

General Terms and Conditions

Pursuant to Article 6. of the Memorandum of Association of RTL Hrvatska d.o.o. za usluge, Krapinska 45, Zagreb, at its session held on 01.12.2020, the Management Board has adopted these

GENERAL TERMS AND CONDITIONS

1. Definitions

Advertising Content is an edited film (spot) which advertises a brand, product or service during the commercial break of a television programme.

Client is any legal entity or natural person who intends to broadcast Commercial Airtime (Advertiser) or any agency authorised by the advertiser to act on the behalf and for the account of the advertiser (Agency) and has registered such performance as business activity.

Commercial Airtime means both Advertising Content and Special Content.

Contract is "cost per point" agreement between RTL and the Client. All terms not defined by this General Terms and Conditions shall have the meaning assigned by the Contract.

RTL is RTL Hrvatska d.o.o. za usluge, Krapinska 45, 10000 Zagreb.

Order is a proposal containing all necessary elements of the advertising campaign (value, duration, content, etc.) which the Client submits to RTL as the basis for determination of the broadcasting plan.

GTC shall refer to these General Terms and Conditions.

Special Content is a broad term for all other forms of presentation of brands, products or services within a television programme which is not Advertising Content in the narrower sense.

2. General

2.1. The GTC shall govern the business relationship between the Client and RTL based on trust, ethics, honesty and mutual benefit. The GTC shall be applied to the totality of the business relationship between RTL and the Client and pertain to the broadcasting of Commercial Airtime during RTL's broadcasting slots. Any general terms and conditions applied by the Client to its own operations shall have no effect on the business relationship regulated hereby and shall not be applied thereto.

2.2. The GTC shall be a component of the Contract concluded between RTL and the Client, and as such shall complement special provisions of the Contract, unless explicitly specified otherwise in the Contract.

2.3. Should any dispute arise, such dispute shall be governed first by any special contractual provisions, then by these GTC, and then by the relevant legislation regulating contractual relations.

2.4. These GTC, and any and all amendments hereto, shall be made available to the Client and other interested parties in the premises of RTL, and on the web-site of RTL.

2.5. Amendments to the GTC shall be effected in compliance with the needs of operating practices and legal requirements.

2.6. All amendments to the GTC applied to individual business relationships shall be made available to the Client at the Client's written request.

2.7. Amendments to the GTC shall be deemed implicitly accepted if RTL receives no objections to amendments to individual provisions of the GTC from the Client within a period of eight (8) days, counted from the date on which said amendments are made available to the Client. In case of objections, the business relationship shall be terminated within an appropriate period and in a manner that insures the mutual protection of the legal interests of both RTL and the Client. Amendments shall be deemed available to the Client when they are exhibited, displayed or otherwise made accessible to the Client in accordance with 2.4 and 2.6.

3. Orders

3.1. The Client shall be obliged to submit the Order to RTL not less than three (3) workdays prior to the desired broadcast date. If Client submits the Order in less than three (3) workdays prior to the desired broadcast date it will be obliged to pay additional 10% of the price for initial seven (7) days of the campaign, which is the minimal period for which a campaign can be ordered.

3.2. An Order for broadcasting shall at least contain the following information:

- advertiser
- product
- commencing and closing date of the advertising campaign
- title and duration of the television commercial(s)
- Budget
- Day part

Day parts	Time of broadcast
early morning	02:00 - 12:59
daytime	13:00 - 14:59
early primetime	15:00 - 17:29
primetime	17:30 - 23:29
late night	23:30 - 01:59

3.3. The Client may request from RTL special positioning of the advertising spots within the commercial break, provided that such position is available. For such orders for special positioning of spots the position index shall apply.

Position	Position Index
First	130
Second	120
Penultimate	120
Last	130

3.4. Promotional content which contain information and/or representation of more than one brand, product or service shall be subject to a price increase of 30% for each additional brand, product or service.

4. Acceptance

4.1. The Client's Order shall be deemed accepted by RTL in the following cases: a) upon written or electronic (by e-mail) confirmation of the Client's Order by RTL, or b) upon broadcasting of the ordered Commercial Airtime, if the confirmation under a) comes only after broadcasting.

4.2. Orders from agencies shall be accepted only for specifically defined clients who place advertisements (Advertisers). The Agency shall provide on RTL request evidence of its authorisation to represent the aforementioned advertisers, and if the agency fails to do so, the Order shall be rejected. Agencies may not transfer broadcasting slots reserved for one advertiser to another advertiser or promotional agency.

4.3 In case the Client does not confirm/refuse the broadcasting plan within 48 hours from receiving it, the confirmation shall be deemed given.

5. Rejection of Broadcasting

5.1. Before or after acceptance of an Order, RTL reserves the right at any time to refuse the broadcast of a Commercial Airtime in particular for technical, legal or moral reasons, due to violations of the GTC, the general rules and regulations of RTL, the provisions of the relevant valid legislation of the Republic of Croatia or due to other comparable reasons, particularly if the content of the promotional materials does not comply with the interests of RTL, the Client has not settled copyrights or other, related rights and not provided evidence thereof, etc. If the broadcasting of Commercial Airtime is rejected as stipulated herein, the Client shall not be entitled to compensation of damages nor to raise any other claim against RTL.

5.2. As a rule, joint advertising, meaning Commercial Airtime in which the products, brands or services of several advertisers are promoted simultaneously, shall not be allowed. Exceptions shall be made only with the consent of RTL.

6. Broadcasting

6.1. The broadcasting of Commercial Airtime pursuant to a contract and GTC shall cover the entire territory over which RTL is authorised to broadcast.

6.2. RTL shall offer no assurances that specific Commercial Airtime within the commercial break will be broadcast in a specific order, nor that instead of the commercial break foreseen by the programming schedule it will offer another

commercial break. RTL does not guarantee any economy sector exclusivity within a commercial break.

6.3. Commercial Airtime not suitable for children or adolescents, or which promotes products not suitable for children or adolescents, regardless of the contracted broadcasting slot, shall be broadcast during times where broadcasting is permitted. Other limitations and rights to refusal pursuant to Section 5 of the GTC and the valid legislation of the Republic of Croatia remain unaffected.

6.4. Contracted broadcasting times shall be adhered depending on the capacity of the commercial break. Changes in the broadcasting time applying the contracted rate category are possible unless an agreement stipulating otherwise is reached in written form. Broadcasting day shall commence at 02:00 a.m. and terminate on 02:00 a.m. of the following calendar day.

6.5. If RTL changes the order of programmes due to current events, or live transmission of sporting events, concerts or other live programmes, or due to technical reasons, force majeure (state of emergency, national day of sorrow, lightning, hail, flood, political unrest, war, power failure and similar circumstances), or strike, or based on legal grounds, and is therefore unable to broadcast the commercial break during the contracted time-slot, RTL shall be entitled to broadcast the commercial break prior to or after the contracted slot.

6.6. In cases of programming changes other than those under 6.5., RTL shall inform the Client on the programming changes and shall offer the Client a new broadcasting slot. In case the Client does not respond within one (1) day, its approval shall be deemed given.

6.7. The Client shall be obliged to notify RTL of any possible objections pertaining to the Commercial Airtime during or immediately after broadcasting. Upon expiry of the aforementioned deadline, the execution of the Order shall be deemed complete, valid and without defect.

6.8. RTL shall not be liable on any grounds if it was unable to broadcast Commercial spots due to the fault or negligence of the Client.

6.9. If the Commercial Airtime is not broadcast or the broadcast is not in line with contractual stipulations, due to the fault of RTL, the liability of RTL shall be limited exclusively to subsequent broadcasting in a similar programming context. RTL shall duly notify the Client of the new broadcasting slot. If such subsequent broadcasting fails or proves otherwise defective, the Client shall be entitled to the reduction of the broadcasting fee. Apart from the broadcasting fee reduction, the Client shall not be entitled to compensation of any damages due to breach of contract or defects, or to raise any other claims against RTL. Those limitations shall not apply if the Commercial Airtime broadcasting failures are caused by RTL intentionally or by gross negligence.

6.10. In case of force majeure, RTL shall retain the right to alter the broadcasting schedule for Commercial Airtime or to refuse to broadcast commercials during its regular programming. Under such circumstances, the Client shall not be entitled to seek subsequent slots for airing as stated in Paragraph 6.9 of the GTC or compensation of any damages or to raise any other claims against RTL.

6.11. Calculation of the delivered ratings compared to the ordered ratings shall be based on delivered ratings as determined by AGB Nielsen Istraživanje Medija d.o.o. The total amount of delivered ratings is a sum of the following activities: Live + As Live + Guest view.

7. Rates

7.1. Stipulation of advertising terms and rates for the following calendar year must be concluded by 31.12. of the current year. The rates stipulation process needs to be finalised prior to campaign ordering process, otherwise the order acceptance and Commercial airtime broadcast shall only be available according to previously determined basic rates, following the specific day parts, without discounts.

7.2. RTL shall apply the rate schedule effective at the time of acceptance of an Order. Computation of rates for broadcasting by RTL shall be based on the

delivered broadcasting confirmation. Commercial Airtime broadcast in succession which promote the same or similar products or services, or in which the Client promotes several of its own products and/or services shall be computed as separate individual spots.

7.3. The per-second rates shall be applied to Advertising Content with a duration of 20 to 60 seconds. The rate for Advertising Content with a duration of 5 to 19 seconds shall be increased 20%. The rates for Commercial Airtime with a duration of over 60 seconds shall be contracted separately.

7.4. The rates for Special Content (e.g. sponsorship of programming content) shall be negotiated separately.

7.5. RTL reserves the right to modify its rates. For contracted and accepted Orders, rate changes shall be valid only after the Client is duly notified.

7.6. In case of rate changes, the Client shall pay the fee at the rate valid on the date on which services are rendered, unless explicitly specified otherwise.

7.7. RTL may employ special rates and offers to determine rates for broadcasting of Commercial spots within the context of specific programming content.

7.8. The value-added tax is not included in the rates, and it shall be additionally and separately computed and charged pursuant to law.

7.9. If explicitly specified in rate schedule or offer, the discounts shall be approved on the overall amount of the Commercial Airtime within the contracting period. RTL might approve Agency Commission as a kind of discount only on ordered Commercial Airtime in seconds, in which case the Agency Commission shall be expressed on each invoice delivered to the respective Client

8. Payment conditions

8.1. The Client shall conduct payment to RTL on the basis of a delivered invoice. RTL shall forward invoices on the basis of Commercial Airtime broadcast. The Client shall be entitled to file a complaint to RTL due to an issued invoice within a period of seven (7) days after receipt of the invoice. After the end of this period, the invoice shall be deemed valid, complete and accepted by the Client. The amount stated on the invoice shall be payable within a period of fifteen (15) days after receipt, unless stipulated otherwise.

8.2. Inasmuch as the contracting period settlement determines that the Client has not fulfilled the conditions for contracted and/or approved discounts in the course of the respective period, RTL shall once more compute the amount of discounts according to the current rate schedule and charge the difference to the Client.

8.3. The client shall conduct the payment by transfer order or other or other permitted means under the laws of the Republic of Croatia. Non-cash payments shall be deemed carried out, only after those amounts are recorded on RTL's account. The Client shall conduct the payments exclusively on the RTL's account specified in the delivered invoice.

8.4. Unless specified otherwise for specific cases, payments from the Client shall be deemed overdue if the amount is not recorded in the account of RTL as of the due date cited in the invoice. In cases of overdue payment, RTL shall charge default interest pursuant to law.

8.5. In cases of overdue payment, RTL shall be entitled to delay fulfilment of the Order, and the Client shall waive all its rights. Additionally, in cases of overdue payment, RTL may reject new Orders for broadcasting Commercial Airtime from the same Client.

8.6. Advance payments for broadcasting of Commercial Airtime shall be regulated by a separate agreement between the Client and RTL.

9. Documentation/broadcasting material

9.1. The Client shall provide RTL with the documentation and materials necessary to broadcast Commercial spots one (1) day prior to the desired broadcast date at the latest. Broadcasting materials should be delivered via www.ftp.rtl.hr. Only materials pursuant to Technical Standards of RTL which are available on <https://www.rtl.hr> shall be accepted as suitable for broadcasting. RTL cannot guarantee broadcasting that conforms to standards if the material is sent late or subsequently altered. The Commercial Airtime may not have a duration of less than five (5) seconds.

9.2. If RTL ascertains that the materials do not meet accepted standards, it shall inform the Client thereof. The Client shall be responsible for delivery of documentation and materials for broadcasting. In addition to the Commercial Airtime on the appropriate media format, the Client shall also provide written documentation containing the necessary information on audio files, particularly producers, composers, titles and duration of music used and confirmation of payment of copyrights in order to limit the liability of RTL. Documentation and materials for broadcasting shall be archived by RTL and returned to the Client at the Client's request within a period of ninety (90) days after the final scheduled broadcast. If the materials are not used for over ninety (90) days, RTL shall retain the right to destroy or otherwise invalidate the material and documentation without the consent of the Client.

10. Special Content (Sponsorship)

10.1. Under special circumstances, RTL reserves the right to exclude individual programmes from sponsorship packages with notification thereof. This right pertains to all programmes, particularly series and thematic programmes.

10.2. If needed, RTL may produce sponsorship announcements. The production costs for such announcements shall be charged to the Client. The Client shall be obliged to provide the complete content of the sponsorship announcement for review not less than three (3) weeks prior to broadcasting.

10.3. When RTL is producer of the sponsorship announcements RTL retains all intellectual property rights pertaining to the produced content and such content cannot be used in any and all media or otherwise publicly performed or exploited without the prior written consent of RTL.

11. Right to use

11.1. In the interests of facilitating the Order, the Client shall be obliged to transfer to RTL all necessary rights pertaining to broadcasting and other necessary use of the Commercial Airtime to the extent required to complete the Order. RTL shall be entitled to transfer such rights, particularly the right to broadcast, process and archive, to a third party which may be selected by RTL to handle such operations. The television rights in such cases shall be transferred without limitation, and broadcasting shall be approved in all known forms of television broadcasting, including transmission by Internet.

12. Client's legal accountability

12.1. The Client hereby guarantees that it is the holder of copyrights and ancillary rights required for use and broadcasting of Commercial Airtime. The Client is responsible for the clearance of all copyrights and other related rights with collecting societies in The Republic of Croatia and shall bear all related costs. Upon request of RTL, the Client shall forthwith provide evidence of the copyright and ancillary rights clearance pertaining to broadcasting of Commercial Airtime.

12.2. The Client shall provide assurances that it operates in compliance with all relevant regulations governing electronic media, telecommunications and other relevant valid legislation of the Republic of Croatia.

12.3. The Client shall be fully accountable for the content of commercial messages.

12.4. The Client shall be solely accountable for all claims made by third parties with reference to copyrights and similar rights, and other claims by third parties on any grounds pertaining to the broadcasting of programming content, and the Client shall compensate and exempt RTL of any and all accountability for any damages or losses incurred due to refunds, lawsuits or other claims that may be raised against RTL, its employees, managers, members, representatives, successors and/or cessionaries, regardless of whether or not there are valid grounds for such claims, and in relation to all liabilities, court rulings, charges, attorney and/or other fees and other costs of any nature which RTL may endure as the result of illegal action by the Client and/or violation of obligations delineated under the GTC or contract, regardless of the actual culpability of the Client.

13. Cancellation of Orders

13.1. The Client may cancel an Order in written form not later than seven (7) days prior to the contracted broadcasting. If the Order is cancelled within a period of:

- 3 to 6 workdays prior to broadcasting, the Client shall be obliged to pay 50% of the contracted price of the Order to RTL;
- 2 workdays prior to broadcasting, the Client shall be obliged to pay 75% of the contracted price of the Order to RTL;
- 1 workday prior to broadcasting, the Client shall be obliged to pay 85% of the contracted price of the Order to RTL;
- On the day of the broadcast, the Client shall be obliged to pay 100% of the contracted price of the Order to RTL
- If the Client does not deliver broadcasting material/documentation upon finalizing the Order, it shall be obliged to pay 100% of the contracted price of the Order to RTL;
- Regarding Special Content prepared for the Client, the Order may be cancelled up to fourteen (14) days prior to broadcasting with payment of 50% of the contracted value of the Order. A later cancellation will be charged in full;
- The cancellation right of the Client does not affect the overall obligation of the Client to order the ratings in the total agreed amount and to spend the total signed financial obligation for advertising on RTL's channels in the defined period.

14. Confidentiality/Data

14.1. The content of this Contract and all information exchanged prior to or during negotiations and implementation hereof shall be deemed confidential and the Contracting Parties shall not disclose said content or information. The Contracting Parties shall be held accountable for damages in cases of disclosure, unless regulated otherwise by compulsory provisions of effective laws.

14.2. The confidentiality of the content of the Contract and all information exchanged as denoted in the previous Paragraph hereof shall remain in force even after expiry of the Contract with no statute of limitations.

14.3. The Client hereby grants consent to RTL to utilise all data on the Client provided to RTL for internal purposes, particularly for the purpose of market research.

15. Final provisions

15.1. The Advertiser/Agency shall not have the right to transfer the rights and obligations stipulated hereunder to any other legal or natural person without the written consent of RTL

15.2. Amendments or supplements to the GTC and all additional arrangements must be drafted in writing to be deemed valid. This provision also applies to alterations in the form of the text.

15.3. If one of the provisions of the GTC should be or become invalid, the remaining provisions remain valid. The contracting Parties shall be obliged to replace the invalid provisions with valid provisions whose content, purpose and economic effect shall best correspond to the invalid provisions.

15.4. The GTC shall be governed by Croatian law and any possible disputes ensuing herefrom shall be subject to the exclusive jurisdiction of the courts in Zagreb.

These General Terms and Conditions shall be applied as of 01.12.2020.

Zagreb, 01.12.2020

Marc Puškarić, Chairman of the Management Board

Ivana Mihelčić, Member of the Management Board