

## Principles for Conducting Sales on TV Channels of POLSAT MEDIA

POLSAT MEDIA BIURO REKLAMY Spółka z ograniczoną odpowiedzialnością Sp.k. (hereinafter POLSAT MEDIA), with its seat in Warsaw, ul. Ostrobramska 77, operates as an advertising department for Telewizja Polsat Sp. z o.o. and other entities. POLSAT MEDIA conducts operations comprising broadcast of Ads on the following TV channels (hereinafter called: TV Channels).

TV Channel		
Polsat	Polsat Games	AMC
Czwórka	Polsat Rodzina	Polsat JimJam
Polsat2	HISTORY	Cartoon Network
Szóstka	CI Polsat	Boomerang
Polsat Film	Lifetime	TNT
Polsat News	H2	ATM Rozrywka
Polsat Play	Polsat Viasat History	TV Republika
Polsat Cafe	Polsat Viasat Explore	Stars.tv
Polsat Sport	Polsat Viasat Nature	Zoom.tv
Super Polsat	Epic Drama	4FUN DANCE
Disco Polo Music	BBC CBeebies	4FUN GOLD HITS
Polsat Romans	BBC Brit	4FUN.TV
Polsat News 2	BBC Earth	Golf Channel
Polsat Sport Extra	BBC Lifestyle	Da Vinci
Polsat Music	13 Ulica	Polonia 1
Polsat Sport News HD	Scifi Universal	Tele 5
Polsat Doku	E!Entertainment	Water Planet
Eska TV	Kino Polska	Novela TV
Eska TV Extra	Kino Polska Muzyka	Fokus TV
Eska Rock TV	Kino TV	Nowa TV
Polo TV	Stopklatka	WPOLSCE.PL
Vox Music TV	CBS Europa	AXN
Superstacja	Extreme	AXN Black
Eleven Sports 1	CBS Reality	AXN Spin
Eleven Sports 2	CBS Action	AXN White

Changes to the list of TV Channels are announced by POLSAT MEDIA and shall not constitute an amendment to the Principles. The TV Channels are distributed, through wireless (terrestrial, satellite) and wired platforms, via a digital platform, cable network and online platform (the Internet) in the territory of countries where TV programs are received by recipients. Sale of Ads is conducted using two sales methods: pricelist and package based, which are discussed further in the Principles. The definitions of the terms used in the Principles have been provided in section IX of the Principles.

### I – General terms and conditions of cooperation with the Advertiser

1. The Ad/Sponsorship Billboards broadcasting service shall be performed based on Orders signed by the Advertiser and POLSAT MEDIA. If the Agency acts on behalf of the Client, the Client together with the Agency shall bear joint responsibility for liabilities arising from the Order.

2. POLSAT MEDIA commences the sale of Ad broadcasting services for a given calendar month on the first working day after making available to the Advertisers the Pricelist for a given month. Sales based on the Pricelist are conducted first, and are followed by package sales. At the time of providing the Pricelist for a given month, POLSAT MEDIA informs the Advertisers about the dates of commencing sales for both methods.
3. POLSAT MEDIA prepares Orders based on order forms received from the Advertiser. On receiving an order form, POLSAT MEDIA makes a reservation for the advertising/sponsor air-time in the scope described in the order form and confirms the reservation by sending the Order to the Advertiser for approval.
4. The Advertiser approves the Order by having authorized persons sign the Order and delivering the signed Order to POLSAT MEDIA together with the documents and statements listed in the Principles within 3 working days from the date of POLSAT MEDIA sending the Order to the Advertiser, not later however than by the fifth working day before the first broadcasting of the Ad/Sponsorship Billboard covered by the Order. An Order is also considered to have been delivered when it has been sent to POLSAT MEDIA within the aforementioned deadline by fax or e-mail. The Order is concluded after it has been signed by POLSAT MEDIA.
5. Any changes introduced by the Advertiser to the signed Order shall be regulated by the provisions of the Principles in the part related to resignation from the services.
6. If, in connection with settling the Order, it is necessary to issue a correcting invoice – the need and the amount shall each time be confirmed by the Advertiser within 3 working days from the date of POLSAT MEDIA presenting the settlement details, not later however than by the end of the calendar month in which the settlement details were provided.
7. If Advertiser having outstanding liabilities to POLSAT MEDIA performs a transfer and in the term of 3 working days from the date of crediting of POLSAT MEDIA's bank account does not indicate which claim this transfer satisfies then POLSAT MEDIA will settle this payment on the account of the debt which is the most outstanding.

## **II – Valuation of the Order**

1. Orders for the broadcasting of Ads/Sponsorship Billboards are prepared by POLSAT MEDIA on separate forms for each type of sale. Specimens of the forms of the Order are provided in Appendix No. 3 (a-c) to the Principles. The calculation of the net value of the Order is performed by POLSAT MEDIA in accordance with the provisions of the Principles for each type of sales.
2. If as a part of the Order are broadcasted: Ad, Sponsorship Billboard or Product Placement for an alcoholic drink, the value of the Order is additionally increased by 11.11%, due to the obligation to make a payment for providing services involving the Advertising of alcoholic drinks. POLSAT MEDIA hereby declares that in the event of a liability arising to accrue other fees, apart from the liability referred to in this clause calculated in connection with the broadcasting of Ads, Sponsorship Billboard or Product Placement, the value of the Order shall also be increased by the amount of those liabilities.

### **Pricelist based sales**

3. Pricelist based sales involve the valuation of Ad broadcasting services based on the ad broadcasting prices published in the Pricelist. Within Pricelist based sales the Advertiser chooses broadcasting time for Ads by sending an order form to POLSAT MEDIA comprising a list of the broadcasts he wishes to reserve. Based on the order form, POLSAT MEDIA prepares a so-called Pricelist Order.
4. The fee for the broadcasting of Ads as part of the Pricelist Order is calculated based on the prices published in the Pricelist valid for a given broadcasting period.

5. POLSAT MEDIA may grant the following discounts to Advertisers:
  - a. Client's discount – a discount granted to the Client based on a long-term contract concluded between the Client and POLSAT MEDIA;
  - b. agency discount – a discount granted to the Agency in connection with its representing the Client; the discount can be up to 15%;
  - c. other discounts – discounts granted by POLSAT MEDIA in individual cases (e.g. a seasonal discount).
6. The valuation of a Pricelist Order is performed as follows:

The price published in the Pricelist valid for a given broadcasting period is multiplied by the Ad length conversion factor and then increased by any additional fees arising from the Principles. The additional fees are accrued in the following order: the fee arising from the Ad's content is accrued first and the fee for broadcasting the Ad in a selected position in a commercial break is accrued next; moreover, the fee for broadcasting the Ad in a selected position in a commercial break is accrued on the amount obtained after accruing the fee related to the Ad's content. The amount thus calculated is reduced by the discounts that are due to the Advertiser. Every subsequent discount is calculated on the amount that remains after deducting the previous discount, the agency discount being calculated last and the Client's discount calculated as the penultimate one. Afterwards, the technical fee referred to in the point IV.10 of the Principles is charged. The amount obtained after deducting the discounts and adding the technical fee constitutes the net value of the Pricelist Order. The net value of the Order is increased by amounts due to the State budget referred to in point II.2 of the Principles and then by VAT.

#### Package based sales

7. Package based sales shall mean the valuation of Ad broadcasting services based on the achieved audience level. The Advertiser sends an order form to POLSAT MEDIA which specifies the subject of the Ad, the broadcasting period, the level of the ordered GRP for each Ad length and the distribution between prime time and the rest of the day if applicable. On accepting the reservation POLSAT MEDIA issues a so-called Package Order. As part of the Package Order POLSAT MEDIA selects the commercial breaks in which the Ads will be broadcast.
8. The broadcasting period within a Package Order should cover a period of at least 7 days of actually broadcasting the Ads, and the ordered GRP should at least have the level specified below for a given TV Channel, unless another minimum GRP level has been specified in the Pricelist for a given broadcasting period.

#### The minimum GRP level in a package order:

TV Channel	GRP level
Polsat	50
Polsat Sport	1
Czwórka	2
Other	individually determined level

9. The CPP level for a given Order is specified in the long-term Contract concluded by and between POLSAT MEDIA and the Advertiser. Discounts, in particular agency discounts, are not applied in the package based sales.
10. The valuation of a Package Order is performed as follows:  
The CPP for a given month for a given time of the day is multiplied by the Ad length conversion factor and then increased by the additional fees arising from the Principles. The additional fees are accrued in the following order: the fee arising from the Ad's content is accrued first and the fee for broadcasting the Ad in a selected position within a commercial break is accrued next; moreover, the fee for broadcasting the Ad in a selected position within a commercial break is accrued on the amount obtained after accruing the fee related to the Ad's content. The amount thus calculated is multiplied by the GRP ordered for a given broadcasting period for a given

Target Group as well as the day-part, and then increased by the technical fee referred to in the point IV.10 of the Principles, which altogether constitutes the net value of the Package Order. The net value of the Order is increased by amounts due to the State budget referred to in point II.2 of the Principles and then by VAT.

11. After broadcasting the Ads from the Package Order, POLSAT MEDIA settles the amounts due for broadcasting the Ads: POLSAT MEDIA recalculates the net value of the Package Order adopting (in place of the ordered GRP level) the GRP achieved by broadcasting the Ads from the Order.
- If the net value thus specified is lower than the net value calculated for the ordered GRP level and the difference exceeds the level specified in the table below, the amount due for such Package Order is calculated based on the GRP achieved by broadcasting the Ads.
  - If the net value thus specified is lower than the net value calculated for the ordered GRP level and the difference does not exceed the level specified in the table below, the Package Order is considered to have been executed in line with the order form, and the amount due for the Package Order is calculated based on the ordered GRP.
  - If the net value thus specified is higher than the net value calculated for the ordered GRP level, the amount due for the Package Order is calculated based on the ordered GRP.

**difference in the net value of the package Order; ordered vs. settled:**

<b>broadcasting period provided in the Order*</b>	<b>difference in value**</b>
up to 7 days	10%
8 to 14 days	8%
more than 14 days	5%

\* calculated as the number of days in which the Ads were broadcast if the Advertiser limited the number of Ad broadcasting days in the order form

\*\* in case of package Order exclusively on Television Programme amount due for ad broadcast is calculated based on GRP achieved by this broadcast

12. POLSAT MEDIA performs the settlement of the Package Order based on the telemetric data provided by an independent research institute specified by POLSAT MEDIA.

### Special Program Band

13. In case of simultaneous broadcasting the programme on the Polsat TV Channel and on one, or more TV Channels offered by POLSAT MEDIA, POLSAT MEDIA may create a Special Program Band. In this case, the amount due for the broadcast of Ads in Special Program Band will be calculated on the basis of the provisions of point 7-12 above based on the total number of GRPs obtained as a result of the Ads broadcast on all TV Channels contained in Special Programme Band and CPP relevant to the Polsat TV Channel.

### Multi-channel orders

14. The Advertiser may acquire Ad/Sponsorship Billboards broadcasting services in the so-called Multi-channel Orders comprising two or more of the Orders in given TV Channels (and accordingly: Internet Products, Radio Programme or Polsat Media AdScreen carriers). POLSAT MEDIA establishes a list and percentage share of respective TV Channels in the group which is covered by certain type of Multi-channel Order, creating, for example: men's package, women's package, general package. Change in the group covered by certain type of Multi-channel Order does not constitute a change of Principles. In the case of a Multi-channel Order, POLSAT MEDIA issues one Order for a given period relating to all TV Channels (and accordingly: Internet Products, Radio Programme or Polsat Media AdScreen carriers) covered by the group, and the settlement of the amounts due arising from the Order is performed jointly for all the TV Channels (and accordingly: Internet Products, Radio Programme or Polsat Media AdScreen

carriers) on which the Ads from the Order were broadcast based on the provisions of the Principles relating to Pricelist and Package Orders respectively. The Multi-channel Orders may comprise both Pricelist and Package Orders.

15. The Client's discount or CPP level for a given Multi-channel Order (for the entire group of TV Channels (and accordingly: Internet Products, Radio Programme or Polsat Media AdScreen carriers)) are specified in the long-term Contract concluded between POLSAT MEDIA and the Advertiser.
16. The remaining provisions of the Principles relating separately to the Pricelist and Package Orders shall be applied accordingly to Multi-channel Orders. For the Orders comprising Internet Products (and accordingly: Radio Programme or Polsat Media AdScreen carriers), the Principles for Conducting Sales on POLSAT MEDIA Internet Products (and accordingly: the Principles for Conducting Sales on Muzo.fm Radio Programme or the Principles for Conducting Sales on POLSAT MEDIA AdScreen carriers) shall be applied.

#### Ad length conversion factors

17. If an Ad is shorter or longer than 30 seconds, the price of broadcasting a given Ad / CPP is multiplied by the Ad length conversion factor given in the table below.

<b>Ad length conversion factors: duration of Ad (in seconds)</b>	<b>conversion factor</b>
5	40%
from 6 to 10	55%
from 11 to 15	70%
from 16 to 20	90%
from 21 to 30	100%
from 31 to 35	120%
from 36 to 40	140%
from 41 to 45	150%
from 46 to 60	200%

In the case of Ads that are longer than 60 seconds, the Ad length conversion factor is determined individually.

18. If two or more Ads are combined into one broadcasting material then the price of broadcasting each Ad / CPP shall be calculated separately in accordance with the Ad length conversion factors.

#### Additional fees

19. If the Ad contains elements promoting more than one product/service of the Client, another entity or products/services of an entity other than the Client, the amount due for broadcasting of the Ad shall be increased by the fee specified in the table below.

<b>additional elements in the Ad</b>	<b>additional fee</b>
logo of a media patron or sponsor	5%
prize in a competition (without providing the features of the prize)	5%
the second and each following product/service of the Client	5% each
one product/service of another Client	20%
the second and each following product/service of another Client	10% each
other cases	25%

20. The Advertiser may obtain an additional service to broadcast the Ad in a selected position or in a specified layout in a commercial break. In such event, the amount due for broadcasting the Ad shall be increased by the fee specified in the table below.

<b>position/layout of the Ad in the commercial break</b>	<b>additional fee</b>
first	25%
last	25%
first and last*	20%
first, second, penultimate and last*	15%
second and penultimate*	10%
double spot**	10%
Ad environment***	30%

\* a group of selected positions; the service is available for commercial breaks containing two/four or more Ads; the Ads are broadcast on all of the positions listed in group above, so that the prices of the Ad broadcasts (and in the case of a package Order - the GRP levels achieved through broadcasting the Ads) in each position should approximately correspond to each other.

\*\* in reference to two or more Ads in one commercial break: selection of their position by the Advertiser (including determining the number of other Ads between them) or determining the their broadcast sequence. The fee is charged from the net value of the Ads included in this service.

\*\*\* positioning of the Ad of the one Advertiser in a way that it will not be placed in direct proximity with the other Ad from the given product category.

## Sponsorship

21. As part of sponsorship, POLSAT MEDIA prepares sponsorship packages which cover broadcasting of Sponsorship Billboards for a given Client before and after selected TV programmes and at the moment of resuming a given programme after a break for Ads or telesales. A sponsorship package may be additionally increased for the broadcasting of Sponsorship Billboards when announcing the sponsored programme; the number of broadcasts of such Sponsorship Billboards is determined individually with the Advertiser (with the Client or the Agency).
22. The sponsorship package may relate to one or several TV programmes. When deciding to buy a sponsorship package relating to a given TV programme, the Client becomes its Sponsor. One Sponsorship Billboard may be broadcast for not longer than 8 seconds in the case of one Sponsor, 16 seconds in the case of two Sponsors and 24 seconds in the remaining cases. The Sponsorship Billboard may contain only the name, business name, trademark or another sign identifying the Sponsor or his operations, reference to his products, services or their trademarks.
23. The net value of the sponsorship package depends, among other things, on the time of broadcasting the Sponsorship Billboards, their number and the validity period of the sponsorship package. Estimated net value of the sponsorship package is increased by the technical fee referred to in the point IV.10 of the Principles, public receivables which are described in the point II.2 of the Principles and after that, increased by output VAT. POLSAT MEDIA reserves the sponsorship package for the Sponsor by issuing a so-called Sponsor Order.
24. Signing the Order is equivalent to the Advertiser declaring that the Sponsorship Billboard provided for broadcasting on the TV Channel to which the Order relates, do not contain audio or visual elements of an advertising message from the entity being the Sponsor with which the Sponsor is associated, and which could make it difficult to distinguish between a Sponsorship Billboard and an Ad.
25. In the event of any third party, public administration body or other state institution acting against POLSAT MEDIA or the Broadcaster in connection with violating the law as a result of broadcasting the Sponsorship Billboard, the Advertiser shall compensate for any documented losses incurred by those entities, including costs of legal representation, should the information

provided in the declaration referred to in point 23 above prove untrue, as confirmed by a competent public authority.

### Product placement

26. As part of product placement, POLSAT MEDIA prepares product placement packages for a given Client which cover product placement service in selected TV programmes. The product placement package may relate to one or several TV programmes.
27. The net value of the product placement package depends, among other things, on the time of broadcasting the TV programme, the number of broadcasts and the validity period of the product placement package. Estimated net value of the product placement package is increased by public receivables which are described in the point II.2 of the Principles and after that, increased by output VAT. POLSAT MEDIA reserves the product placement package for the Client by issuing an Order.
28. In matters not regulated in points 20-26 above, the provisions of the Principles relating to Ads shall apply accordingly.

### III – Long-term contracts

1. The cooperation between the Client and POLSAT MEDIA may be regulated by a Long-term Contract which specifies the obligations of the parties and the additional terms of cooperation, not covered by the Principles.
2. The obligations of the Client as part of the Long-term Contract comprise the commitment to purchase the service of broadcasting Ads or Sponsorship Billboards on a given TV Channel and the specification of the level of the Client's financial commitment during the Long-term Contract's validity period.
3. The obligations of POLSAT MEDIA as part of the Long-term Contract may include the following elements:
  - a. reservation of the advertising or sponsor time in the period of validity of the long-term Contract;
  - b. setting the Client's discount for the period of the long-term Contract;
  - c. setting the CPP levels for the purpose of packages sales for each month of the Long-term Contract's validity at defined times of the day;
  - d. setting the agency discount in the case of executing the Long-term Contract through an Agency.
4. The CPP levels specified in the Long-term contract shall be valid on condition that in the period of the Contract's validity there is no:
  - a. significant change in the supply of advertising time for broadcasting Ads on television channels resulting from the legal regulations amending the ability to broadcast ads on TV channelsor
  - b. change in the research institute providing telemetric data based on which POLSAT MEDIA establishes the GRP achieved through the broadcasting of Ads.In the event of such change, the Client and POLSAT MEDIA shall establish (within 14 days) new CPP levels for the period, beginning from the time of the change.
5. If the Client does not perform the financial commitments specified in the Long-term Contract, POLSAT MEDIA shall calculate the difference between the level of the commitment and the total net value of the Ad/Sponsorship Billboard broadcasting service provided to POLSAT MEDIA for broadcasting the Ads/Sponsorship Billboards of the Client during the validity of the Long-term Contract. The Client shall be obliged to pay POLSAT MEDIA half the amount thus calculated by reducing the Client's discount and increasing the CPP level in connection with the failure to meet

the Client's commitment. Payment shall be made within 3 weeks from presenting the Client with the relevant settlement details by the POLSAT MEDIA.

- Any commercial terms and conditions covered by Order or Long-term Contract are confidential to the third parties and may not be disclosed without prior written consent of the POLSAT MEDIA except where such disclosure is required by generally applicable provision of law, in particular on the order from authorized public administration body. Advertiser agrees to disclose commercial terms and conditions to the Broadcaster. For the avoidance of doubt Advertiser acknowledges that he is not entitled to disclose commercial terms and conditions to any entities conducting activities in the scope of researching the mediagenic or/and marketing efficacy of advertising campaigns of the Advertiser.

#### IV– Broadcasting materials

- The Ads/Sponsorship Billboards which are to be broadcast shall be delivered to POLSAT MEDIA digitally in the form of files delivered through the Polsat Media Adtoox platform, compliant with the technical specification available at: <https://adflow.polsatmedia.pl>.
- POLSAT MEDIA reserves the right to broadcast the material with a loudness level corresponding to other broadcasted materials (directly preceding and following the broadcasted one). All materials delivered to POLSAT MEDIA should fulfill technical recommendations described in EBU R128 recommendation (audio loudness should be normalized at -23LUFS +/-1LU). In addition to that, loudness of last 20sec. of material should not significantly differ from general loudness level of the whole material, with particular reference to undesirable loudness decreasing.
- Together with the broadcast material, the Advertiser shall be obliged to deliver the copyrights certificate in accordance with the specimen provided in Appendix No. 4 to the Principles. The Order may be executed conditionally without the delivered copyrights certificate; in such situation POLSAT MEDIA reserves the right to stop the broadcasting of Ads/Sponsorship Billboards at any time – without incurring any financial consequences on this account.
- The Advertiser shall be obliged to hold the certificates of admitting the advertised products to trading in Poland and deliver them to POLSAT MEDIA on every POLSAT MEDIA's demand. If the Ad relates to a competition, promotion, lottery, etc. the Advertiser shall be obliged to hold all the permits obtained from the state bodies for conducting the above-mentioned activities and present them when so demanded by POLSAT MEDIA.
- Subject to point 7, the Ads/Sponsorship Billboards should be delivered to POLSAT MEDIA not later than by 10 a.m. on the fifth working day before the date of broadcasting the Ad/Sponsorship Billboard. By the same deadline, the Advertiser shall be obliged to specify the version of the material which is to be broadcast, if POLSAT MEDIA previously received broadcasting materials from the Advertiser.
- Subject to point 7, delivering the broadcast materials or specifying the version of the Ad/Sponsorship Billboard later than by the deadline specified in point 5 above, not later however than by 10 a.m. on the second working day before the date of broadcasting the Ad/Sponsorship Billboard is possible solely after obtaining previous approval from POLSAT MEDIA. In this case, the Advertiser shall be obliged to pay the express fee in the amount specified in the table below.

<b>TV Channel Polsat</b>	
PLN 200 (plus VAT)	for each broadcast
<b>Other TV Channels</b>	
PLN 750 (plus VAT)	up to 10 broadcasts
PLN 1500 (plus VAT)	up to 20 broadcasts



PLN 3750 (plus VAT)

up to 50 broadcasts

PLN 7500 (plus VAT)

50 and more broadcasts

7. In the cases described in the document „Non-standard terms of delivery of broadcast materials” available at web-page [www.polsatmedia.pl](http://www.polsatmedia.pl), Advertiser is obliged to deliver broadcast materials or indicate specified versions of Ad/Sponsorship Billboard in the terms indicated in the document. Provision about express fee from point 6 above, apply mutatis mutandi.
8. If the Ad/Sponsorship Billboard are not approved for factual reasons (non-compliance with the legal regulations or for other justified reasons), for technical reasons or if other requirements specified in the Principles have not been met, in particular those in point IV.1, the Ad/Sponsorship Billboard shall be treated as not delivered. In such case, point VII.1 of the Principles shall apply. Additionally, POLSAT MEDIA reserves the right to suspend execution of the Orders for broadcasting such an Ad/Sponsorship Billboard. POLSAT MEDIA shall have the right to cease broadcasting an Ad/Sponsorship Billboard in respect of which the Advertising Council Association so demands in writing based on an opinion issued by the Advertising Ethics Commission operating as part of the Advertising Council Association.
9. Broadcast materials are stored for 3 months from the date of its last broadcast. After this term POLSAT MEDIA is entitled to erase this material without the necessity to inform the Advertiser about this fact.
10. Each broadcast of the Ad/Sponsorship Billboard will be charged by POLSAT MEDIA with a technical fee of 3,50 PLN (plus VAT due). This fee shall be included in the total net value of the Ad/Sponsorship Billboards broadcasting service arising from the given Order.
11. POLSAT MEDIA has reserves the rights to broadcast Ads and Sponsorship Billboard in the resolution provided to the technical specifications of the Broadcaster.

## V – Copyrights

1. Signing the Order shall be equivalent to the Advertiser declaring that he holds the copyrights and related rights to the Ad/Sponsorship Billboard within the scope necessary for broadcasting and re-broadcasting on the TV Channel, and for distributing on the TV Channel via the Internet. Moreover, signing the Order shall mean that the Ad/Sponsorship Billboard delivered for distribution complies with the law and does not infringe the rights of any third parties.
2. Signing the Order shall be equivalent to making a declaration that the copyrights’ certificate attached to the delivered Ad/Sponsorship Billboard lists all the persons who (with reference to the works indicated) have the rights to fees arising from the provisions of the Act on copyrights and related rights, payable via the collective management organization, also including rights to fees pursuant to Art. 70 and Art. 18 of the Act. The Advertiser declares that apart from the persons listed in the certificate, the Ad/Sponsorship Billboard, the works contained therein or their use do not give rise to the rights of any other persons to fees arising from the provisions of the Act on copyrights and related rights, payable via the collective management organization, also including rights to fees pursuant to Art. 70 and Art. 18 of the Act.
3. In the event of delivering the Ad/Sponsorship Billboard for broadcasting without the properly filled in copyrights certificate, signing the Order shall be equivalent to making a declaration that the delivered Ad/Sponsorship Billboard (and the works contained therein) and their use do not give rise to rights of any other persons to fees arising from the provisions of the Act on copyrights and related rights, payable via the collective management organization, also including rights to fees pursuant to Art. 70 and Art. 18 of the Act.

4. In the event of infringing the right or rights of third parties, referred to in points 1-3 above, and in particular: personal rights, copyrights or related rights, rights to trademarks, the Advertiser shall be obliged to cover the full amount of the losses related to such infringement incurred by POLSAT MEDIA or third parties, in particular the Broadcasters, including the legal representation costs.
5. The Advertiser agrees to reimburse the royalties, compensations and penalties which the Broadcaster of the TV Channel or POLSAT MEDIA would have to pay on this account and to reimburse all the costs related to the infringement, including the legal representation costs.

**Va – Advertising of food or drinks containing ingredients whose presence in excessive amounts in the daily diet is not recommended**

1. Children's programs may not be accompanied by Advertisements or Sponsorship Billboards for food or beverages containing ingredients whose presence in excessive amounts in the daily diet is not recommended.
2. Advertiser whose broadcasts of the Ads / Sponsorship Billboards are planned for children's programs is obliged to provide to POLSAT MEDIA a statement according to the template attached as Appendix 5 to the nutritional criteria set out in the "Food Counseling Criteria for food advertising for children aged under 12 years of age in Poland "(hereinafter: " Food Criteria " ), by the products being the object of the Advertising / Sponsorship Billboard within 4 working days prior to their planned issue. If the Advertiser fails to provide a statement on time or provide an incorrect statement, POLSAT MEDIA will broadcast Ads / Sponsorship Billboards for programs other than children's programs - without incurring any financial consequences.
3. The current text of the Nutrition Criteria can be found on the website of the Union of Associations Advertising Council which is an attachment No. 2a to the Code of Ethics for Advertising: <http://www.radareklamy.pl/kodeks-etyki-reklamy.html>

**VI – Payment**

1. The amount due for broadcasting of Ads/Sponsorship Billboards shall be calculated each time when placing Orders. In the case of Package Orders additionally the Order settlement shall be performed on the completion of broadcasting.
2. The payment of the amount due for individual Orders shall be made 7 days before the first broadcast in the Order at the latest.
3. Payment shall be made to the bank account of POLSAT MEDIA indicated in the Order.
4. Should the Advertiser fail to make the payment on time, POLSAT MEDIA shall have the right to accrue default interest for each day of delay.
5. POLSAT MEDIA may treat the delay in payment as a withdrawal from the Order – in such situation, the provisions of the Principles shall apply in the portion relating to resignation from the service.
6. If it is necessary for POLSAT MEDIA to issue a correcting invoice reducing the amount of the initial invoice, the Advertiser is obliged to confirm the receipt of such correcting invoice and indicate the method of compensating such amount within 7 days of receipt such correcting invoice.

**VII – Resignation from Ad broadcasting services**

1. The Advertiser's withdrawal from the Order or part thereof or resignation from additional broadcasting services shall give rise to the Advertiser's obligation to pay the reservation fee in the amount specified in the table below.

**reservation fees:**

<b>cancelation date</b>	<b>fee</b>
by the 5th working day before the first broadcast (inclusively)	20%
later than by the 5th working day before the first broadcast	100%

2. The reservation fee is calculated based on the net value of the broadcasts covered by the resignation, and in the case of changing the Ad to a shorter one – the reservation fee shall be equal to the difference between the net value of broadcasting the longer Ad and the net value of broadcasting the shorter one. Should the Advertiser withdraw from a portion of the Package Order, the following shall be adopted for the purpose of calculating the net value of the broadcasts covered by the resignation: in the event of shortening the campaign's period – that the distribution of the GRP over the broadcasting period covered by the Order is proportionate, and in the case of reducing the GRP level ordered in a given period – that the Advertiser withdraws from the Order up to the net value of the broadcasts covered by the resignation. VAT shall be calculated on the amount of the reservation fee.

**VIII – Claims**

1. If due to the fault of POLSAT MEDIA or the Broadcaster of the TV Channel, broadcast of the Ad is not performed or is performed with defects, POLSAT MEDIA shall have the Ad re-broadcast with the same broadcasting value at the nearest possible date, within a timeslot similar to that in which the broadcast was to have been performed. Submitting a written claim to POLSAT MEDIA within 28 days from the date of the broadcast subject to the claim shall be a condition for re-broadcasting the Ad. Broadcasting the Ad as part of the claim shall not release the Advertiser from the obligation to pay the amount due for broadcasting the Ad subject to the claim.
2. At the written request of the Advertiser, POLSAT MEDIA shall record the commercial break. If the claim was not justified, the cost of the recording in the amount of PLN 100 (plus VAT) shall be borne by the Advertiser.
3. Broadcasting the Ad up to twenty minutes earlier or later counting from the planned hour of commencing the broadcasting of the commercial break in which the broadcast of the Ad was ordered, shall be considered as having been performed in line with the placed Order. Moreover, POLSAT MEDIA reserves the right to unilateral change of the time of broadcasting a commercial break during or after the broadcast of non-format TV programmes (in particular: live broadcasts, feature films) or in other special cases.
4. POLSAT MEDIA is not responsible for non-performance or improper performance of obligations from the Order (in particular for delay) if this is caused by the event being out of control of the POLSAT MEDIA, in particular: force majeure events (e.g.: war, other acts of war, riots, acts or action of public administration bodies, elemental disasters, national mourning), interference with the broadcast of Television Programme, including malfunctions of broadcasting devices, power failures or breaks in power distribution, compliance with orders or prohibitions resulting from conditions of broadcasting license or provisions of law, permission or other document issued by public administration bodies.

**IX – Definitions of terms used in the Principles, long-term Contracts and Orders**

1. The Principles – these Principles for Conducting Sales on TV Channels of POLSAT MEDIA Sp. z o.o.

- 2.** The Client – the producer, the distributor or another entity whose products or services are the subject of the Ads/Sponsorship Billboard issued on TV Channels of POLSAT MEDIA; the Client may place orders directly with POLSAT MEDIA or through the Agency acting on his behalf.
- 3.** The Agency – an advertising agency or media house; an entity conducting advertising activities, acting on behalf of the Client and authorized by him to place and sign Orders and pay the amounts due arising from them. A specimen of the authorization is provided in Appendix No. 1 to the Principles.
- 4.** The Advertiser – the Client or the Agency acting on his behalf.
- 5.** The Broadcaster – the entity which creates or puts together the TV Channel and distributes it or transfers to other entities for distribution as a whole and without amendments.
- 6.** Commercial Communication- any communication, including images with or without sound, aimed at direct or indirect promotion of the service or the reputation of entity engaged in an economic or professional activity, accompanying or included in the program, in exchange for charge or other remuneration, or aimed on the self-promotion, in particular advertising, sponsorship, teleshopping and product placement.
- 7.** The Ad – commercial material deriving from a public or private entity, in connection with its business or professional activities, aimed at promoting sales or the chargeable use of goods or services.
- 8.** The Sponsorship Billboard – television material informing that a TV programme is sponsored by the Client who in this case is a Sponsor.
- 9.** The product placement – commercial material consisting in presenting or referring to product, service or trademark in a way that they are elements of the programme in exchange for a fee or similar gratification and also as gratuitous delivery of product or service.
- 10.** The Order – an agreement covering the broadcasting of the Ad/Sponsorship Billboard during a calendar month, concluded between the Advertiser and POLSAT MEDIA; the Order specifies the subject of the Ad/Sponsorship Billboard, the TV Channel on which the Ad/Sponsorship Billboard is to be broadcast, the broadcasting period and other elements arising from the Principles.
- 11.** The Pricelist – the pricelist for broadcasting Ads binding for Ads broadcast on a given TV Channel, valid in principle for one calendar month. The prices provided in the Pricelist relate to the broadcast of 30 seconds long Ads and are subject to adjustment for length conversion factors, additional fees, discounts accrued in accordance with the Principles and amounts due to the State budget, including VAT. The Pricelist each time provides the categorization into times of the day, so-called timeslots; in particular the highest audience timeslot – prime time (PT) is identified.
- 12.** Thematic Channels – all TV Channels excluding Polsat Television Programme which are in portfolio of POLSAT MEDIA.
- 13.** GRP – gross rating point; the sum of rating points which constitute the measure of Ads being watched by the population of a specified target Group. Achieving one rating point signifies that the Ad was watched by one percent of the given population. GRP is quoted to an accuracy of 0.01. The sum of rating points includes the GRP obtained within watching with shift up to two days inclusive (Time Shifted Viewing) according to the definition of a research institute providing telemetric data for the settlement of orders.
- 14.** The Target Group – the portion of the population identified for the purposes of the advertising campaign based on the basic demographic criteria (sex, age) or elaborated by including additional parameters: size of the city of residence, earnings, etc. The Advertiser selects the target group out of those specified by POLSAT MEDIA.

15. CPP – cost per point; the cost of broadcasting the Ad incurred by the Advertiser, so that one percent of the population of the given Target Group should come into contact once with a 30 seconds long Ad broadcasted on a given TV Channel. CPP in package Orders is treated as the price and is subject to adjustment, in accordance with the rules specified in the Principles.
16. The Long-term Contract – the contract related to the Ad/Sponsorship Billboard broadcasting service, the validity period of which covers more than one Order; a Long-term Contract is concluded between the Advertiser and POLSAT MEDIA.
17. Broadcast for children - a television program within the meaning of the Radio and Television Act, which due to the time of broadcasting (from 6:00 am to 8:00 pm) and the content is addressed (directed) mainly to recipients ( children) aged from 4 (four) to 12 (twelve) years.
18. Self-regulation - an agreement concluded between television broadcasters defining the rules for the issue of Ads and Sponsorship Billboards of food directed to children under 12 in Poland.
19. Nutritional criteria - document entitled "Self-regulatory diets for food advertising for children under 12" from December 2013, developed by the Polish Federation of Food Producers Employers' Association based in Warsaw (Appendix No. 5 to the Rules)

#### **X – Appendices and validity of the Principles**

The following Appendices constitute an integral part of the Principles:

- a. Appendix No. 1: Template of Authorization for the Agency to represent the Client before POLSAT MEDIA;
- b. Appendix No. 2 Template of Power of attorney for the Advertiser's representatives to sign Orders;
- c. Appendix No. 3 Specimen Orders:
  - Order template – pricelist Order
  - Order template- package Order
  - Order template - Sponsorship Order
- d. Appendix No. 4 Copyrights certificate
- e. Appendix No. 5 Templates of statements:
  - Advertiser's statement on the compliance of the Advertising with the Dietary Criteria
  - Advertiser's statement on the compliance of the Sponsorship Billboard with the Dietary Criteria

Changes to the wording of an Appendix shall not constitute an amendment to the Principles.