

Česká televize
Identification number: 00027383

and

Strong Media Kft.
Identification number: 01 09 329146

**FRAMEWORK AGREEMENT
FOR ADVERTISING
IN CZECH TELEVISION BROADCAST**

No. REK224-00155/252

Subject matter: Framework agreement – commercial communications
broadcasting

Price, potential value: Trade secret

Date of conclusion:

9.5.2024

FRAMEWORK AGREEMENT FOR ADVERTISING IN CZECH TELEVISION
BROADCAST,
(HEREINAFTER REFERRED TO AS "THE FRAMEWORK AGREEMENT")

entered into under S. 1746 (2) et seq. of Act No. 89/2012 Sb., the Civil Code (hereinafter referred to as "**the Civil Code**"), by and between:

Česká televize

Identification number: 00027383, VAT number: CZ00027383

Kavčí hory, 140 70 Praha 4

established by Act No. 483/1991 Sb., the Czech Television Act, and not entered in the Register of Companies,

represented by: Ing. Hynek Chudárek, Executive Director, Sales

Bank details: Česká spořitelna, a.s.

Account No.: 1540252/0800

(hereinafter referred to as "**Czech Television**" or "**CT**")

and

Name of organization: Strong Media Kft.

Identification number: 01 09 329146, VAT number: HU 26218874

with its registered: 1065 Budapest, Nagymező utca 36. IV. floor 2.

represented by Annamaria Dr. Samu-Takáts

Bank details: UniCredit Bank Hungary Zrt. SZABADSÁG TÉRI FIÓK (1054 BUDAPEST, SZABADSÁG tér 5-6.)

Account No.: **IBAN:** HU94109180010000009798550016

SWIFT: BACXHUHB

(hereinafter referred to as "**the Advertiser**")

Czech Television and the Advertiser are hereinafter also jointly referred to as "**the Contracting Parties**" or separately as "**the Contracting Party**").

I. CONTRACT PURPOSE

- 1) The purpose of this framework agreement for Advertising in Czech Television broadcast (hereinafter referred to as the "Framework Agreement") is to agree on the binding basic general terms and conditions for the insertion of commercial communications in broadcast – namely the advertising in Czech Television broadcasts.

This Framework Agreement concerns advertising [redacted]
[redacted]

[redacted]

Agency	Client	Channel	Date	Break Name	Break Code	Exp. Time	Před. Rt.	Break Type	Length
[redacted]									

- 3) The Advertiser notes that the content and chronology of the Program just like the broadcasting time may not be influenced in any way which would affect the editorial responsibility and independence of Czech Television.

II. SUBJECT MATTER

- 1) The subject matter of this Framework Agreement is the commitment by Czech Television to insert in Czech Television broadcasts commercial communication in the form of:

Advertising

as part of Czech Television broadcast in the scope and under the conditions stated hereinafter.

Advertising: The length of the advertising message is 10 seconds. The advertising message will be placed according to the specification in Article I. paragraph 2 of the contract. Contact person for approval process of advertising message:

[redacted]

- 2) As for the form of Advertising the Advertiser undertakes to comply with the General Terms and Conditions for Advertising in Czech Television Broadcast which are annexed to this Framework Agreement.

[redacted]

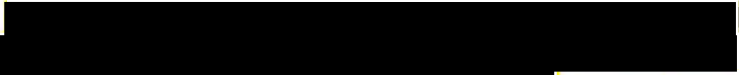

III. PRICE AND PAYMENT CONDITIONS

- 1) The Contracting Parties agree that the price of the maximum scope of performance by Czech Television amounts to a total of [REDACTED]. The Advertiser is obliged to pay VAT on the territory of the Hungarian Republic according to applicable legal regulations.
- 2) Before signing the Framework Agreement, Česká televize (Czech Television) will issue an **advance invoice**, a tax document, for the performance provided by it, [REDACTED].
After the advance invoice will be paid, a final invoice will be issued with an accounting of the paid advance. The Advertiser acknowledges and accepts that time is of the essence with respect to the payments hereunder. In the event that full payment is not made on or before the due date, Czech Television shall not broadcast advertising and/or to be entitled to terminate this Agreement.
- 3) The invoice will be sent by e-mail to [REDACTED].
- 4) In the case of delay in the remuneration payment, Czech Television is entitled to a contractual late payment interest in the amount of 0.03 % of the due amount for each day of delay in the invoice payment.

[REDACTED] Should the Advertiser fail to perform its obligation under clause II. paragraph 1) of this Framework Agreement and advertising message will not be delivered, Czech Television is entitled to request a contractual penalty [REDACTED].

IV. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES


- 1) The Advertiser undertakes:
 - a) to conduct its activity in accordance with the legitimate interests of Czech Television;
 - b) to carry out its activity under this Framework Agreement to the best of its abilities and possibilities making an effort which can be requested from it;
 - c) to follow the instructions of Czech Television as well as the General Terms and Conditions for Advertising in Czech Television Broadcast which are annexed to this Framework Agreement as Annex No. 1;
 - d) to see to it that, during the performance of its activity, the reputation of Czech Television is not damaged.
- 2) Czech Television undertakes:

- a) to cooperate with the Advertiser and to provide it with all necessary assistance, so that the Advertiser would be able to perform the obligations set forth by this Framework Agreement;
 - b) to comment continuously on the Advertiser's requirements relating to the performance provided under this Framework Agreement.
- 3) Czech Television has a right not to insert the Advertising agreed by the Advertiser in the broadcast if:
 - a) They fail to meet the conditions set out in the legislation (especially by Act No. 231/2000 Sb., the Radio and Television Broadcasting Act as Amended, Act No. 40/1995 Sb., the Advertising Regulation Act as Amended, Act No. 132/2010 Sb. the Act Regulating the Provision of On-Demand Audiovisual Services as Amended, and Act No. 121/2000 Sb., the Copyright Act as Amended);
 - b) it fails to meet the conditions set out in the General Terms and Conditions for Advertising in Czech Television Broadcast, including the technical criteria specified therein;
 - c) it fails to comply with the Code of Czech Television;
 - d) it interferes with the rights or legitimate interests of third parties.
- 4) Should a commercial communication not be inserted in the broadcast for reasons attributable to the Advertiser stated in article IV., paragraph 3) of this Framework Agreement, that is, should the Advertiser insist on a form of commercial communication which, if broadcast, would be contrary to the legislation, Czech Television is entitled to be paid a contractual penalty 

- 5) If, for the purposes of broadcasting a commercial communication, the Advertiser supplies an audiovisual work, the Advertiser is obliged to ensure the conclusion of any contracts for the production of the first fixation of the audiovisual work and the inclusion of copyright works, artistic performances and other protected subject matter under the Copyright Act in the audiovisual work with the director as well with the authors of the works used in the audiovisual works, including the authors of musical works, performing artists and all the other right-holders under the Copyright Act, so that Czech Television would have the right to use the Advertiser's audiovisual work in the form of communication to the public under S. 18 of Act No. 121/2000 Sb., the Copyright Act as Amended, and for an unlimited period of time and without territorial and quantitative restrictions with the exception of the rights compulsorily collectively managed.
- 6) The Advertiser undertakes that no justified claims of right-holders will be asserted against Czech Television in connection with the use of an audiovisual work pursuant to the previous paragraph. Should such claims pursuant to the previous sentence be asserted against Czech Television, the Advertiser is obliged to satisfy these claims in full and to fully compensate Czech Television for damage. In this case, Czech Television also has the right to withdraw from the Framework Agreement and/or from the Separate Agreement(s).

V. GENERAL TERMS AND CONDITIONS

- 1) The General Terms and Conditions for Advertising in Czech Television Broadcast form Annex No. 1 to this Framework Agreement. The Advertiser hereby confirms that it is familiar with the General Terms and Conditions for Advertising in Czech Television Broadcast, agrees with them and undertakes to respect them.
- 2) Czech Television has a right to modify (amend) the General Terms and Conditions unilaterally. The information on any amendments to the General Terms and Conditions, if any, will be posted by Czech Television on its website www.ceskatelevize.cz no later than 15 days prior to the day of their effect. Should the modification of the General Terms and Conditions lead to a worsening of the Advertiser's position, the Advertiser has a right to refuse the modifications and to terminate this Framework Agreement.

VI. CLOSING PROVISIONS

- 1) The Contracting Parties declare that the specification of the subject matter of this Framework Agreement and of the price or, as the case may be, of the value of the subject matter of this Framework Agreement on the front page of this Framework Agreement is not of a regulatory nature and is only mentioned herein for the purposes of the publication of this Framework Agreement in the register of contracts.
- 2) This Framework Agreement enters into force at the date of its signature by the last Contracting Party. This Framework Agreement takes effect at the date of its publication under Act No. 340/2015 Sb., the Act Regulating Special Conditions for the Effects of Certain Contracts, Publication of Such Contracts and the Contracts Register (the Contracts Register Act) as Amended.
- 3) This Framework Agreement is governed by the law of the Czech Republic, particularly by the Civil Code. Any disputes between the Contracting Parties will be settled primarily by agreement. Should the Contracting Parties fail to reach an agreement on the settlement of a certain dispute, the resolution of the dispute will fall under the jurisdiction of the courts of the Czech Republic.
- 4) The Contracting Parties expressly declare that there is no established practice and/or trading habits between the Parties the application of which is expressly excluded by the Parties.
- 5) 
- 6) Any references to provisions or, as the case may be, clauses, used in this Framework Agreement represent references to provisions or, as the case may be, clauses, of this Framework Agreement unless the given reference expressly states otherwise.
- 7) Should any of the provisions of this Framework Agreement, or its part be, pursuant to the legislation, disregarded as void, or should any of the provisions of this Framework

Agreement, or its part become invalid, ineffective and/or unenforceable, that provision will, to the relevant extent, be severed from the other provisions of this Framework Agreement, and will not have any impact on the validity, effectiveness and enforceability of the other provisions of this Framework Agreement. The Contracting Parties undertake to replace such void or invalid, ineffective and/or unenforceable provision or its part with a new provision which will be valid, effective and enforceable and the material content and economic significance of which will be identical or as similar as possible to the provision being replaced, so that the purpose and the substance of the Agreement remain preserved. To exclude any doubt, the Contracting Parties hereby expressly exclude the application of S. 576 of the Civil Code.

- 8) The Contracting Parties have agreed that:
- a) Any modification of this Framework Agreement can be made exclusively and solely in the form of a written appendix signed by both Contracting Parties with their signatures attached on the same instrument;
 - b) neither usages nor established practice of the parties prevail over the provisions of this Framework Agreement, or over legal provisions;
 - c) they take on the risk of a change in circumstances and that each Contracting Party will bear the risk on its own behalf; the provisions of S. 1766 of the Civil Code will not apply;
 - d) the lapse of an additional period for performance without any action taken does not result in automatic withdrawal from this Framework Agreement;
 - e) after one of the Contracting Parties signs the draft of this Framework Agreement or its appendix and submits it to the other Contracting Party for signature, the other Contracting Party may not adopt the given draft with a supplement or derogation.
 - f) if an expression used in this Framework Agreement allows different interpretations, it shall not be interpreted against the one that used it first should any doubt arise;
 - g) the application of any contractual penalty under this Framework Agreement does not affect the right of the affected Contracting Party to a full compensation for damage.
- 9) The Parties agree that the content of this Framework Agreement as well as any information which will become known to the Contracting Parties in connection with the negotiations over this Framework Agreement, its performance and in connection therewith will be regarded as confidential, and that none of the Contracting Parties is, without the prior written consent of the other Contracting Party, authorized to disclose this information to third parties, not even after the termination of the performance of this Framework Agreement or after the termination of this Framework Agreement, except for the information: (i) which Czech Television itself normally communicates to third

parties in connection with the preparation, production, distribution and/or promotion of its program content which is covered by this Framework Agreement and/or in connection with its promotion; (ii) which a Contracting Party provides or publishes based on a piece of legislation; and (iii) which a Contracting Party provides to its expert advisers and/or other associates bound by a legal duty and/or the contractual duty not to disclose information. This Framework Agreement will be published by Czech Television using the procedure set out by law, and the information marked in yellow will be made illegible. The injured Contracting Party is, for any breach of any obligation under this paragraph, entitled to request from the Contracting Party in breach the payment of a contractual penalty [REDACTED]

- 10) This Framework Agreement is executed in two counterparts with the validity of the original (one for Czech Television, one for the Advertiser). The Advertiser undertakes to send (i.e., to hand over to the postal operator for transport) Czech Television the counterparts of this Framework Agreement which it has signed and which are intended for Czech Television no later than the second business day after its signature. annexes:

Annex No. 1: The General Terms and Conditions for Advertising in Czech Television Broadcast

The Contracting Parties hereby represent and acknowledge that they have read this Framework Agreement carefully, that its content is comprehensible and definite, and that they are not aware of any reasons why this Framework Agreement could not be concluded by the Contracting Parties and the obligations hereunder duly fulfilled, and that they are not aware of any reasons why this Framework Agreement should be null and void. To indicate that they agree with the content of this Framework Agreement without reservations and of their free and earnest will and that this Framework Agreement has not been concluded in distress or under otherwise unilaterally unfavorable conditions, the Contracting Parties attach their signatures below.

Česká televize

Strong Media Kft.

[REDACTED]
Name: Hynek Chudárek [REDACTED]

Position: Executive Director, Sales

Place: Prague

Date: 9. 5. 2024

[REDACTED]
Name: [REDACTED]

Position: Managing partner

Place: Budapest

Date:



The General Terms and Conditions for Advertising in Czech Television Broadcast

1. Applicability

These General Terms and Conditions for Advertising in Czech Television Broadcast regulate the basic rules for the insertion of advertising in the broadcast of Czech Television channels.

2. The basic terms and conditions

The advertising spots delivered to be broadcast on Czech Television channels must be in line with these General Terms and Conditions for Advertising in Czech Television Broadcast (hereinafter referred to as the “General Terms and Conditions”), in line with the legislation, especially with Act No. 231/2001 Sb., the Radio and Television Broadcasting Act as Amended, Act No. 40/1995 Sb., the Advertising Regulation Act as Amended, Act No. 634/1992 Sb., the Consumer Protection Act as Amended, and also with the Code of Czech Television and with the Code of the Advertising Standards Council.

Unless Act No. 231/2001 Sb., the Radio and Television Broadcasting Act as Amended, provides otherwise, it is Act No. 40/1995 Sb., the Advertising Regulation Act as Amended, that applies to the regulation of advertising.

Czech Television

Czech Television is a legal entity established by Act No. 483/1991 Sb., which is, by virtue of law, a broadcaster.

Czech Television broadcasts its programs freely and independently. It will not allow the Advertiser or the client to influence the content of its programs or the organization of its schedule. The fact that a certain person was, is, or is to become the advertiser or a client of Czech Television may not be used as the basis for any preferential or other treatment in relation to the content of its programs with the exception of the advertising the broadcast of which was ordered by Czech Television.

The Advertiser

The advertiser means a legal entity or an individual that has ordered advertising from another legal entity or individual.

The Author

The Author of an advertisement means a legal entity or an individual that has created an advertising spot for itself or for another legal entity or individual.

The Purchase Order

The Purchase Order means the Advertiser’s offer to enter into an agreement using a Czech Television model purchase order form.

Definition of Advertising

Advertising means any form of public announcement broadcast whether in return for payment or for similar consideration in order to promote the supply of goods or services, including immovable property, rights and obligations, in return for payment

Advertising spot

An advertising spot means a complete and compact commercial communication the content of which consists in advertising intended for television broadcast.

The content of an advertising spot may not create the impression that it is a Czech Television program or imitate it.

Channel

A channel means channel CT1, channel CT2, channel CT24, and CT sport

Prime time

Prime time means the time between 7 p.m. and 10 p.m. of the given day. The time reserved for advertising in prime time may not exceed 6 minutes per clock hour.

The amount of advertising time on CT2 and CT sport

The time reserved for advertising on channels CT2 and CT sport may not exceed 0.5% of the daily transmission time on any of the two channels; during prime time, it may not exceed 6 minutes per clock hour on any of the two channels.

The amount of advertising time on CT1 and CT24

No advertising may be inserted on channels CT1 and CT24 with the exception of advertising inserted in the channel broadcasting in direct connection with the transmission of a cultural or sporting event in the case that broadcasting the advertising is a necessary prerequisite to obtain the television broadcasting rights for such sporting or cultural event. The time reserved for such advertising may not exceed 0.5% of the daily transmission time, and during prime time it may not exceed 6 minutes per clock hour.

A direct connection with the transmission of a cultural or sporting event means advertising inserted in an advertising block immediately preceding the broadcast of the program the content of which consists in broadcasting a cultural or sporting event, immediately after the broadcasting of such a program and, in the case of natural breaks, also inside such a program.

Program

For the purposes of television broadcasting, a program means a set of moving images with or without sound, whose content, form and function constitute a closed unit of broadcasting and which represents an individual item in its programming.

Program schedule

For the purposes of these General Terms and Conditions, a program schedule means the chronological organisation of programs and other parts of the broadcast of the given channel during a given period, during which the advertising spot is to be inserted in the broadcast.

Advertising campaign

An advertising campaign means the purchase of advertising for a specific period on Czech Television channels.

Price list

- 1) Advertising spots are charged in accordance with the valid price list. The prices in the price list are set net of the VAT.
- 2) The price of an individual advertising spot is set depending on the product, service or name of the client with a dominant presentation (a prevailing size or duration of the presentation) in the advertising spot, and may be increased by surcharges or decreased by discounts. Czech Television reserves the right to set, in respect of an extraordinary program, a price which may differ from the price stated in the price list and which reflects the extraordinary character of the program.
- 3) Unless provided otherwise, the price for the broadcasting of an advertising spot is calculated based on the seasonal coefficients and the footage coefficients contained in the valid price list. In the case of exceeding the spot footage stated in the price list, the price will be calculated based on the nearest longer spot footage.
- 4) Czech Television reserves the right to amend the price list.

GRP

The GRP (Gross Rating Point), or a cumulative viewer rating, means 1% out of the people included in the Adults 15+ target group (D 15+). The D 15+ target group means people over 15 living on the territory of the Czech Republic.

This indicator shows the number of viewings of an advertisement stating the number of contacts made per 1% of the target group; the calculation is made making a sum of the ratings of all the advertisements within a given campaign. Individuals may be counted in multiple times; therefore, the value can be higher than 100%. A rating means the number of people within the D15+ target group who were watching the given advertisement at a given time.

Materials for broadcast

Materials for broadcast mean:

- 1) The audio-visual recording of the advertising spot in a format in line with the Technical requirements for the broadcast of advertising on Czech Television channels;
- 2) the musical arrangement of the advertising spot must contain at least the name of the used piece of music, the names of all the authors (including the lyricist), the designation of the producer (publisher), the exact footage of the music used in the spot, the way of usage, the names and surnames of the performing artists, the original number of the medium and, in the case of using commercial films, also the name of the film, the name of the producer, the names and surnames of the performing artists, the original number of the medium, the year of the production and the used footage of the commercial film;
- 3) the proposed distribution of the advertising spots in the broadcast of the given channel.

3. Entering into agreements

3.1. Czech Television will broadcast advertising spots based on an agreement for the broadcasting of advertising spots (hereinafter referred to as the "Agreement") made

between Czech Television and the Advertiser, by which, under the conditions stated therein, Czech Television undertakes to broadcast advertising spots for the Advertiser and the Advertiser undertakes to pay Czech Television a fee (hereinafter referred to as the "Fee") in return.

3.2. The Agreement is made in writing. The Agreement is made by the contracting parties' signature (the contracting parties expressly accept as signature also its scanned image). The Agreement is made using the model purchase order form. The purchase order shall contain the Advertiser's trade name, registered office/address and identification number. In case that the Advertiser is an agency, Czech Television has a right to request the delivery of a written exclusive authorization by the client listing the products or services covered by the authorization as a precondition to enter into the agreement.

3.3. These General Terms and Conditions are part of the Agreement In accordance with the provisions of S. 1751 (1) of Act No. 89/2012 Sb., the Civil Code as Amended ("the Civil Code"). Divergent arrangements in the Agreement take precedence over the text of these General Terms and Conditions. The Agreement and the legal relationship created thereby are governed by the Civil Code.

3.4. The draft Agreement, i.e. the written Purchase Order, shall be submitted by the Advertiser.

3.5. Czech Television will send the Advertiser the supporting documents and conditions under which it accepts the first draft of the Agreement made by the Advertiser no later than within five business days of the notification by the Advertiser of its intent to enter into the Agreement. If the Advertiser wishes to reserve a broadcasting time, the Advertiser has the duty to submit the first draft of the Agreement within five days from the delivery of the supporting documents mentioned in the first sentence, however, no later than within three business days before the commencement of the campaign. The Advertiser has a right to make binding amendments to the draft Agreement during this period, and Czech Television undertakes to accept the draft Agreement amended by the Advertiser only under the following conditions:

- a) provided that the amendments are in line with the offer of advertising blocks which is currently available;
- b) provided that, after all the amendments made during the reservation period, the difference in the price for the advertising under the first draft of the Agreement and under the amended draft of the Agreement does not fall by more than 10%.

3.6. The Advertiser is authorized to cancel a firm order to broadcast an advertising spot only on the basis of a written notification delivered to Czech Television no later than two weeks before the first day of broadcast of the advertising spot set by the concluded Agreement. After the lapse of the time specified in the first sentence, the Advertiser must pay a compensation in the amount of 100% of the Fee pursuant to the Agreement within the intention of the provisions of S. 1992 of the Civil Code.

4. Special provisions regarding the conditions for accepting orders made under the GRP (cumulated viewer rating of advertising spots) guarantee and the related pricing

4.1. In addition to the elements set out in clause 3 paragraph 3.2., the Agreement must contain the required number of GRPs (Gross Rating Points) for each footage, the price of the campaign (the Fee), the footage specification and timing of the campaign.

4.2. The Advertiser schedules the campaign into any available time slots in coordination with the competent department of Czech Television. Czech Television reserves the right to refuse the GRP warranty in case that the campaign is placed in an advertising block which is designed for a specific target group (sport programs, children's programs, etc.) or which are sold at a special price.

4.3. During the campaign, Czech Television is entitled to add, remove or change the scheduled deployment of advertising spots in collaboration with the Advertiser, so that the campaign achieves the desired amount of GRPs. The Advertiser is entitled, when planning the campaign and in agreement with Czech Television, to label 20% of the advertising spots as key spots; these advertising spots will not be removed or transferred to other advertising blocks during the campaign.

4.4. In the event that the Advertiser insists on a guaranteed amount of GRPs which is more than 5% lower than the amount of GRPs estimated by Czech Television, the Advertiser is, in case of overfilling the campaign, obliged to pay the amount of the actually delivered GRPs.

4.5. The minimum duration of a guaranteed campaign is one month and the required total amount of GRPs will be delivered during the given month of the campaign. If the Advertiser requires that the campaign would be shorter, Czech Television is entitled to refuse the GRP guarantee.

4.6. Should the campaigns fail to achieve the agreed number of GRPs (i.e. if the total number of the GRPs actually delivered is lower than the one agreed in the Agreement), the really (actually) delivered GRPs will be charged; in this case, the Fee stipulated in the Agreement will change automatically. In this case, the number of the actually delivered GRPs (as well as the Fee amount) results from the invoice issued.

5. Delivery of materials for broadcast and broadcast of advertising spots

5.1. The Advertiser undertakes to ensure that all necessary rights to broadcast an advertising spot have been acquired and that all claims of all

a) holders of copyrights or rights related to copyrights, whose works, artistic performances or recordings are used and included in the advertising spot, in particular authors, performing artists, producers of sound and audiovisual recordings;

b) holders of other intellectual property rights (e.g. trademarks, utility and industrial models);

c) holders of moral rights;

d) holders of rights of protection against unfair competition and holders of other rights,

e) as well as other natural persons and legal entities involved in the production of the advertising spot

will be settled except for remunerations for television broadcast of music works of authors represented, with regard to their property copyright, by collective manager OSA – The Copyright Protection Association for Music Rights, and except for remunerations for television broadcast of audio recordings issued for commercial purposes within the meaning of S. 72 (2) of Act No. 121/2000 Sb., the Act to Regulate Copyright, Rights Related to Copyright and Amendment to Certain Acts (the Copyright Act), as Amended. The Advertiser undertakes, based on the request of Czech Television, to prove that all claims are settled in the aforementioned scope. In the event that the Advertiser breaches its obligations stated in this Paragraph or if some of its statements prove to be false, the Advertiser is obligated to compensate Czech Television for any damage thus incurred as well as for any claims asserted against Czech Television.

5.2. The Advertiser has the duty to deliver to Czech Television at its own expense the advertising spot the content of which is in line with the legislation of the Czech Republic, in particular with Act No. 231/2001 Sb., the Radio and Television Broadcasting Act as Amended, Act No. 40/1995 Sb., the Advertising Regulation Act as Amended,, Act No. 634/1992 Sb., the Consumer Protection Act as Amended, and also with the Code of the Advertising Standards Council and with these General Terms and Conditions and with the Technical requirements for the broadcast of advertising. The content of the advertising spot may not create the impression that it is a Czech television program or imitate it. The Advertiser undertakes to bear the legal and financial consequences of any potential breach of the above commitment and to compensate Czech Television for damage suffered in consequence of a causal connection therewith.

5.3. Should the Advertiser fail to supply an advertising spot in line with the legislation, these General Terms and Conditions and the Technical requirements for the broadcast of advertising or, if, based on the Czech Television's consideration, a piece of legislation or ethical codes might be breached, or should there be sanctions by third parties or, as the case may be, should the rightful interests of Czech Television be at risk, or should the content of the advertising spot create the impression that it is a Czech Television program, Czech Television is entitled to **withdraw** from the Agreement.

5.4. The Advertiser notes and agrees that an advertising spot broadcast on a Czech Television channel may also be broadcast on the Internet in the case that the Czech Television broadcast or its part are transmitted in this way.

5.5. The Advertiser undertakes to deliver the material for broadcast to the location specified by Czech Television at its own expense no later than 3 business days before the first scheduled broadcast.

5.6. Should the Advertiser fail to deliver Czech Television complete material for the broadcast duly and in time Czech Television is entitled not to include the advertising spot in its broadcast. The Advertiser is, in this case, obliged to pay a **contractual penalty** in the amount of the Fee agreed by the Agreement. This does not affect the right of Czech Television to a full compensation for damage.

5.7. Provided that the advertising spot is inserted in the broadcast, Czech Television is entitled to request from the Advertiser a contractual penalty in the amount of CZK 1,000 for each new day of delay in delivering the duly processed material for broadcast in pursuance of paragraph 5.5. This does not affect Czech Television's right to a full compensation for damage.

5.8. Czech Television has a **right to refuse** to broadcast an advertising spot in the case that the broadcast might cause harm to its goodwill or should the broadcast be incompatible with other obligations of Czech Television or contrary to the legislation, good manners or its other justified interests.

6. Withdrawal from the Agreement

6.1. Czech Television reserves the right to withdraw from the Agreement with ex nunc effects for the following reasons:

- a) in cases specified by these General Terms and Conditions (clause 5 paragraph 5.3.; clause 9 paragraph 9.8.; 9.13.);
- b) should the broadcast of an advertising spot be impossible to ensure due to changes in the programming;
- c) should the Advertiser be in delay of payment of the Fee and/or another due debt to Czech Television.

6.2. Furthermore, the Advertiser and Czech Television are both authorized to withdraw from the Agreement in cases specified by the law, in all cases with ex nunc effects.

6.3. The withdrawal from the Agreement takes effect upon delivery to the other Party; after that day, the effects of the withdrawal from the Agreement may not be revoked or altered without the consent of the other Party.

7. Liability for defects

7.1. Should Czech Television broadcast an advertising spot with defects, especially with incorrect content, non-functional, technically incorrect or in an incorrect way, the Advertiser has a right to request a reasonable discount on the Fee, (or on an aliquot part of the Fee corresponding to the price for the broadcast of the advertising spot) the reasonable discount corresponding to the nature and extent of the defect.

7.2. The Advertiser is obliged to assert its claim resulting from Czech Television's liability for defects referred to in paragraph 7.1. against Czech Television in writing within one month of the day when the defect could have first been detected, however, no later than within one month of the day of termination of the broadcast of the advertising spot; otherwise, the claim becomes extinguished. Apart from the asserted claim, the Advertiser is obliged to precisely specify the defect which justifies the claim. The asserted claim may not be changed by the Advertiser without Czech Television's consent.

7.3. The Advertiser's claims resulting from Czech Television's liability for defects referred to in paragraph 7.2. will not be created if the broadcast of the advertising spot with defects was caused by circumstances excluding liability. These circumstances shall be deemed to include, in particular, civil disturbances, military operations, crises, interventions by courts or public administration, black-outs, technical defects on the part of third parties or technical defects caused by third parties, strikes or lockouts, or other events beyond Czech Television's control.

8. Additional fees

8.1. An additional fee of 30% of the price list will be charged for the requested first or last position of the advertising spot in a block; an additional fee of 20% of the price list will be charged for any other requested positions.

8.2. An additional fee of 15% will be charged for a non-dominant presentation of any product, service or name of another client in an advertising spot.

9. Payment and price conditions

9.1. The Advertiser is obliged to pay Czech Television a Fee for the broadcast of advertising spots agreed by the Agreement.

9.2. Unless the Agreement expressly provides otherwise, the VAT will be added to all the amounts stated in the Agreement in accordance with the applicable legislation in force.

9.3. The Fee, stipulated in the Agreement, is charged in accordance with the price list valid at the moment of concluding the Agreement.

9.4. Advertising spots are broadcast in accordance with the program schedule. The confirmed dates and times of the broadcast shall be adhered to, to the maximum extent possible. Czech Television, however, reserves the right, due to programming or technical reasons, or under circumstances excluding liability, to broadcast the advertising spot at another time, on a different channel or, as the case may be, in connection with another program, depending on the options available. In this case, the Advertiser shall only pay the price for the broadcast that was actually realized, however, no higher than the contracted price. Any claims for compensation regarding the advertising broadcast are in this case explicitly excluded.

9.5. The Fee under the Agreement shall be paid on the basis of a VAT invoice. The VAT invoice shall be issued after the termination of the taxation period (calendar month, with the last day of the calendar month as the taxable supply date). Czech Television reserves the right to issue the invoice in the course of a month in the case that the broadcast of an advertising spot terminated (with the date of termination of broadcasting the advertising spot as the taxable supply date).

9.6. The invoice will be payable within thirty (30) days from the day of its issue, unless. The date of payment means the day when the Fee is credited to Czech Television's bank account stated on the invoice.

9.7. Czech Television is entitled to request, before the broadcast of an advertising spot, the payment of an advance up to the amount of the full Fee for the broadcast of the advertising spot agreed on, including the possible VAT.

9.8. In the case of delay in the Fee payment, Czech Television is entitled to charge, in addition to the due amount, a contractual late payment interest in the amount of 0.03% of the due amount for each new day of delay. Furthermore, in the case of the Advertiser's delay in the Fee payment, Czech Television has a right to **withdraw** from the Agreement and/or the Advertiser is obliged to pay a **contractual penalty** in the amount of the Fee. This does not affect Czech Television's right to be compensated for damage, if any.

9.9. Czech Television reserves the right not to commence the ordered and confirmed broadcast of an advertising spot and/or to interrupt the advertising broadcast that was commenced in case of the Advertiser's delay with paying the Fee under the Agreement and/or due to its overdue financial obligations towards Czech Television. This shall not affect the right of Czech Television to a full compensation for damage (in particular the lost profit)

9.10. Direct payments from abroad are paid in EUR or USD in the amount corresponding to the invoiced amount as per the official exchange rate announced by the Czech National Bank on the day of the invoice issuance. Bank charges resulting from the transfer of the contractual amounts from abroad are paid exclusively by the Advertiser. The issue of a cheque or promissory note is not regarded as payment unless the money is credited to the bank account of Czech Television.

9.11. Should Czech Television become entitled to a contractual penalty pursuant to the Agreement or to the General Terms and Conditions, it will issue the Advertiser with an invoice for the given amount due in 30 days.

9.12. Czech Television is entitled to the payment of any costs related to the enforcement of any debts arising from an invoice not paid by the Advertiser under the Agreement.

9.13. If the price list changes between the time of the conclusion of the Agreement and the time of the advertising spot publication, and if the Advertiser does not explicitly accept the change in the price, Czech Television is entitled to **withdraw** from the Agreement if it does not agree with broadcasting for the original price.

10. Liability for damage

10.1. The Advertiser is responsible for the content of the supplied advertising spot. If, in consequence of the performance under the Agreement, Czech Television or another person suffers damage, the Advertiser undertakes to cover the damage in full, even provided that it was caused by circumstances excluding liability under the provisions of S. 2913 (2) of the

Civil Code. The Advertiser will also cover all the claims and expenses incurred in the case that Czech Television is approached by a third party due to a breach of rights in connection with the performance pursuant to the Agreement.

10.2. The amount of the damage for which the Advertiser must be compensated by Czech Television as part of its liability for damage caused by a breach of an obligation arising for Czech Television from the conclusion of the Agreement is limited to the amount of the Fee agreed in the Agreement.

11. Closing provisions

11.1. These General Terms and Conditions form an integral part of the Agreement made between the Advertiser and Czech Television.

11.2. After agreeing on the coding of advertising spots for the purposes of the electronic measuring of viewer ratings of TV channels, all material for broadcast must be duly labelled. In case of any breach of this provision, Czech Television reserves the right to have such material labelled at the full expense of the Advertiser.

11.3. Czech Television and the Advertiser have agreed that the content of the Agreement as well as any information which will become known to the Contracting Parties in connection with the negotiations over the Agreement, its performance and in connection therewith will be regarded as confidential, and that none of the Contracting Parties is, without the prior written consent of the other Contracting Party, authorized to disclose this information to third parties, not even after the termination of the performance of the Agreement or after the termination of the Agreement, except for the information: (i) which a Contracting Party learnt independently of the other Contracting Party; (ii) which Czech Television itself communicates to third parties in connection with the preparation, production, distribution and/or promotion of its program content which is covered by this Agreement and/or in connection with its promotion (with the exception of the information designated by the Advertiser as its trade secret); (iii) which a Contracting Party provides or publishes based on a piece of legislation or of an enforceable decision of a court or of another administrative body; and (iv) which a Contracting Party provides to its expert advisers and/or other associates bound by a legal duty and/or the contractual duty not to disclose information. In case the Agreement is, at present or in the future, subject to the non-disclosure duty under Act No. 340/2015 Sb., the Contracts Register Act (hereinafter referred to as "**the Contracts Register Act**") (e.g. in consequence of the adoption of an appendix), the Contracting Parties have, after mutual agreement, marked in their counterparts in yellow (or using another clear marking, i.e., in shades of grey if, when entering into the Agreement, the Agreement was exceptionally scanned in shades of grey) the information which will be made illegible in accordance with the Contracts Register Act. This is the way to mark primarily, although not exclusively, the trade secret the confidentiality of which is ensured by the Contracting Parties in an adequate way. The information that is not marked in yellow (or using another clear marking, i.e., in shades of grey) in the Agreement is not subject to the non-disclosure duty under this paragraph. This Agreement may only be published by Czech Television using the procedure set out by the Contracts Register Act; the Agreement must be published

within 30 days of its conclusion. Should Czech Television fail to publish the Agreement within that period, the Agreement may be published by any Contracting Party using the procedure set out by the law. The injured Contracting Party is, for any breach of any obligation under this paragraph, entitled to request from the Contracting Party in breach the payment of a contractual penalty in the amount of CZK 100,000.

11.4. The Advertiser has no right to interfere in the broadcasting plan (programming) of Czech Television or in the editorial responsibility and independence of Czech Television. Should the Advertiser fail to fulfill the duty stated in this paragraph, the Advertiser is obliged to pay Czech Television a **contractual penalty** in the amount of the Fee agreed under the Agreement. This shall not affect the right of Czech Television to a full compensation for damage

11.5. Should any of the provisions of the Agreement become invalid, void or unenforceable, that provision will, to the full extent, be severed from the other provisions and will not have any impact on the validity and enforceability of the other provisions of the Agreement or, as the case may be, of the provisions of these General Terms and Conditions. The Contracting Parties undertake to replace such invalid, void or unenforceable provision with a new provision which will be valid and enforceable and the subject matter of which will, from the economic perspective, be as similar as possible to the subject matter of the original provision. The Agreement can only be amended in writing.

11.6. Under S. 1765 of the Civil Code, the Advertiser has taken on the risk of a change in circumstances. Prior to entering into the Agreement, the Parties fully considered the economic, financial and factual situation and are fully aware of the Agreement circumstances.

11.7. The Contracting Parties have agreed that they replace any rights and obligations which may be arisen from the performance within the framework of the subject matter of the Agreement which was made prior to the effective date of the Agreement with the obligation arising from this Agreement. Any performance within the framework of the subject matter of the Agreement made prior to the effective date of the Agreement is considered to be performance under the Agreement and the rights and obligations arisen therefrom are governed by the Agreement.

11.8. The Contracting Parties expressly exclude the application of the provisions of S. 2050 of the Civil Code and, furthermore, expressly declare that there is no established practice and/or trading habits between the Parties the application of which is expressly excluded by the Parties. The Contracting Parties agree that writings pursuant to the Agreement or these General Terms and Conditions can be sent by the Contracting Parties in the form of a scanned copy by e-mail.

11.9. All the relations that are not regulated by these General Terms and Conditions are governed by the Civil Code and by the other applicable legal regulations of the Czech Republic, excluding the conflicting rules of international private law. In the case that the relation created by the Agreement involves an international element, the Contracting Parties agree that any disputes arising in connection with the Agreement will fall under the

jurisdiction of the courts of the Czech Republic. The Contracting Parties further agree that, as regards the relationships arising from the business activity of the Contracting Parties, it is the general court of Czech Television which has the territorial jurisdiction over the dispute.

The General Terms and Conditions take effect on 1 July 2017.

Annexes

1. Technical requirements for the broadcast of advertising on Czech Television

Technical requirements for the broadcast of advertising and sponsor references on Czech Television

Parameters not mentioned herein shall be governed in full by the “General technical requirements for programs delivered and produced by Czech Television” as amended.

The material must be acquired, post-produced and delivered in accordance with the following specifications:

Image

- Resolution: 1920 x 1080 pixels with an aspect ratio of 16:9
- Frame rate: 25 frames (50 fields) per second interlaced (1080i/25) with odd fields first (EBU S2 system).
- Sampling 4:2:2.
- Color space in accordance with ITU-R BT.709.
- Bit depth of video signal (digital samples): 16 -235 (8 bit quantization).

This format is specified in detail in the ITU-R BT.709 recommendation.

Sound

- The audio signal must be digitalized in conformity with the EBU R85 recommendation, i.e., using a sampling frequency of 48 kHz, an audio bit depth of 24 bits, mapped without any compression during the whole production process and file presentation.
- STEREO program mode: With regard to the backward compatibility requirements for the MONO signal, the phase shift between channels may not exceed 90 degrees in the whole wideband in a long timeframe.
- Loudness according to the EBU R128 recommendation: The acceptable parameters valid and measured throughout the program footage are as follows: Program Loudness -23.0+/-1.0 LUFS, Loudness Range < 18 LU, Maximum True Peak Level < -3.0 dBTP.
- The difference in the relative timing between the sound and vision components may not be subjectively perceptible in any part of the material and, according to the EBU R37 Recommendation, it may not exceed 40 ms in the case of sound before picture and 60 ms in the case of sound after picture.
- The mono sound must be recorded in a stereo track as two mono tracks, so that it may be processed and transmitted over stereo connection. Identical mono signals in both tracks may not show a difference at a level exceeding 1dB and a phase shift of 15 degrees / 10 kHz.

File format

Data container MXF OP1a with data stream 50Mbit/s, codec MPEG-2, 422P@ML in conformity with the SMPTE-RDD9 specification and with the parameters mentioned above.

The output intended for emission may be delivered in the following ways:

- Using remote access: A Czech Television application available at <https://spoty.ceskatelevize.cz> (the access credentials will be provided by e-mail upon a request addressed to spotyproct@ceskatelevize.cz).
- Using an appropriate sound recording medium: A hard disk, a USB flash drive ...
- A video output may also be delivered using an XDCam disk. The files on the disk must be organized in accordance with table 1 and, during the recording, the "NAMING FORM" parameter on the recording machine must be set up to value "C****" , not "Free".

Graphic output:

Static graphic output

- **The resolution to be used** shall be Full HD 1920x1080 pixels.
- **The accepted formats** are limited to non-compressed bitmap formats TARGA (*.tga) or TIFF (*.tif) and Windows Bitmap (BMP) due to the need to cover the surface with homogenous color in a compact way. Signal format RGBA (with a key).
- The **alpha transparency channel** is required for graphic output in 32bit resolution (24bits for color information + 8bits for alpha channel). Color resolution – True Color.

Dynamic graphic output (animations)

- **The resolution to be used in animations** shall be Full HD 1920x1080 pixels.
- **The accepted formats** of animations shall be limited to non-compressed formats. The graphic output may be delivered as a single video-sequence file or as a sequence of consecutive numbered static frames. Video sequence formats: *TARGA (*.tga) or TIFF (*.tif)* in *signal format RGBK (with a key)*.
- **The alpha transparency channel** is required for graphic output in 32bit resolution (24bits for color information + 8bits for *alpha channel*). Color resolution – True Color.
- **The frame rate** shall be 25 frames per second.

In sponsor references, the upper left corner of the image must be kept available for program IDENT, which must, by law, be part of sponsor references. The logo must be accompanied with a sufficiently large inscription "PROGRAM SPONSOR".

The minimal height of the text in all outputs intended for emission shall be 40 lines; in the case of output intended for insertion, it shall be 80 lines.

The output intended for insertion must respect all the above rules and its content must reflect the fact that, during the emission, it will be reduced to 1/16 of its original size.

Table 1

Clip structure and design of XD CAM start addresses				
XD CAM - whole program or first part of the program on a sound recording medium				
MXF clip	IN	OUT	DUR	Clip Content
C0001	09:59:00:00	09:59:29:24	00:00:30:00	Test lines
C0002	09:59:30:00	09:59:59:24	00:00:30:00	Black
C0003	10:00:00:00	10:59:16:24	00:59:17:00	Program
C0004	10:59:17:00	10:59:46:24	00:00:30:00	Black end 30 seconds

XD CAM - second part of program				
MXF clip	IN	OUT	DUR	Clip Content
C0001	19:59:00:00	19:59:29:24	00:00:30:00	Test lines
C0002	19:59:30:00	19:59:59:24	00:00:30:00	Black
C0003	20:00:00:00	20:59:16:24	00:59:17:00	Program
C0004	20:59:17:00	20:59:46:24	00:00:30:00	Black end 30 seconds

XD CAM with more programs on a single sound recording medium				
MXF clip	IN	OUT	DUR	Clip Content
C0001	09:59:00:00	09:59:29:24	00:00:30:00	Test lines
C0002	09:59:30:00	09:59:59:24	00:00:30:00	Black
C0003	10:00:00:00	10:21:59:24	00:22:00:00	Program 1
C0004	10:22:00:00	10:22:59:24	00:01:30:00	Black between programs must take at least 20 seconds.
C0005	10:23:00:00	10:42:59:24	00:20:00:00	Program 2 must start at a whole minute.
C0006	10:43:00:00	10:43:29:24	00:00:30:00	Black end 30 seconds