITIONS FOR PURCHASE OF PROMOTION ON TV CHANNELS OF OTHER PROVIDERS

- 7.1 In the event that the Provider is unable to meet the demand for placement of Promotion on TV Channels NOVA for capacity or program reasons, the Provider can offer to the Advertiser the placement of Promotion on TV Channels of Other Providers, provided it has this option. The Advertiser shall purchase the Promotion on TV Channels of Other Providers under the conditions specified by the Provider and communicated to the Advertiser and based on the contractual documentation concluded between the Advertiser and the Provider in writing. The price of one Gross Rating Point in Prime Time for an Advertising Spot with the duration of 30 seconds broadcasted on TV Channels of Other

Providers shall not be lower than Reference CPP stated in the Binding Order concluded with the Advertiser for the respective Client and the respective Relevant Period. For avoidance of any doubts it is stated that (i) other parts of these General Terms and Conditions shall not apply to the purchase of Promotion on TV Channels of Other Providers, and (ii) the purchase of Promotion on TV Channels of Other Providers does not increase the total Order Volume purchased by the respective Advertiser.

- 7.2 If the Provider has the option, he may offer to the Advertiser the placement of the Promotion on TV Channels of Other Providers from the Provider's group. The Advertiser purchases the Promotion on TV Channels of Other Providers from the Providers group under conditions determined by the Provider and communicated to the Advertiser and based on contractual documentation executed in writing between the Advertiser and the Provider. For avoidance of any doubts it is stated that (i) other parts of these General Terms and Conditions shall not apply to the purchase of Promotion on TV Channels of Other Providers, and (ii) the purchase of Promotion on TV Channels of Other Providers does not increase the total Order Volume purchased by the respective Advertiser.

#### **PART 8 GENERAL AND FINAL PROVISIONS**

- 8.1 In the event that a Binding Order or Specific Order is entered into between the Provider and the Advertiser, such Binding Order or Specific Order shall represent the complete agreement between the Provider and the Advertiser regarding the subject matter thereof and shall supersede any and all preceding contracts, agreements or arrangements, whether written or oral, regarding the subject matter of this Binding Order or Specific Order, except for other Binding Orders or Specific Orders concluded to date between the Provider and the Advertiser in the given Relevant Period.
- 8.2 The content of a Binding Order or Specific Order entered into between the Provider and the Advertiser may be amended only on the basis of a written agreement between the Provider and the Advertiser, signed by the Provider and the Advertiser.
- 8.3 A Binding Order or Specific Order may be validly concluded between the Provider and the Advertiser only if the relevant contractual party (offeree) accepts the proposal for conclusion of the Binding Order or Specific Order without any amendments or deviations.
- 8.4 The Provider shall be authorized to unilaterally amend these General Terms and Conditions, the Pricing Terms and Conditions and the relevant price lists setting out the basic parameters for determination of the Promotion Price; however, any relations arising under Binding Orders or Specific Orders that have already been concluded shall not be affected by any such amendment.
- 8.5 All relations arising under these General Terms and Conditions, including relations arising under the Pricing Terms and Conditions, Binding Orders and/or Specific Orders, shall be governed by the laws of the Czech Republic.
- 8.6 These General Terms and Conditions, as well as the Pricing Terms and Conditions, are issued in both the Czech and English language. In the event of any discrepancy between the Czech and English versions, the Czech version shall prevail.

#### **PART 9 ANNEXES**

- Annex No. 1** Binding Order Template;  
**Annex No. 2** Specific Order Template;  
**Annex No. 3** Product Placement Order Template;  
**Annex No. 4** Binding Specification Template;  
**Annex No.5** Authorization Template; and  
**Annex No. 6** TV NOVA SPORT Binding Order Template.