

## **The General Terms and Conditions for Channel and Program Sponsorship in Czech Television Broadcast**

### **1. Applicability**

These General Terms and Conditions for Channel and Program Sponsorship in Czech Television Broadcast regulate the basic rules for channel and program sponsorship broadcast on Czech Television channels

### **2. The basic terms and conditions**

#### **Compliance with the legislation and other regulations**

The sponsor references delivered to be broadcast on Czech Television channels must be in line with these General Terms and Conditions for Channel and Program Sponsorship 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, and with the Code of Czech Television.

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 sponsorship of Czech Television programs.

#### **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 has a right to broadcast its channels freely and independently. The content of the programs and channels that are sponsored and the organisation of the programs and other parts of the broadcast in the chronological schedule of the given channel may not be influenced in any way which would affect the editorial responsibility and independence of Czech Television. Czech Television will not allow the Advertiser or the client to influence the content of the programs and the organization of the schedule. The editorial responsibility and independence are not considered to be affected if Czech Television, by its own choosing, accepts the Advertiser’s offer to sponsor a program or channel made in accordance with the legislation and with the Code of Czech Television.

#### **The Advertiser**

The sponsorship advertiser means a legal entity or an individual that has ordered from Czech Television the sponsorship of a program or the sponsorship of a channel the television broadcast of which is operated by Czech Television.

#### **The Author of a Sponsor Reference**

The Author of a Sponsor Reference means a legal entity or an individual that has created the sponsor reference for itself or for another legal entity.

### **The Purchase Order**

The Purchase Order means the Advertiser's offer to enter into an agreement using a Czech Television model purchase order form. Czech Television is not obligated to accept the Purchase Order. The storyboard and the complete sponsor reference are subject to a final approval by Czech Television.

### **The Sponsor**

Any legal entity or individual that is not engaged in radio and television broadcasting services, in providing on-demand audiovisual media services or in the production of audiovisual works may be a program or channel sponsor.

When choosing a sponsor, Czech Television takes into account its suitability considering the content and potential orientation of the sponsored program or channel.

The sponsor may not influence the content or the organisation of the program and of other parts of the broadcast in the chronological schedule of the given channel.

Programs or channels may not be sponsored by persons, whose principal activity consists in the manufacture or sale of cigarettes and other tobacco products and in the production and rental of products or the provision of services which may not, according to the law, be subject to advertising.

As regards program or channel sponsorship by persons whose business activity includes the manufacture or distribution of medicinal products or medical treatment, it is not possible to sponsor medicinal products or medical treatment available only on prescription in the Czech Republic.

Programs for children and young people may not be sponsored by persons, whose business activity includes the production or sale of alcoholic beverages.

### **Definition of sponsorship:**

Sponsorship means any contribution provided for direct or indirect funding of a channel or program with a view to promoting the sponsor's name, trade mark, products, services, activities or public image.

### **Types of sponsorship:**

- 1) Program sponsorship,
- 2) channel sponsorship.

### **Program**

For the purposes of sponsorship in 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 of a channel.

News and political and current affairs programs may not be sponsored.

### **Channel**

A channel means CT1, CT2, CT24, CT sport, CT: D, CT Art the broadcasting of which is operated by Czech Television.

Channel CT24 may not be sponsored.

## **Sponsorship announcements**

Every program or channel which is partially or fully sponsored shall be clearly identified as such.

The identification of the sponsored program or channel can take the form of a classical sponsor reference, an audio or visual reference or insertion. It must always be apparent that the presentation is in the interest of the sponsor, i.e., of a person other than Czech Television. The information about the sponsor's involvement (such as "this program is sponsored by..." or "this channel is sponsored by...") must always be included clearly; the said information can have an audio and/or visual form. Insertion means the incorporation of a visual representation of a sponsor reference in the form of a sponsor's logo or trademark in the broadcast program; insertion may not be used separately without a sponsorship announcement.

The sponsor reference is a type of commercial communication different from other commercial communications, such as advertising, teleshopping or product placement.

The program sponsorship announcement must always be placed at the beginning of the program and also during or at the end of the program meaning that there must always be two sponsor references within a program (placing only one sponsor reference is not possible).

The inclusion of sponsor references in broadcasting is only limited by the prohibition of their broadcasting in program trailers (however, not the placement of a sponsorship announcement before and after a trailer) and by the prohibition of their broadcasting during the program and immediately before the beginning or after the end of the program. The program sponsorship announcement (the sponsor reference) and the program must always be separated by a gap (a signature tune, a jingle) of at least 2 seconds.

The upper left part of the screen is reserved for broadcast operator identification (logotype).

## **The footage of sponsor references**

- 1) A classical sponsor reference may last a maximum of 15 seconds.
- 2) Insertion may last a maximum of 5 seconds.

## **Restrictions on the content of sponsored programs and of a sponsored channel:**

Sponsored programs or a sponsored channel may not directly encourage the purchase or rental of a product or service, especially by making a special mention of goods or services for the purpose of promotion.

## **The content of a sponsor reference**

The mandatory content of a sponsor reference by a program sponsor:

- 1) The information that the program is sponsored;
- 2) the name or corporate name, the visual symbol (logo), the sponsor's trademark, the product, service or other type of performance.

The mandatory content of a sponsor reference by a channel sponsor

- 1) The information that the program is sponsored;
- 2) the name or corporate name,

3) the sponsor's main line of business (e.g. Vodafone Czech Republic a.s., the mobile service operator).

#### **Other requirements as to the content of a sponsor reference**

1) Sponsor's promotion may not have the character of advertising. The basic purpose of sponsorship is to create a good reputation and goodwill of the sponsor. A sponsor's reference thus may contain promotion of the sponsor, of its product and service, even by referring to its products, services and their characteristic feature, and also by using a slogan, i.e., a phrase characterizing the sponsor, its product or service, which may or may not be the sponsor's trademark.

2) A sponsor reference must include facts which are primarily informative, not offers, invitations or encouragement to buy or consume, references to quality and price, comparisons with other similar products or services, benefits, advantages of use, the distribution method, purchase possibilities, information on special offers and specific discounts, etc. A sponsor reference therefore may not involve any direct persuasion process which would primarily exhort the viewer, through its audio or video footage, to realize the quality of a product in a way making the viewer find the product purchase appealing. The complex tone of the sponsor reference may not urge viewers to purchase or consume; promoting a product or service in an effort to convince viewers to purchase or consume may not be the leitmotiv of the reference, the primary purpose must consist in informing viewers of the sponsor's existence, its product or service.

3) A sponsor reference may only include contact details providing a link to more details about the sponsor; however, it does not specify any sales locations or sales events. The contact details may include a sponsor's teletext page or website address. A sponsor reference may not contain the address of the sponsor's sales location or its telephone number. The link to its website or teletext pages may, however, not contain any assessment or invitation to buy a product or performance. Here is an example of unacceptable use: *This program is sponsored by yoghurt AB, www.bestyoghurts.cz.*

4) A sponsor reference may not include information about prices or a comparison of the useful features of the brand, product or output with competitors, an evaluation of the benefits of the brand, product or output, the advantages associated with their use or purchase.

5) A sponsor reference may not contain any evaluation criterion of the sponsor, its product or service in the form of superlatives or comparatives.

6) A sponsor reference may not indicate any date of one-off sales events. A date can only be mentioned for events with a purpose broader than just commercial. An example of possible use: "This program is sponsored by Engineering Fair in Brno, September 18-22, 2012."

7) A sponsor reference may not contain any audio or video clips from the sponsored program. However, it may express a connection with a specific program which is sponsored in both the text and image section. However, the sponsorship announcement may not be formulated in a way allowing the viewer to deduce that the program (broadcast) was made

by the sponsor. An example of prohibited use: “This program was created by...”, “This broadcast was provided by ...”

8) In the case of sponsorship placed by manufacturers and distributors of over-the-counter drugs and dietary supplements, the sponsor reference must include a visible sign saying an “over-the-counter medicine”, “food supplement”, “dietary supplement”, “food for a particular nutritional use” or another accurate designation of the human medicinal product (based on the product composition). The screen may show the packaging (product, label) in a retail form (i.e., with all details); however, any information on the package or label must only appear as part of the packaging (this also applies to active substances). However, the packaging and the label may not contain advertising messages (e.g. special packaging, 30% extra for free, etc.)

### **Specific requirements for certain forms of sponsorship**

Displaying the channel sponsor before and after a trailer:

A channel sponsor may not be shown within a program trailer; it may only be shown before or after the trailer; the sponsor reference must always be clearly separated from the trailer by a jingle. In the event of cumulated sponsor references, “Sponsors of the channel” may be used as a collective designation; however, the trade name of the company and its core business activity must always be listed for each of the sponsors.

Displaying the program sponsor during a program trailer:

Program trailers may not be sponsored; however, a trailer may include a brief informative mention of the fact that the program is sponsored by a specific sponsor (whose sponsor reference is placed close to the sponsored program referred to by the trailer); this information may, however, not include any promotional elements.

### **Campaign**

A campaign means the placement of sponsor references in Czech Television programs in exchange for monetary consideration (i.e., a sponsor contribution).

### **Price list**

- 1) The prices according to the price list do not contain the actual VAT standard rate.
- 2) The price of an individual sponsor reference may be increased by a surcharge or reduced by a discount.
- 3) Unless provided otherwise, the footage of the sponsor reference contained in the current price list is the basis for the calculation of the price for broadcasting a sponsor reference.
- 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 a sponsor reference 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 sponsor references 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 sponsor reference at a given time.

### **3. Entering into sponsorship agreements**

3.1. Program and/or channel sponsorship in Czech Television broadcast is based on an agreement for program and channel sponsorship in Czech Television broadcast (hereinafter referred to as the "Agreement") made between Czech Television and the Advertiser, by which, under the conditions stated therein, Czech Television undertakes to provide the Advertiser with performance in the form of program and/or channel sponsorship in Czech Television broadcast and the Advertiser undertakes to pay Czech Television a fee (hereinafter referred to as the "Fee") unless the Agreement provides otherwise.

3.2. The Agreement is made in writing (the contracting parties expressly accept as signature also its scanned image). The Agreement is made using the purchase order form duly completed, signed and delivered to Czech Television by the Advertiser. The Agreement is entered into at the moment when the Advertiser's purchase order is also signed by Czech Television. The Agreement can only be amended or cancelled in writing.

3.3. 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.

3.4. 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.

3.5. The draft Agreement – Purchase Order shall include a precise specification of the program which is to be sponsored, provided that there is a program sponsorship, and also the precise name and surname of the individual or the name of the legal entity providing the sponsorship, and also, if so required by Czech Television, a visual symbol (logo) or trademark of the sponsor or its service, products or other types of performance or of another object which is to be promoted within the sponsorship framework, and also the sponsor's business activity and, regarding channel sponsorship, the sponsor's core business activity.

3.6. The Advertiser is authorized to cancel a firm order to broadcast a sponsor reference only on the basis of a written notification delivered to Czech Television no later than 6 weeks before the first day of broadcast of the sponsor reference 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.

3.7. The Agreement and the legal relation created thereby are governed by the Civil Code.

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

4.1. In addition to the elements set out in clause 3, 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 placement of sponsor references 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 of placing sponsor references around programs designed for specific target groups (e.g. sport programs, children's programs, etc.) or those sold at a special price.

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

5.1. The Advertiser undertakes to deliver the material for broadcast to the location specified by Czech Television at its own expense in advance no later than 3 business days before the first scheduled broadcast. The material for broadcast means: a medium with a recording of the sponsor reference, the broadcast schedule of the sponsor reference, including the "AKA" codes for sponsor references under the guaranteed sponsorship mode, and the music composition of the spot. The music composition must include at least the name of the used piece of music, the names of all authors (including the lyricist), 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 case of a commercial

movie, also the movie name, the name of the producer, the names and surnames of the performing artists, the original medium number, the year of production and the used footage of the commercial movie.

5.2. Unless the Agreement provides otherwise, the Advertiser undertakes to create the sponsor reference at its own expense in the quality corresponding to the Technical requirements for television broadcast of sponsor references on Czech Television and the sponsor reference must comply with these General Terms and Conditions and with the legislation, in particular Act No. 231/2001 Sb., the Radio and Television Broadcasting Act as Amended, Act No. 40/1995 Sb., the Advertising Regulation Act as Amended,, and with the Code of Czech Television.

5.3. The Advertiser undertakes to ensure that all necessary rights to broadcast the sponsor reference 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 sponsor reference, 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 sponsor reference

will be settled except the 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 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 shall be obligated to compensate Czech Television for any damage thus incurred.

5.4. Should the Advertiser fail to supply a sponsor reference in line with the legislation, these General Terms and Conditions and the Technical requirements for television broadcast of sponsor references on Czech Television 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 should the rightful interests of Czech Television be at risk, Czech Television is entitled to **terminate** the Agreement. Should the Advertiser fail to hand over the complete material for broadcast to Czech Television duly and in time, Czech Television is entitled not to place the sponsor reference in the broadcast.

5.5. Should the Advertiser fail to fulfill the duties stated in paragraphs 5.1., 5.2., 5.3., 5.4. of this clause, the Advertiser is obliged to pay Czech Television **a contractual penalty** in the amount of the agreed Fee and Czech Television is entitled, at the same time, to **withdraw**



from the Agreement. This does not affect the right of Czech Television to a full compensation for damage.

5.6. A sponsor reference may promote the Advertiser or, as the case may be, its client stipulated in the Agreement, or their products or services. A sponsor reference may not promote any other person not listed in the Agreement nor their products or services.

## **6. Sponsor reference broadcasting**

6.1. Unless the Agreement provides otherwise, Czech Television shall broadcast the sponsor reference with the content and in the form delivered by the Advertiser. The sponsor reference which will be included in the broadcast is always subject to the final approval by Czech Television.

6.2. Czech Television is entitled to label the sponsor reference in an appropriate way.

6.3. The Advertiser declares and guarantees that no justified claims of right-holders, rights of performing artists and producers' rights or justified claims of other third parties will be asserted against Czech Television in connection with the use of their protected subject matter or personal attributes during the broadcast of the sponsor reference in the way and to the extent set out by the Agreement. Should such claims be asserted against Czech Television, the Advertiser undertakes to satisfy these claims and to compensate Czech Television for any actual costs incurred in connection with the assertion of these justified claims.

## **7. Withdrawal from the Agreement**

7.1. 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 5.4.; 5.5.; clause 10 paragraph 10.8.; 10.13.);
- b) should it be impossible to ensure the broadcast of the program and/or channel sponsorship in the television broadcast of Czech Television due to changes in its programming;
- c) should the Advertiser be in delay of payment of the Fee and/or another due debt to Czech Television.

7.2. 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.

7.3. 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.

## **8. Liability for defects**

8.1. Should Czech Television broadcast the program and/or channel sponsorship with defects, especially with incorrect content, non-functional, technically incorrect or in an incorrect way, the Advertiser has a right to request:

- a) the elimination of the defect (if possible); and/or
- b) a substitute broadcast of the program and/or channel sponsorship without the defect in the scope corresponding to the nature of the defect and the scope in which the program and/or channel sponsorship appeared in the broadcast; or
- c) a reasonable discount on the Fee, (or on an aliquot part of the Fee corresponding to the price for the broadcast of the sponsor reference) the reasonable discount corresponding to the nature and extent of the defect.

8.2. The Advertiser is obliged to assert its claim resulting from Czech Television's liability for defects referred to in paragraph 8.1. against Czech Television in writing within five (5) days of the day when the defect could have first been detected, however, no later than within five (5) days of the day of termination of the broadcast of the program and/or channel sponsorship; 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.

8.3. The Advertiser's claims resulting from Czech Television's liability for defects referred to in paragraph 8.2. will not be created if the broadcast of the program and/or channel sponsorship 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 bodies, 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.

## **9. Additional fees**

9.1. An additional fee of 30% of the price list will be charged for a specific placement of a sponsor reference or for an exclusive placement of a sponsor reference.

9.2. An additional fee of 15% will be charged for a non-dominant presentation of any product or service in a sponsor reference.

## **10. Payment and price conditions**

10.1. The Advertiser is obliged to pay Czech Television a Fee for the placement of its sponsor reference agreed by the Agreement.

10.2. 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.

10.3. The Fee, stipulated in the Agreement, is charged in accordance with the price list valid at the moment of concluding the Agreement. The Fee, according to clause 4 paragraph 4.1 hereof, is set based on an individual evaluation of the campaign by Czech Television.

10.4 Sponsor references 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 sponsor reference 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 broadcast of the sponsor reference are in this case explicitly excluded.

10.5. 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 a sponsor reference terminated (with the date of termination of the sponsor reference broadcasting as the taxable supply date).

10.6. 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.

10.7. Before the broadcast of the sponsor reference, Czech Television is entitled to request the payment of an advance up to the amount of the full Fee for the broadcast of the sponsor reference agreed on, including the possible VAT.

10.8. 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 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.

10.9. Czech Television reserves the right not to initiate the ordered and confirmed broadcast of a sponsor reference and/or to interrupt the sponsor reference 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)

10.10. 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. A cheque or

promissory note are not regarded as payments unless the funds are credited to the bank account of Czech Television.

10.11. 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.

10.12. 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.

10.13. If the price list changes between the time when the Agreement is concluded until the sponsor reference is broadcast 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 the broadcast for the original price.

## **11. Liability for damage**

11.1. 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 addressed by a third party due to a breach of rights in connection with the performance pursuant to the Agreement.

11.2. 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.

## **12. Other provisions**

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

12.2. After agreeing the coding of spots (sponsor references) for the purposes of measuring viewer ratings of TV channels electronically, 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.

12.3. 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.

12.4. 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 clause, 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

12.5. 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.

12.6. 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.

12.7. 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.

12.8. 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.

12.9. 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 television broadcast of sponsor references on Czech Television

## **Technical requirements for television broadcast of advertisements 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, in end-to-processing and file presentation mapping without any compression.
- 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 longer 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](mailto: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 all 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 outputs intended for insertion must respect all the above rules and their content must reflect the fact that, during the emission, they will be reduced to 1/16 of their 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