

## General Terms and Conditions

Media Master, Ltd. (hereinafter, "Media Master") has the authority to close business contracts for the broadcasting of advertisements of any nature on the Czech Television channels (digital broadcasting and broadcasting on Internet included). Contracting parties agree that their mutual business relations will follow the § 262 article.1 of Commercial Legal Code.

### C and A (Contracting and Acquisition) procedure

1. Orders from natural persons or legal entities, can be accepted only with the precise name of the order party, residence (address) and ICO, advertising agency has to enclose written exclusive authorization by the client together with the designation of the products to which the authorization relates. Orders can be accepted only with proper statement of client's name that requests the campaign airing together with promoted products or services.
2. An order party assumes complete responsibility for the contents of the advertising broadcast and releases Media Master and Czech Television from all claims of any nature made by third parties, especially claims made in connection with the provision on unfair competition and copyrights.
3. Through his submission of an order, an order party undertakes to deliver all information's related to rights of performing artists, as well as other rights related to appropriate use. When so requested by Media Master, an order party is under the obligation to document these facts by means of conclusive documentation. An order party will undertake to deliver, together with the commercial, the complete music cue sheet. Exemptions are made for cases when the order party delivers an affidavit by a domestic composer of music represented by the Performing Rights Society (OSA) to the effect that he does not insist on OSA paying him performance honoraria for the use of his musical work in the television broadcast of the commercial in question. If the order party claims that the performance honoraria of foreign composers have been paid, the order party will deliver a declaration of this claim to Media Master, and this declaration will contain the name of the commercial and the name of the composer of the musical segment. After verification by OSA, through the foreign organization representing the rights of the composer in question regarding the protection of his musical compositions, Media Master will inform the order party as to whether or not OSA insists on collecting performance honoraria in this particular case. Performance honoraria for composers of music will be remitted through Media Master to the Performing Rights Society. The order party is responsible for the direct settlement of justified claims of performing artists and producers represented by INTERGRAM in the event of use of audio or audio-visual recordings, which were produced for commercial purposes in the commercial. At the request of Media Master, the order party is obligated to submit a report for Intergram with the requested data filled in. In opposite is Media Master allowed to charge the order party extra expenses based on the Rate card of special services of Media Master, which is released on [www.media-master.cz](http://www.media-master.cz).
4. An order party will provide Media Master with a commercial the content and method of implementation of which is in accord with the laws of the ČR, with television broadcasting standards, and with regulations relating to television broadcasting as well as with conclusions of Advertising Council (RPR). The content of commercial (sponsorship messages) mustn't with its content evoke impression, that it seems about programme of Czech television or copy it. The order party approves and agrees of broadcasting the spots also on Internet in case the TV program will be transmitted on such a medium.
5. The order party approves and agrees of approving a commercial by Czech television with regard to the content or form of the commercial.
6. Material for broadcasting provided by the order party (schedule of broadcasts of commercials, their media, and music cue sheet), must be delivered to Media Master by the order party no later than 3 working days before the first planned broadcast. All technical conditions and requirements for the realization of a commercial are stated in the technical guidelines of Media Master, which are part and parcel of the General Contracting Conditions. In the event that the above-stated conditions or requirements are not adhered to, the order party bears all consequences pursuant to changes, which arise in the contract that was closed between the order party and Media Master in the context of the given advertising campaign. Volume of these extra expenses is given in Rate card of special services of Media Master, valid since November 1st 2001. Media Master is obligation to store video and audio media begins upon their receipt, and is terminated 12 months after their final airing. After this period has elapsed, Media Master has the right to destroy the aforementioned media. During the storage period, Media Master guarantees the broadcasting material only up to the value of the purchase price of the actual media.

### Reservations - Cancellation of a Contract

7. Media Master reserves the right to reject an order or to cancel an already closed contract if :
  - a. it depends on the decision of Czech Television,
  - b. after juridical verdict of Media Master the commercial spot is contrariety to law or with its content evoke impression, that it seems about programme of Czech television or copy it.
  - c. the broadcasting is not allowed from programming reasons,
  - d. order party is in delay with pay off,
  - e. order party does not deliver broadcasting material in time, or material doesn't correspond with technical conditions.
8. A written order is the condition for the reservation of broadcasting times.
9. Media Master will receive orders for the period determined by the Rate card.
10. Media Master will prepare a first contract proposal immediately upon its receipt of an order, but no later than 5 working days later. Order party is obligated to accept the first contract proposal in time period of 5 working days since the proposal's delivery, otherwise the proposal will be canceled. During those days remains the reservation period. Order party has the right to do obligatory order changes during the reservation period and Media Master is responsible to realize the changes in the last issued contract proposal as required under following conditions:
  - a. If these changes accord with actually available offer of the commercial breaks
  - b. If the price difference of the first contract proposal and the actual order will not decrease by more than 10 % after all of changes done during the reservation period.

The each obligatory change is realized by issue of edited contract proposal.

11. In case that an order party decides to do obligatory order change over the limit described in point 10. (b.), he is obligated to pay a reward in the amount of 5 % of the price of commercials consequent on the difference between the first rendered broadcasting contract proposal and the latest required change of the order. All proposals for contracts, which are not confirmed in writing by the stated deadline, will be automatically canceled and the order party is obligated to pay a reservation fee in the amount of 5 % of the price of commercials from the last issued contract proposal.
12. In case that an order party wishes to cancel the confirmed airing of a commercial, he must do so by sending a written announcement, which must be delivered to Media Master not later than 6 weeks before the airing of the commercial in question. If he does not meet the deadline, he is obligated to pay a severance pay in the amount of 100% of the price stated in the contract.

#### **Broadcast and Price Conditions**

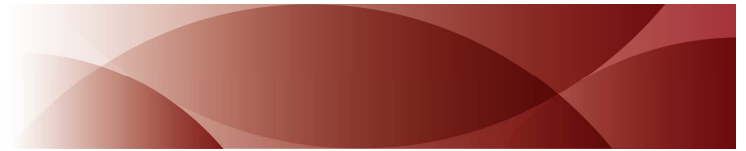
13. Commercials are invoiced in accordance with valid Media Master Rate card valid in time of contract confirmation. Price of individual commercial is set from product, service or client name with dominant presentation (outweigh presentation in sense of size or time of preview) in a commercial and can be increased by surcharges for spot position or decreased by discounts (media buyers discount, discount for sponsoring, teletext, summer period, ...)
14. Commercials are broadcasted in accordance with the valid Media Master Rate card. Media Master reserves the right to determine special price for a special program. In this case the price is different from current Rate card. Confirmed dates and times of broadcasts will be adhered to as far as is possible, but Media Master reserves the right to broadcast a commercial either earlier or later, for programming or technical reasons, or due to force majeure. An order party will pay only for broadcasting which actually occurs, but will not pay more than the contracting price. Any requests for compensation in this sense are expressly ruled out.
15. Prices in the Rate card and the performing honoraria of composers do not include the valid basic rate of VAT. All prices stated in the Rate card are part and parcel of these General Terms and Conditions. Any changes in the Rate card must be published at least one month before they become effective. Because of a price change, an order party can cancel a contract. This cancellation must be executed in writing. Media Master reserves the right to withdraw from an already closed contract if an order party does not accept the price changes.
16. The basis for the calculation of the price for broadcasting is the length of the commercial as specified in the valid Rate card. When the length of the commercial which is stipulated in the Rate card as the basis for the calculation of the broadcasting price is exceeded, the next longer commercial segment is used.
17. The order party is liable to correct and unexceptionable content of commercials and responses to harm of Media Master or Czech television that caused by breach of this duty. Orderer is responsible to cover Media Master and Czech television entire loss claimed by third parties which is linked with content of commercial spots, especially requirements came up from authors rights and rights to unfair competition protection.

#### **Agency commission, surcharges, discounts**

18. An advertising agency is entitled to agency commission in the amount of 15% of the total sum (i.e., Rate card prices with possible surcharges or discounts and with a reflection of possible volume discount figured in).
19. A 30% surcharge is levied for requested first or last position and 20 % for other requested positions of a commercial in a block.
20. A surcharge of 15 % of the price is levied for the presentation of a product, service or name of another client in the commercial without dominant presentation volume.
21. The basis for calculating a possible volume discount is created by the total contracting price for a certain advertisers broadcasts during the course of one calendar year. Syndicate rebates can be extended only under special conditions. Sponsorship is calculated into the total initial sum for quantity rebates.

#### **Terms of payment**

22. Invoices (tax documents) are made out after the end of the tax period (calendar months), on the condition that Media Master reserves the right to make out the invoice during the course of the month, in case that the broadcasting of the commercial was concluded by the 20th day of the month.
23. Before the first broadcast, Media Master can request that a deposit be paid up to complete amount of negotiated price for broadcasting, possible VAT including.
24. Invoices are due within 24 calendar days following the end of the billing period. Maturity of invoice is understood as a transfer of complete amount of negotiated price for broadcasting, possible VAT including, on the Media Master bank account. The interest for late payment for each day of delay is 0,05 % of the amount outstanding.
25. Media Master reserves the right not to start an ordered and confirmed broadcast, and/or to interrupt a broadcast, which has already been started, in the event that the order party does not fulfill his financial obligations towards Media Master. Further, an order party is responsible in such a case for damages, which will, through the aforementioned non-fulfillment, be incurred by Media Master.
26. Direct payments made from abroad are made in Euro or US Dollar, in an amount corresponding to the contracting sum, converted according to the official exchange rate stated by CNB on the billing date. Exclusively the order party pays banking fees pursuant to the transfer of contracting sums from abroad. The issuing of a check or draft without the appropriate transfer to the account cannot be considered to be a payment.



#### **Responsibility for damages**

27. Order party has a duty to set up a claim to faulty broadcast in written in a period up to 1 month after the commercial's airing. After this period Media Master is not bound to accept optional claims settings to faulty in broadcasting.
28. Commercial airing is fault if it was not broadcasted at all or in bad quality.
29. In case order party sets up the claim in time has title to compensation in discount from airtime price. The set up claim is not possible to change without agreement of Media Master.

#### **Final Treaty**

30. A Czech and an English version of these General Contracting Conditions are obligatory. In the event of a dispute, the Czech version is decisive.
31. These conditions are part and parcel of the contract signed up between Media Master and order party. In the event of a dispute, the contract is decisive.
32. This agreement follows the juridical frame of Czech republic and optional causes that will not be solved expiratory, will be arbitrated by Arbitration Court by Economic chamber of CR and Agrarian Chamber of CR after valid rules of arbitrator judicature with three umpires. Place of arbitrary is Prague.
33. After the approval of spot codes for the purpose of electronic measurement of TV audience every material determined to broadcasting have to be regularly marked. In case it won't happen Media Master manage to mark such a material on costs of order party. Costs will be calculated after a general Rate card.
34. All relationships not covered in the General Contracting Conditions are governed by the valid laws of the Czech Republic

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