

GENERAL TERMS

for realization of commercial messages (advertisement, sponsorship and other advertising forms)

by Nova Broadcasting Group AD

I. SCOPE AND GENERAL PRINCIPLES

Art. 1. (1) The present General Terms shall regulate the relations between **Nova Broadcasting Group AD**, UIC 832093629, having its seat and managing address at 6th fl., 41 “Christopher Columbus” Blvd., Iskar district, Sofia (hereinafter referred to as “**NOVA**”), on the one hand, in its capacity of a linear media service provider (TV operator) within the meaning of the Radio and Television Act (RTA) and as a Commissioner within the meaning of the Commercial Act, and the advertisers and/or advertising agencies, on the other hand. **NOVA** produces for distribution the television programmes **NOVA TELEVISION**, **DIEMA**, **KINO NOVA**, **DIEMA FAMILY**, **DIEMA SPORT**, **DIEMA SPORT 2** and **NOVA SPORT** and is entitled to sell advertising time for the realisation of commercial messages in the television programs **DISCOVERY CHANNEL**, **TLC**, **DISNEY CHANNEL**, **FOX**, **FOX CRIME**, **FOX LIFE**, **24 KITCHEN**, **NATIONAL GEOGRAPHIC CHANNEL**, **AXN**, **IDx** and **CITY TV**. As far as this General Terms are not contrary to the mandatory provisions of the Bulgarian legislation they govern the relations between the **NOVA** and state and local authorities, political parties, non-profit legal persons and third parties in relation of broadcasting paid reports, promotional and informational materials and videos.

(2) Commercial Messages in the sense of **art. 1** are advertising clips (spots), sponsorship tags, TV shop and product placement, as well as other advertising forms not forbidden by law.

(3) The present General Terms shall be binding upon **NOVA**, on the one hand, and upon the advertisers and advertising agencies, on the other hand. The Advertisers and Advertising Agencies shall confirm their acceptance of the General Terms by signing of a Business Agreement for broadcasting of commercial messages in the television programs under the names of **NOVA TELEVISION**, **DIEMA**, **KINO NOVA**, **DIEMA FAMILY**, **DIEMA SPORT**, **DIEMA SPORT 2** and **NOVA SPORT** of **NOVA**, as well as in the programs **DISCOVERY CHANNEL**, **TLC DISNEY CHANNEL**, **FOX**, **FOX CRIME**, **FOX LIFE**, **24 KITCHEN**, **NATIONAL GEOGRAPHIC CHANNEL**, **AXN**, **IDx** and **CITY TV** where **NOVA** is entitled to sell commercial time.

(4) The present General Terms may be amended by **NOVA** unilaterally. Advertisers and Advertising Agencies shall be considered notified of the changes in the General Terms as of the date of their posting on the website of **NOVA** at: www.advertising.novatv.bg/. In the event that within **fifteen (15) days** following posting of the amended General Terms no written objection to the inserted changes has been received from the Advertisers and the Advertising Agencies, having already accepted the General Terms, the General Terms so amended shall be considered binding upon them and shall be applied to the relations with **NOVA** in connection with broadcasting of commercial messages in the future.

(5) Conditions different from those stipulated in the General Terms can be agreed in Business Agreements between **NOVA** and the Advertisers and the Advertising Agencies in compliance with the provisions of RTA and the other applicable law, including any administrative regulations, regulating the transmission of commercial messages, such as licenses, authorizations, certificates of registration, etc., as well as the operating decisions, statements and other administrative regulations of the Council of Electronic Media or other competent authority.

Art. 2. (1) A Business Agreement shall be signed in order to have commercial messages realized by **NOVA** in the programs under **Art. 1, para. 1**, specifying the budget, discounts and type of advertising forms, term of the Business Agreement, timeslot (primetime and non-primetime), share of the budget, target groups, (**Target Groups**) and other commercial terms and conditions. The Business Agreement shall be signed between **NOVA** and an advertising agency and/or advertiser.

(2) In the cases, where there is a signed Business Agreement between **NOVA** and an advertising agency, the Advertising Agency shall submit to **NOVA** an Authorization Letter by a specific advertiser. A sample form of an Authorization Letter is available on the **NOVA** website. To avoid any doubt, in case that an advertising agency signed a framework Business Agreement with **NOVA**, on the basis of which more than one advertiser is to be serviced, the advertising agency shall provide the written authorizations (authorization letters) for each single advertiser.

(3) The Advertising Agency that has submitted an Authorization Letter shall have all rights regarding all matters related to planning, ordering, acceptance and payment of the TV time provided by **NOVA** for realization of commercial messages and transmission of Advertising Forms.

(4) On the basis of the Business Agreement, the advertising agency shall be entitled to propose a plan for positioning within the Programs of any advertising form from a specific advertising campaign (media plan) and send them to **NOVA**.

Art. 3. (1) **NOVA** shall provide against payment, TV time for transmission of Advertising Forms, promoting goods and/or services and/or trademarks in the TV programs distributed by **NOVA**, entitled as follows: **NOVA TELEVISION**, **DIEMA**, **KINO NOVA**, **DIEMA FAMILY**, **DIEMA SPORT**, **DIEMA SPORT 2** and **NOVA SPORT**, as well as in the programs **DISCOVERY CHANNEL**, **TLC DISNEY CHANNEL**, **FOX**, **FOX CRIME**, **FOX LIFE**, **24 KITCHEN**, **NATIONAL GEOGRAPHIC CHANNEL**, **AXN**, **IDx** and **CITY TV**.

(2) **NOVA** shall position the campaigns, in order to reach the budget agreed as per the Business Agreement, while keeping the broadcasts in compliance with the provisions of the RTA and the operating decisions, statements and other regulations of the Council of Electronic Media (CEM), meeting the provisions of these General Terms and the Business Agreement.

(3) The media plans for transmission of commercial messages shall be sent to the Sales department of **NOVA**. Within the media plan the advertising agency/advertiser shall specify the respective name of the advertising spot/s, target rating points, proposal for positioning of the broadcasts, in conformity with the terms and conditions of the Business Agreement, term of the campaign, etc.

(4) **NOVA** shall provide commercial time for transmission of advertising forms of advertising agencies and/or advertisers in the availability of:

- 1.** a signed Annual Business Agreement with a guarantee for a certain annual budget, as the Agreement must be signed before the start of the first campaign, but not later than the 1st March of the current calendar year, or
- 2.** a signed Business Agreement for a specific promotional campaign with a guarantee for a specific budget.

(5) **NOVA** shall provide advertising agencies and advertisers with commercial time for realization of commercial messages in the manners specified in the **Advertising Tariff** for the respective year. In the event of any discrepancy between these General Terms and the **Advertising Tariff**, the General Terms shall prevail.

(6) The guaranteed audience shall be determined according to the rating points and as stated in **Art. 5, para. 1**. For the purpose of each advertising campaign the guaranteed audience shall include the rating points generated by time shifting under the reports of the people metric agency determined according **Art. 18, para 2** below.

Art. 4. (1) The prices for transmission of advertising forms in the Programs under **art. 1, para. 1** shall be determined in the **Advertising Tariff** for the respective year, available on the website of **NOVA**, as well as in **Rate Cards**, which are posted on **NOVA's** website monthly within at least **10 (ten) days** before the first day of the respective calendar month.

(2) The specific **Rate Cards** shall become effective on the first day of the respective calendar month that they are related to.

(3) The prices, stated in the **Advertising Tariff** for the respective calendar year and in the **Rate Cards** shall exclude VAT. VAT will be charged additionally to the invoiced prices according to the applicable rate.

Art. 5. (1) Guaranteed general viewership audience for the programs **NOVA TELEVISION, DIEMA, KINO NOVA, DIEMA FAMILY, "DISCOVERY CHANNEL", "TLC", "DISNEY CHANNEL", "NATIONAL GEOGRAPHIC CHANNEL", "FOX", "FOX CRIME", "FOX LIFE"** and **"AXN"** shall be based on a standard annual price per rating point, indicated for specific target groups. The target groups and the respective price per rating point are contained in the **NOVA's Advertising Tariff** for the respective year.

(2) Advertising agencies shall plan and **NOVA** shall place the campaigns with view of achieving a budget, as agreed in the Business Agreement.

(3) In the cases, where a given promotional campaign has achieved more or less of the planned target rating points, **NOVA** shall be entitled to remove or add, respectively, additional advertising forms for general channel and timeslot split. **NOVA** shall be entitled to change the place (without approval of the advertising agency and/or the advertiser) of up to 15% (fifteen percent) of the total number of broadcasts, ordered in conformity with the terms and conditions agreed between the parties. In the event of non-compliance with the officially announced monthly allocation by channels, **NOVA** shall be entitled to shift the broadcasts until it is achieved.

(4) The gross price per commercial spot broadcast in the programs **DIEMA SPORT, DIEMA SPORT 2, NOVA SPORT, CITY TV, IDx** and **24KITCHEN** shall be stated in **NOVA's Advertising Tariff** for the relevant calendar year.

(5) At the purchase of packages for the programs **NOVA SPORT, CITY TV, IDx** and **24 KITCHEN** the gross price per spot shall be discounted according the respective TV channel Rate card.

(6) The advertising agency/advertiser shall pay for the rating points actually delivered according to the target audience of the campaign on a monthly basis. To each invoice issued by **NOVA** the advertising agency/advertiser shall receive a preliminary report about the rating points delivered based on the preliminary data from the peoplemeter agency, as reported by the internal information system of **NOVA**.

Upon receiving the final data, **NOVA** shall notify the advertising agency/advertiser, and if equalization is necessary the parties shall exchange the respective accounting documents in compliance with the requirements of the laws in force.

At the end of each monthly campaign, upon receiving the final data, **NOVA** shall issue a final report and a certificate for the broadcast campaign.

In case of transactions for broadcasting of a specific number of advertising forms, together with the invoice **NOVA** shall issue a final report based on data from the peoplemeter agency, as reported by the internal information system of **NOVA**, together with a certificate for the broadcast campaign.

(7) The advertising agency/advertiser agrees that in the event of deviations in the reporting of data by the internal information system of **NOVA** and the software of the peoplemeter agency up to 0.3%, the data from the internal information system of **NOVA** shall be considered final.

In the event of differences higher than 0.3%, the data of the peoplemeter agency shall be considered final. Such differences shall be equalized on July 15 and December 29 of the respective year (or on the respective following business day), whereas the parties shall exchange the necessary accounting documents in compliance with the requirements of the laws in force.

(8) Any objections to the parameters of any broadcast campaign shall be accepted by the 15th day of the month following the month, during which the respective advertising forms have been broadcast. If **NOVA** does not receive any objections within the specified term, then this right shall be precluded for the advertising agency/advertiser, and the advertising campaign shall be considered fully accepted without any objections on the part of the advertising agency/advertiser.

II. REQUIREMENTS TO THE CONTENTS OF THE ADVERTISEMENT AND THE ADVERTISING MATERIALS

Art. 6. (1) An Advertising Agency/Advertiser shall deliver for broadcasting in the programs of **NOVA** or in the programs, where **NOVA** is entitled to sell commercials, advertising materials, the contents, form and production of which comply with the applicable legislation (*the Radio and Television Act, Marks and Geographical Indications Act, Copyright and its Related Rights Act, Health Act, Consumer Protection Act, Tobacco and Tobacco Articles Act, Discrimination Protection Act, Protection of Competition Act, Gambling Act, etc.*). The advertising materials shall meet the standards and the terms of television transmission, as stipulated in the applicable law. All expenses or damages incurred by **NOVA** as a result of infringement of this provision shall be paid by the advertising agency/advertiser within **5 (five) days** after claiming the damages by **NOVA**.

(2) The advertising forms shall promote goods and/or services and/or trademarks, owned by the advertiser or the ones for which the advertiser has obtained an exclusive right of use in conformity with the Marks and Geographical Indications Act.

(3) The advertiser/advertising agency shall, by signature of a Business Agreement, warrant and represent that:

1. it has a legal, contractual or otherwise lawfully assigned right to use of TV transmission graphical and word signs embedded in the advertising forms;
2. it has arranged entirely all its relations, including for the use and property, with the authors of the commercial message and all other holders of copyright and its related rights, whose works have been used in the commercial message, in compliance with the requirements of the Copyright and its Related Rights Act (CRRA), Marks and Geographical Indications Act (MGIA) and the other applicable Bulgarian law, including that it has obtained from these holders or their authorized collective societies all necessary permits for the use of their created objects of copyright and its related rights in the programs of **NOVA** for all technical means of their transmission and retransmission;
3. it will arrange in the future entirely and in compliance with the Bulgarian law and at its own expense any claims of the holders of copyright and its related rights to the commercial message and its embedded objects of copyright and its related rights, and that will release **NOVA** from any claims asserted by court or out-of-the-court proceedings by authors and holders of related rights in connection with

the commercial message, and further that in case of any possible assertion of such claims directly against **NOVA**, it will satisfy them in full and at its own expense, providing it has been irrefutably proved that they are reasonable.

4. The commercial message, the transmission of which has been assigned, is produced in compliance with the requirements of RTA, CRRA, Consumer Protection Act (CPA), MGIA, Protection of Competition Act (PCA), and the other applicable Bulgarian law.

(4) The advertiser/advertising agency shall, by signature of a Business Agreement, warrant and represent that the commercial message, provided for transmission, has been produced and meets the requirements of RTA, CRRA, CPA, MGIA, PCA, Health Act, and the other applicable law.

(5) In any case of imposed and enforced penal orders on the part of a regulatory or another authority, directly related to the realization of the commercial messages, and in case that the realization of the commercial messages has been forbidden by the National Council of Self-Regulation, the advertising agency/advertiser must immediately reimburse **NOVA** for the amount of the imposed property sanction, the failed advertisement, respectively, including for the expenses incurred by **NOVA**, related to payment of state and other fees, as appropriate, lawyer's fee, fees for experts and alike. **NOVA** shall immediately notify the Advertiser and/or the Advertising Agency of the institution of administrative-criminal proceedings or other or of initiating proceedings to the National Council of Self-Regulation. The advertiser/advertising agency shall be entitled to delegate their own representative to take part in the respective proceedings together with the **NOVA's** representative. In case that the advertiser/advertising agency has not benefited from its right of the previous sentence, the advertiser/advertising agency shall not have the right to protest against the manner in which the proceedings are being held.

(6) **NOVA** shall reserve its right to refuse broadcasting of commercial messages if **NOVA** decides that its broadcast could lead to any of the following consequences:

1. infringement of the operating law, including violation of the National Ethic Rules for advertisement and commercial communication in the Republic of Bulgaria, adopted by the National Council of Self-Regulation;
2. infringement of the **NOVA's** obligations arising out of the operating law or the National Ethic Rules for advertisement and commercial communication in the Republic of Bulgaria, adopted by the National Council of Self-Regulation;
3. infringement of the obligations, contained in the administrative regulations, stipulating **NOVA** activity, including the obligations for transmission and those related to transmission of TV commercials;
4. sanctions imposed by third parties (including, but not limited to right holders, competitors, governmental and administrative authorities, National Council of Self-Regulation and alike);
5. impairment of legitimate interests of a company distributing the programs of **NOVA**.

(7) The advertising agency, advertiser, respectively, shall be fully liable for the contents of the commercial messages designed for broadcast. The advertising agency/advertiser agrees to indemnify **NOVA** against any and all claims of any kind asserted by third parties against **NOVA**, including, but not limited to claims related to the Protection of Competition Act, personal rights, copyright and its related rights, and intellectual property rights and trademark rights. The advertising agency and the advertiser shall jointly reimburse **NOVA** for any costs, losses or harms suffered by **NOVA** as a

result of any claims asserted against it, or court or other proceedings, or threat of court or other proceedings in this aspect.

(8) The advertising agency/advertiser must produce **NOVA**, upon request, any evidence concerning the contents and the rights of the advertising material provided for broadcast.

(9) By signature of the Business Agreement, the advertising agency and the advertiser accept these General Terms and guarantee that all rights, charges, fees and remunerations have been duly acquired and paid by the advertiser to all right holders in connection with producing and transmission of the advertising materials and for any kind of distribution (terrestrial, via cable, satellite, or other technical device) in the programs of the **NOVA** in compliance with the Bulgarian law.

(10) In case that the advertising material contains copyrighted music, the advertising agency and the advertiser shall guarantee that the synchronization rights for any music, contained in the advertising material, have been acquired and paid by the advertiser. Together with the advertising material, the advertising agency and the advertiser must provide **NOVA** with the cue sheets of the music, containing the title and the exact length of each music composition, and the name of the author of the lyrics, as well as the name and address of the music publisher, if any.

(11) In case that the advertising material contains a phonogram and/or sound or video recording made by any other person, the advertising agency/advertiser shall produce evidence, upon request, about authorization by the producers of the sound recordings for producing and transmission of the advertising material and a power of attorney by all artists for the use of their performance for the production of the advertising material. The advertising agency/advertiser shall, upon request, produce evidence that there are no claims asserted against the advertising material by artists and producers of the sound recordings in connection with the production and transmission of the advertising material. If requested by **NOVA**, the advertising agency/advertiser must produce copies of the respective contracts for assigned rights with the above right holders. To avoid any doubt, the advertising agency/advertiser shall be held liable for any claims of third parties.

(12) In case that the information about the music, contained in the advertising materials, does not provide the necessary data, evidencing that it may be distributed via advertising material, **NOVA** shall have the right to refuse transmission of that advertising material, and the advertising agency/advertiser must cover all costs incurred by **NOVA**, that may arise in this relation.

(13) In case that the advertising material is in a language different from Bulgarian, the advertising agency/advertiser must deliver the advertising material with Bulgarian subtitles.

(14) The advertising agency/advertiser warrants and represents that it holds all the rights to promote through a TV commercial the name and/or trademark of the products, services – subject to the campaign, respectively.

(15) The commercial messages for goods and services, the production or trading of which is subject to licensing under Art. 9, para. 1, item 2 of the Law on Restriction of the Administrative Regulation and Administrative Control on Business or the advertisement of which requires permission, may be included in media services only upon presentation of the respective license or permit by the advertising agency/advertiser to **NOVA**.

(16) The advertiser shall, either alone or through its servicing advertising agency, assume at its expense the full liability if as a result of infringement of any of the above guarantees any claims and demands have been asserted against **NOVA** by third parties.

III. SUBMISSION OF MEDIA PLANS FOR TRANSMISSION OF COMMERCIAL MESSAGES

Art. 7. (1) Media plans for transmission shall be accepted every month, unless otherwise agreed. For the purpose of operative efficiency, media plans are allowed to be submitted via e-mail, which shall be indicated by each of the parties in the Business Agreement and shall be considered valid business correspondence between them.

(2) Placing an order for a given promotional campaign for the programs NOVA TELEVISION, DIEMA, KINO NOVA, DIEMA FAMILY, DIEMA SPORT, DIEMA SPORT 2, NOVA SPORT, FOX, FOX CRIME, FOX LIFE, 24KITCHEN, CITY TV, IDx and NATIONAL GEOGRAPHIC CHANNEL shall be done by submission on the part of the advertising agency/advertiser of media plans within the terms, which **NOVA** shall announce on a monthly basis.

(3) The completed media plans shall be sent by the advertising agency/advertiser to a respective representative of the Sales Department of **NOVA** via e-mail and **NOVA** shall position the campaign with the purpose of achieving the target viewership audience.

(4) The advertising agency shall be entitled to receive and approve the quantitative and qualitative calculation of the delivered rating points and to require a certificate of broadcasting.

(5) Upon receipt of the media plan, **NOVA** must reply if the ordered advertising materials meet the requirements for quality and the provisions of the operating law, including the requirements of the National Ethic Rules for advertisement and commercial communication in the Republic of Bulgaria. In case of contradiction with the applicable law or specific administrative regulations of competent authorities or orders of the National Council of Self-Regulation, **NOVA** shall immediately notify the advertising agency/advertiser, suggesting specific methods for elimination of the faults and recommending the performance of a Copy Advice by the National Council for Self-Regulation. In case of refusal by the advertising agency/advertiser to comply the advertising material with the legal regulations and/or the proposal for change, **NOVA** shall be entitled to refuse to perform the ordered media plan in writing. This refusal shall be sent via e-mail.

(6) In case that the commercial message does not meet the legal and other requirements and the requirements of **NOVA**, **NOVA** shall position the respective advertising forms in conformity with the media plan.

(7) **NOVA** offers commercial time in all transmissions of all programs of the Media, except these in which advertisement is forbidden by law.

IV. DELIVERY OF THE ADVERTISING MATERIALS

Art. 8. (1) The advertising agency/ advertiser must deliver to the Sales Department of **NOVA**, at no cost, all advertising materials that are subject to broadcast at its own expense and own liability and meeting the due dates, specified in **Art. 7, para. 2**. Advertising materials must be provided via FTP protocol and must correspond to the applicable technical standards for TV transmission and the technical requirements of **NOVA**, available on the website of **NOVA** at <http://advertising.novavt.bg/>. Advertising materials must comply with the Unified Standard for Regulating the Volume Levels in the Advertising, as adopted with General Agreement for Regulating the Volume in the Advertising dated 6th of February 2013 (in accordance with Loudness Recommendation EBU R128) between Association of Bulgarian Broadcasters – ABBRO, Bulgarian Association of Advertisers and Bulgarian Association of communication agents. In case of infringement of the above provisions, as a result of which the transmission of the advertising material might be prevented, the advertising agency/advertiser must cover the costs

for the transmission under the provisions of these General Terms and the Business Agreement, and to compensate **NOVA** for the caused damages, including the property sanctions paid by **NOVA**.

(2) **NOVA** requires the media plans to specify the advertiser, the advertised brand and the duration of the advertising material in seconds down to a frame.

(3) In case that the advertising materials have not been delivered under the procedure, stated in the previous provisions, or the advertising materials do not meet the requirements of **para. 1 and para. 2**, as a result of which the transmission might fail, **NOVA** shall not be liable for the due dates of transmission or delivery of the agreed TRP.

(4) In case that there are some technical defects in the delivered advertising materials, **NOVA** may offer another plan and due date for transmission.

V. TRANSMISSION OF COMMERCIAL MESSAGES

Art. 9. (1) Commercial messages shall be transmitted according to the length of commercial breaks.

(2) In case that the advertising agency/advertiser has presented an advertising material that is different from the length agreed in advance, **NOVA** shall not be under the obligation to broadcast the advertising material.

(3) **NOVA** shall start transmission of the commercial messages after a Business Agreement is concluded and presentation of the necessary documents according to these General Terms.

Art. 10. (1) **NOVA** shall provide proper technical quality for transmission of the programs, without being able to guarantee the quality of receiving the signal.

(2) **NOVA** shall transmit commercial messages, the contents of which might, in the opinion of **NOVA**, damage the physical, mental and moral development of children, between 23:00 – 06:00 hrs only.

(3) **NOVA** shall transmit indirect advertisement of spirit beverages between 22:00 – 06:00 hrs. **NOVA** shall be entitled to decide if the contents of a given commercial message of a spirit beverages constitute indirect advertisement in the sense of the Health Act. In case **NOVA** decides that a given commercial message constitutes a direct advertisement of a spirit beverages, it shall not broadcast spots without being liable for that.

(4) **NOVA** shall only broadcast advertising materials, which are in Bulgarian or have Bulgarian subtitles, if they are in a foreign language.

(5) In case that before the start or during the transmission of the delivered commercial messages **NOVA** receives evidence that the transmission of the commercial messages will violate rights and/or the legal interests of third parties and/or imperative regulations of the Bulgarian law and/or provisions of the National Ethic Standards for Advertisement and Commercial Communication in the Republic of Bulgaria, **NOVA** shall be entitled unilaterally to cancel the transmission of the commercial messages. **NOVA** shall be entitled unilaterally to cancel the transmission of commercial messages also in case of issuance of a certificate for found administrative violation in connection with a specific commercial message.

(6) In the cases under the previous paragraph **NOVA** must immediately notify the advertising agency/advertiser and produce evidence about availability of the circumstances under **para. 5**. In case that the advertising agency/advertiser produce convincing evidence about groundlessness of the claims of the third parties or about absence of violation, the **NOVA** shall resume the transmission of the commercial messages.

(7) **NOVA** shall reserve its right to make general changes to the program plans. In these cases **NOVA** shall not be held liable for infringement.

(8) NOVA shall be entitled to cancel the transmission of commercial messages according to a specific media plan upon achievement of the ordered rating points, with regard to which it shall notify the advertising agency/advertiser in advance. In case that the broadcast campaign provides more rating points than the ordered ones, then the advertising agency/advertiser shall pay for the additionally delivered rating points in accordance with the specific terms and conditions of the Business Agreement.

(9) Except in the cases under **para. 8**, any change and reconsideration of the approved media plans of transmission on the part of the advertising agency/advertiser will be communicated to **NOVA** at least **7 (seven) days** before transmission of the respective commercial messages.

VI. PRICES AND PAYMENT

Art. 11. All prices for realization of commercial messages shall be determined in accordance with an **Advertising Tariff** for the respective calendar year and **Rate Cards** for the relevant calendar months.

Art. 12. (1) The standard channel split of the commercial messages in the different programs of **NOVA** applies to promotional campaigns with guaranteed viewership audience for each calendar month, as such channel split shall be posted at least **10 (ten) days** before the first day of the relevant calendar month on the website of **NOVA**.

(2) In the sense of the previous paragraph, the standard split shall be determined according to the audience distribution into target groups for the relevant program of **NOVA**.

(3) The different target groups have different standard distributions.

Art. 13. When determining the price of each commercial communication, the latter shall be based on a standard 30-second unit, but in the event that any advertising material is of different length, then its price shall be calculated using a coefficient according to the stipulations in the Advertising Tariff in force.

Art. 14. (1) The calculation of the price for each advertising material, besides its length, shall also take into account the respective calendar month of the year, in which the advertising material is broadcast. The season index for each calendar month of the year shall be stated in the **Advertising Tariff** for the relevant calendar year.

(2) In the cases when a certain advertising campaign continues for two or more months, the planned number of rating points is defined after calculating the price per rating point on a monthly basis by applying a seasonal index, corresponding to the particular calendar month and stated in the **Advertising Tariff**.

(3) The season index under **para. 1** shall apply to all programs – **NOVA TELEVISION, DIEMA, KINO NOVA, DIEMA FAMILY, NOVA SPORT, DISCOVERY CHANNEL, TLC, DISNEY CHANNEL, FOX, FOX CRIME, FOX LIFE, 24KITCHEN, NATIONAL GEOGRAPHIC CHANNEL, CITY TV, IDx and AXN**.

(4) The season index under **para. 1** shall not apply in case of purchasing a commercial time at a fixed price for a commercial spot, according to the published **Rate Card** at the time of submission of the media plan, as well as with regard to the purchase of advertising time for the channels Diema Sport and Diema Sport 2.

Art. 15. (1) **NOVA** shall be entitled to apply discounts to the prices for transmission of advertising materials according to the active **Advertising Tariff**.

Art. 16. (1) **NOVA** shall be entitled to add the extra charges (mark-ups) to the prices for broadcasting of commercial messages according to the **Advertising Tariff**.

(2) NOVA shall be entitled to claim from the advertiser/advertising agency compensations according to the **Advertising Tariff**.

Art. 17. (1) The specific terms related to the selling systems and remuneration of **NOVA** shall be stipulated in a Business Agreement, which is signed by **NOVA** and the advertiser and/or the advertising agency.

(2) The advertising agency/advertiser must purchase commercial time for the duration, amount and under terms and conditions, as agreed in the Business Agreement signed between the parties and these General Terms.

(3) **NOVA** shall issue an invoice to the advertising agency/advertiser upon completion of each campaign according to a reference from the management information system of **NOVA** based on the actually delivered rating points or the broadcast number of advertising forms (in case of transactions for broadcasting of a specific number of advertising forms, including for alternative forms).

(4) **NOVA** shall be entitled to issue electronic invoices (hereinafter referred to as “e-invoices”) for due fees to the advertising agencies/ advertisers. E-invoice provided through the www.eFaktura.bg system are compliant with the requirements of the Electronic Document and Electronic Signature Act, Accounting Act and the VAT Act.

(5) The advertising agency/ advertiser shall be obliged to indicate valid e-mail for receiving e-invoice. In case of change of the e-mail, the advertising agency/ advertiser shall be obliged to notify **NOVA** for the new valid e-mail within 7 (seven) days period as of the change took place, otherwise e-invoice shall be considered received by the advertising agency/ advertiser.

(6) **NOVA** shall be entitled to issue an e-invoice to the advertising agency/advertiser for the due fee for transmission of commercial messages on the basis of the actually delivered rating points (or the broadcast number of advertising forms in case of transactions for broadcasting of a specific number of advertising forms, including for alternative forms) on a monthly basis. Each of the ordered media plans can also be paid for in advance, whereas **NOVA** shall issue a debit/credit note in case of any difference between the amount paid in advance and the value of the delivered rating points (or the broadcast number of advertising forms) and shall notify the advertiser/advertising agency in writing about the result – additional amount to be paid or amount to be returned, depending on the advance payment received upon receipt of the final data from the peplemeter system, as reported by the management information system of **NOVA**.

(7) The advertising agency/customer must pay the due fee to **NOVA**, not later than **7 (seven) days** after the date of the e-invoice issuance. Payments to **NOVA** shall be made via bank transfer to a **NOVA** bank account, indicated in the specific Business Agreement.

(8) In case of late payment the advertising agency/advertiser shall owe a penalty in the amount of **0.2% (zero point two percent)** on the due sum per each day of delay.

(9) The advertising agency/advertiser shall be jointly liable for payment of all outstanding fees for broadcast advertising materials, and for payment of interests for late payment, penalties, as well as any other due compensation.

(10) **NOVA** shall reserve the right to cancel the transmission of advertising materials in case that an advertising agency/advertiser has not fulfilled its obligations to **NOVA** for more than **5 (five) business days** after expiration of the due date for performance of the relevant obligation.

(11) In the cases under **para. 10**, the advertising agency/advertiser shall pay **NOVA** all outstanding sums together with compensation for incurred damages, arising out of such cancellation of broadcasting.

(12) Direct payments from abroad shall be done in a convertible currency according to the official exchange rates valid on the date of invoicing. The

advertising agency/advertiser shall be solely liable for all bank charges for bank transfers from abroad. The amount agreed to in the respective Business Agreement shall be due net, upon payment by the advertiser/advertising agency of the due taxes, fees and other payables.

Art. 18. (1) In case that the advertising agency/advertiser guarantees in the Business Agreement signed between the parties that a certain amount of the advertiser's budget for TV commercials will be spent in the programs of **NOVA** for transmission of Advertising Materials and such budget will be invested, **NOVA** shall be entitled to recalculate the discount, applying a different amount of the discount according to the **Advertising Tariff** and the budget that has actually been invested by the advertiser.

(2) **NOVA** shall determine the price of its advertising time on the basis of the data of the monitoring of "Nielsen Admosphere Bulgaria" EAD, UIC 201937832 (**NIELSEN**) and/or another people metric agency, appointed by **NOVA**.

Art. 19. (1) **NOVA** shall send to the advertising agency/advertiser via e-mail a certificate for transmission of each specific promotional campaign within **10 (ten) business days** after receipt of the data from **NIELSEN** or another people metric agency, appointed by **NOVA**.

(2) In case that the advertising agency/advertiser disagrees with the issued certificate, any objections may be made within **7 (seven) business days** after issuance of the certificate. In case no written objections from the advertising agency/advertisers are received within the given term, the performance shall be considered fully accepted without any objections. Objections made after expiration of the term in the previous sentence shall not be considered by **NOVA**.

(3) In case an objection in the sense of **para. 2** is received from the advertising agency/advertiser, the two parties shall elect their representatives, who, in **NOVA's** premises, shall review the specific video recordings, subject of the objection, and upon establishing the respective circumstances, they shall draft and sign a bilateral protocol, settling the disputed relations between each other with reference to the broadcasting of the advertising campaign.

(4) In terms of the broadcasted alternative advertising forms (except for product placement), **NOVA** shall send to the advertising agency/advertiser via e-mail, indicated in the Business Agreement, a report of their broadcasting as part of a specific advertising campaign within a deadline of **10 (ten) days** after their completion.

(5) In case the advertising agency/advertiser does not agree with the report under the preceding section, any objections can be made within **7 (seven) business days**. If no written objections from the advertiser/advertising agency are received within this deadline, the report shall be considered fully accepted without any objections. Any objections, made after the expiration of the deadline, shall not be taken into consideration by **NOVA**.

(6) In case an objection from the advertising agency/advertiser is received, the parties shall elect their representatives who, in **NOVA's** premises, shall review the specific video recordings, subject of the objection, and upon establishing the respective circumstances, they shall draft and sign a bilateral protocol, settling the disputed relations between each other with reference to the broadcasting of the advertising campaign.

VII. WAIVER OF MEDIA PLANS AND LIABILITIES

Art. 20. The effect of a Business Agreement shall be terminated in the following cases:

1. upon expiration of the period of the promotional campaign and after fulfilment of the obligations by both parties;
2. upon written consent between the parties;

3. unilaterally by **NOVA** in case of default by the advertising agency/advertiser of their duty, arising out of the Business Agreement or these General Terms, which has lasted after a warning has been given with a reasonable time granted to remedy the default;

4. unilaterally by **NOVA** in case that the advertising agency/advertiser falls in delay in payment of the outstanding sums more than **30 (thirty) days**.

Art. 21. In case that an advertising agency/advertiser rejects the broadcasts positioned by **NOVA** on **closed days**, the advertiser/advertising agency shall pay **100% (a hundred percent)** the advertising materials, as if they had been broadcast. "**Closed days**" are the days, in which the advertising time has been filled up, and for which the deadline for stating advertising has expired, under **art. 7, para. 2**. During "**closed days**" **NOVA** has the right to refuse implementing the specific broadcasts, stated after the deadlines under **art. 7, para. 2**, where this is not considered an infringement on the part of **NOVA**.

Art. 22. (1) In case that during the validity of the Business Agreement the performance of the obligations of the parties is prevented by enforced legal or administrative regulations, including criminal orders or decisions of the National Council of Self-Regulation, the Business Agreement may be terminated by each of the parties in writing, unilaterally, and with immediate effect without owing any compensation and penalties.

(2) In case of occurrence of force majeure in the sense of the Commercial Act, lasted more than **30 (thirty) days**, either party may terminate the Business Agreement in writing, unilaterally and with an immediate effect, without owing any penalty to the other party, unless **NOVA** has already fulfilled its obligations.

(3) In the cases of the previous paragraphs, if the reasons due to which the performance of the Business Agreement has become impossible, may be eliminated in a reasonably short time and the other party has not explicitly declared any wish in writing for termination of the Business Agreement, **NOVA** shall not refund the fees paid in advance, but it shall resume the transmission of the advertising materials after the obstacles for that have been eliminated.

Art. 23. (1) If the advertising agency/advertiser fails to purchase commercial time for the total budget, as stated in the Business Agreement, it shall owe a penalty as follows:

1. upon any failure of up to 10% - 10% of the difference between the guaranteed and the actually achieved budget;
2. upon any failure of up to 20% - 20% of the difference between the guaranteed and the actually achieved budget;
3. upon any failure of up to 30% - 30% of the difference between the guaranteed and the actually achieved budget;
4. upon any failure of more than 30% - 50% of the difference between the guaranteed and the actually achieved budget;

In any of the cases described above the advertising agency/advertiser shall owe payment of a percentage of the total gross value of all bonuses calculated according to the official Television's Rate Card, valid as at the date of their broadcasting, which corresponds to the percentage of failure to meet the guaranteed budget.

(2) Besides the penalty under para 1, the delivered discounts shall be recalculated based on the actually purchased commercial time/actually invested advertising budget of the advertising agency/advertiser.

Art. 24. If the advertising agency/advertiser shall not observe the budget split as agreed under the Business agreement by quarter with a deviation in

excess of 15%, then no additional bonuses shall be applied to the amount exceeding the agreed quarterly budget.

Art. 25. (1) NOVA shall not be liable for any costs, damages, losses, included loss of profit, missed benefits, harm of reputation or other economic losses, arising out of infringement of these General Terms and the Business Agreement or default of any obligation, prescribed by law above the amount of the fee paid by the advertising agency/advertiser for the broadcast advertising materials.

(2) NOVA shall not be held liable for any infringement or delay in any obligations below, providing that infringement or delay has not occurred as a result of an event beyond the control of **NOVA**, including, but not limited to force majeure, such as: civil insurrections, war or military acts, national or local calamities, relevant orders or punishment by the government or another competent authority, extremely severe weather conditions, earthquakes, and other calamities, technical troubles with transmission, including damage in the transmission facilities, interruption and insufficiency of electricity, adherence to legal regulations or license conditions, including legal liabilities, such as providing information to the general public or professional or labour disputes of any kind or other events.

(3) NOVA's responsibility to the advertising agencies/advertisers is limited to **100%** of the amount of the remuneration owed to it, up to the value of the respective monthly advertising campaign.

VIII. MISCELLANEOUS PROVISIONS

Art. 26. NOVA shall have obligations and shall be held liable to the advertising agency/advertiser only on the basis of these General Terms and the Business Agreement for transmission of advertising materials. Any other obligations, guarantees or conditions (implied or other) are excluded.

Art. 27. Any clauses of the Business Agreement, the appendices and annexes thereto shall be top confidential and constitute production and commercial secret, and the parties shall be under the obligation not to disclose any of the agreed clauses, as well as any other information that has become known to the parties to it regarding the organization and the activity of the parties, know-how, utility models, personal information about the employees and other information that may be considered as confidential, except upon explicit mutual consent in the cases, where the party alone has made it available to the public or in implementation of legal regulations. Either party must request that its employees should observe that provision.

Art. 28. (1) Any notices shall be given in writing – by handing in a letter with a reference number to the parties, by registered mail, or via fax, and shall be deemed given on the date of delivery.

(2) The written form shall also be considered observed in case of correspondence by e-mail, in accordance with the stipulations of each Business Agreement.

Art. 29. NOVA conducts every aspect of its business with honesty, integrity and openness, and respecting human rights and the interests of its employees, customers and third parties. **NOVA** expects advertisers and advertising agency to do the same. The MTG Supplier Code of Conduct (“the Code”) sets out these standards in detail. The Code can be found at http://static1.novavt.bg/public/doc/doc/mtg_supplier_code_of_conduct.pdf, and may be updated from time to time. Advertisers and advertising agency warrant and undertake that they do and will comply with this Code throughout the Term of the Business agreement.

Art. 30. In case that any of the provisions of these General Terms turns to be invalid, it will not lead to invalidity of any other provisions or parts of the General Terms or of the Business Agreement. The invalid provision shall be substituted by imperative rules of the law or the established practice. Each

Business Agreement and/or media plan, together with these General Terms shall have the effect of a written contract between the parties for regulation of the transmission of the advertising materials.

Art. 31. In case of contradiction between the provisions of these General Terms and the provisions of the separate Business Agreement, the provisions of the Business Agreement shall be prevailing. The operating General Terms shall apply to any agreed media plans for which a Business Agreement has not been signed.

Art. 32. The effective laws of the Republic of Bulgaria shall apply to any cases not regulated by these General Terms.

Art. 33. In case of discrepancy between Bulgarian and English version of these General Terms, Bulgarian version shall prevail.

The present General Terms were approved by Executive Director of **NOVA** on 1st of December 2016 and shall be in force for all commercial communications broadcast after 24:00 on 31 December 2016.

