



TVN MEDIA TV CHANNEL TRADE POLICY

1. INTRODUCTION.

1.1. Preamble.

The Trade Policy (Policy) sets out options and conditions for the purchase of airtime and audience, the sponsorship of programmes as well as Product Placement and service placement on television Channels broadcast by broadcasters represented by TVN Media Sp. z o.o. (TVN Media) pursuant to relevant powers of attorney or broadcasters for which TVN Media acts on its own behalf, within the scope defined in contracts with broadcasters. A current list of broadcasters represented by TVN Media pursuant to relevant powers of attorney and broadcasters for which TVN Media acts on its own behalf, together with a list of channels, is published along with the Price List for a given sales period.

The Trade Policy does not apply to social advertisements, adequately marked Commercials/paid communications directly related to the operation of Fundacja TVN, paid election/political party commercials, transactions with public finance sector units concluded directly between those units and TVN Media, and barter agreements entered into prior to 1 January 2014 (as amended by subsequent annexes).

The Trade Policy, including the Code of Ethics and Anti-Corruption Policy of TVN Media, describes the rules which are binding for the employees, collaborators and representatives of TVN Media.

This Policy is aimed at persons who are not consumers within the meaning of the provisions of Article 22¹ of the Act of 23 April 1964 – the Civil Code. Persons who are consumers within the meaning of the provisions referred to in the preceding sentence and who want to conclude and execute an agreement with TVN Media are requested to contact TVN Media.

1.2. Definitions.

Agency – an entity acting on behalf of a Counterparty pursuant to a written power of attorney.

Programme – a sequence of moving images with or without sound (an audiovisual programme) or a sequence of sounds (a radio programme), which constitutes, due to its content, form, purpose or authorship, a distinct whole on a channel created by a media service provider or a catalogue of programmes made available to the public.

Price List – current price lists for the broadcast of Commercials, which are determined by TVN Media, which relate to different purchase options and which are applicable during a period indicated in the Price List, subject to changes introduced by TVN Media and published at the website of the Advertising Office of TVN Media.

CPP – the cost of one Rating Point, i.e. the cost of reaching 1% of the Target Group with a commercial.

GRP – the sum of rating points achieved during an advertising campaign in a given Target Group.

Target Group – a group of persons defined by means of socio-demographic parameters that an advertiser wants to reach with its commercial. A list of Target Groups is created according to criteria set by TVN Media and is each time published in the Price List and the Trade Policy.

Public Finance Sector Units – entities in the meaning of the Act of 27 August 2009 on Public Finance, in particular Central Government Administration Authorities, Local Government Units, other categories of public finance sector units, excluding enterprises, R&D units, banks and commercial law companies.

Advertising Campaign – transmission of Commercials relating to the products or services of an Advertiser pursuant to separate Broadcast Orders.

Counterparty – an entity concluding a contract or other written agreement (including an agreement reached via e-mail) with TVN Media, directly or through an Agency, the subject of which is, in particular, a Commercial (an Advertiser), sponsorship (a Sponsor), Product Placement (an Entrepreneur) or the production of a Commercial and granting a license/transferring author's economic rights.

Control – ability to control the finance and operation policy of an entity with a view to derive economic benefits from its activities.

Product Placement – a commercial broadcast involving the presentation of or a reference to a product, service or their trademark in such a way that they constitute an element of a Programme.

Independent Research Institute – a research company conducting audience measurements, selected under a tender procedure by TVN Media for the purpose of providing viewer ratings.

Kids Premium – television channels under the Kid Premium, Girl Premium, Boy Premium, Junior Premium product

distributed by broadcasters represented by TVN Media pursuant to relevant powers of attorney or broadcasters for which TVN Media acts on its own behalf, exclusive of the TVN Channel, TVN International Extra, Telezakupy Mango24. Kids Premium forms a part of Premium TV. Net annual expenditure of Kids Premium shall be credited towards net annual expenditure of Premium TV.

Digital Offer – online content of TVN Media and entities on behalf or in the name of which TVN Media acts.

Channel – a media service which constitutes an ordered set of programmes, commercial messages or other communications, distributed in its entirety to enable simultaneous reception by audience in a configuration determined by a broadcaster.

Premium TV Channel – television channels distributed by broadcasters represented by TVN Media pursuant to relevant powers of attorney or broadcasters for which TVN Media acts on its own behalf, exclusive of the TVN Channel, TVN International, iTVN Extra and Telezakupy Mango24.

Rating Point for a Digital Video Commercial – the equivalent of the number of views achieved by a broadcast commercial as measured by the ad server of TVN Media, adjusted by the share of the Target Group in all views of video content, calculated based on measurements by the Independent Research Institute, corresponding to 1% of the Target Group.

Rating Point – 1% of a Target Group constituting the audience of a Commercial, calculated based on telemetry measurements by the Independent Research Institute for the minute in which the Commercial starts. In the event of a change in telemetry measurements methodology or more than one telemetry measurements methodology becoming widespread in the market, TVN Media shall indicate the selected methodology for re-definition of the Rating Point and, in particular, it shall include in the definition the data on viewer ratings shifted in time.

Discount – any reduction in the price for the broadcast of a Commercial or a surcharge for an extra broadcast service specified in accordance with this Trade Policy, subject to the provisions of point 3.3.

Commercial – any commercial broadcast that constitutes an advertisement or telesales, as defined in the Broadcasting Act.

Advertiser – an entity whose goods or services are the subject of a Commercial.

Perspective Advertiser in the TVN/Premium TV segment is an Advertiser that declares and executes annual net expenditure for advertising, respectively, on the TVN segment in an amount of up to PLN 2,199,999.99 and/or on a Premium TV segment in an amount of up to PLN 1,999,999.

Key Advertiser in the TVN / Premium TV segment is an Advertiser that declares and executes annual net expenditure for advertising, respectively, amounting to between PLN 2,200,000 and PLN 17,999,999.99 on the TVN segment and / or between PLN 2,000,000 and PLN 17,499,999.99 on a Premium TV segment.

Strategic Advertiser in the TVN / Premium TV segment is an Advertiser that declares and executes annual net expenditure for advertising, respectively, in an amount not lower than PLN 18,000,000 on the TVN segment and/or 17,500,000 on a Premium TV segment.

Sponsor – an entity which is neither a broadcaster nor a producer of a programme and which directly or indirectly funds fully or partially the creation or distribution of a media service or a programme to promote its name, business name, good name, operations, goods or services, trademark or other distinguishing mark.

Average gross list price – an average price of advertising blocks on the TVN channel, determined from the arithmetic mean of the prices of all advertising blocks broadcast from 6.00 a.m. to 2.00 a.m. on the TVN channel, available for sale and specified in the Price List.

Annual Framework Agreement – agreement pertaining to the broadcast of advertising campaigns and/or Sponsor Indications and/or relating to product placement and/or a Commercial in the Digital Offer, which covers a period of a calendar year and includes essential trade conditions.

Sponsor Indication – information on a given media service or a Programme being sponsored by a Sponsor, recorded in a digital form; sponsor indications may only include the name of the Sponsor, the name of the company or the trademark of the Sponsor or another mark distinguishing an entrepreneur or his operation, reference to his goods, services or trademark.

Net expenditure on an advertising campaign – amounts invoiced by TVN Media (including correcting invoices resulting from the settlement of Advertising Campaigns), i.e. taking into account due discounts and surcharges, for Commercial broadcast services, exclusive of VAT, including expenditures on remuneration for the broadcast of commercials in a non-standard form and under the Multiscreen package, excluding the charge for the delivery of content to be broadcast, the charge for express provision of a Commercial broadcast service and a contractual penalty for withdrawing a Commercial from broadcasting provided for in the General Terms for the Conclusion of Agreements.

Annual net expenditure – net expenditure on advertising campaigns and amounts invoiced in respect of sponsor's contribution and/or remuneration for Product Placement, including sponsor's contribution and remuneration for Product Placement services, exclusive of VAT and taking into account amounts resulting from correcting invoices concerning their settlement. Remuneration due on account of the broadcast of materials as part of social campaigns, production costs, adequately marked Commercials/paid communications directly related to the activities of Fundacja TVN, paid election/political party communications shall not be included in annual net expenditure. Annual net expenditure relates to advertising campaigns, sponsor campaigns or Product Placement

campaigns executed in a given calendar year, subject to section 4.1.12. Annual net expenditure in each category (Advertising, Sponsor Indications, Product Placement) shall require a separate declaration for the TVN segment and Premium TV segment before 25 January 2019. In the event of a failure to submit a separate declaration for Sponsor Indication / Product Placement to the value of at least PLN 50,000 in TVN segment and/or at least PLN 250,000 in the Premium TV segment, it shall be assumed that only expenditure on Commercials shall be credited towards net annual expenditure. In the event that the Counterparty declares expenditure on Sponsor Indication and/or Product Placement after 25 January 2019, the acceptance of such declaration shall be at the discretion of TVN Media.

Broadcast Order – agreement in a period of a calendar month concluded between an Advertiser/Counterparty and TVN Media that relates to the broadcast of a Commercial, sponsor indication or Product Placement and specifies at least the subject of the commercial, sponsor indication or Product Placement and the net amount of remuneration and/or sponsor's contribution.

2. PURCHASE OPTIONS.

2.1. General principles.

- 2.1.1. Currently available options for the purchase of advertising time and other services, prices, target groups and Commercial broadcast times are each time determined by the Trade Policy and the Price List published at the websites of the Advertising Office of TVN Media.
- 2.1.2. Particular purchase options are available for selected Channels.
- 2.1.3. Notwithstanding the provisions of section 4.3 hereof, TVN Media reserves the right to make changes to the adopted purchase options and to limit the availability of indicated purchase options, including the right to reduce the level of package orders accepted for performance.

2.2. Price to Commercial Length Index.

- 2.2.1. Price lists for Commercial broadcasts are published for a Commercial lasting 30 seconds. If the length of a Commercial is different, the price is calculated based on a multiplier determined on the basis of the following calculation:

<i>Commercial Length (in seconds)</i>		<i>price multiplier</i>
up to	10	0.55
from	11 to 15	0.70
from	16 to 20	0.90
from	21 to 30	1.00
from	31 to 45	1.50
from	46 to 60	2.00

- 2.2.2. In the case of Commercials longer than 60 seconds, the price multiplier increases by 0.5 for each 15 seconds of their duration.
- 2.2.3. In the case of Commercials shorter than 10 seconds or longer than 60 seconds, the possibility of their broadcast will be determined individually.
- 2.2.4. In the case of a Broadcast Order relating to a Commercial consisting of more than one Commercial combined in one, the price will be calculated separately for each of them.

2.3. Price list purchase.

- 2.3.1. An Advertiser has the right to choose the time and place of the broadcast of a Commercial.
- 2.3.2. A detailed broadcasting plan shall constitute an integral part of a Broadcast Order.
- 2.3.3. A commercial is deemed to be broadcast according to plan when the shift in the actual broadcast time compared with the broadcast time specified in the plan does not exceed 30 minutes.
- 2.3.4. The value of a Broadcast Order is calculated based on a Price List in force during a given broadcast period.

2.4. Package purchase – broadcast quantity package.

- 2.4.1. The broadcast package relates to Commercials provided to TVN Media by an Advertiser and/or Commercials produced by TVN Media at the request of an Advertiser and broadcast on particular Channels.
- 2.4.2. The package includes a number of broadcasts an Advertiser is entitled to as part of the package. TVN Media selects commercial breaks during which the Commercials will be broadcast.
- 2.4.3. The expected quantity package broadcast plan is not an integral part of a Broadcast Order, is not subject to a guarantee by TVN Media and may be modified by TVN Media.
- 2.4.4. The contextual package is a variant of the quantity package, which enables to buy airtime in certain Premium TV channels in shows and programmes on a given topic.
- 2.4.5. The list of packages is each time published in the Price List.

2.5. Package purchase – the GRP package.

- 2.5.1. The GRP package is a purchase option offered by TVN Media, whose aim is to ensure that an Advertiser achieves a number of GRPs agreed with TVN Media for an available target group, within a set time limit, in accordance with Annexes No. 1-3.
- 2.5.2. The expected GRP package composition and broadcast plan is not an integral part of a Broadcast Order, is not subject to a guarantee by TVN Media and may be modified by TVN Media.
- 2.5.3. The Price List of the GRP package specifies the price of one GRP for a 30-second Commercial in the available target group of viewers based on which the price for the broadcast of Commercials is calculated. The Rating Point value is subject to indexation in the case of Commercials whose length is different than 30 seconds, using conversion indices specified in section 2.2. hereof.
- 2.5.4. The GRP package price shall too be subject to indexation in accordance with Annexes No. 1-3.

2.6. Package purchase – TVN MAX package.

- 2.6.1. The TVN MAX package is executed by way of broadcasting Commercials in the Channels: TVN and TVN 7. The planned package composition shall be specified in the table below:

TVN MAX Package	% GRP
TVN	70%
TVN 7	30%

Target Group All 16-49

- 2.6.2. The minimum number of GRPs purchased under a single order is 10 GRPs.
- 2.6.3. The TVN MAX package is a variant of the GRP package, which means that in order to effectively place a Broadcast Order, an Advertiser specifies the total number of GRPs.
- 2.6.4. The package shall be subject to surcharges and discounts and shall be subject to settlement rules applicable to other GRP packages.
- 2.6.5. The net remuneration amounts for the purchase of TVN MAX package shall be credited towards the declared annual net expenditures in the TVN segment.

2.7. Package purchase – the Premium TV package

- 2.7.1. The Premium TV package is executed by broadcasting Commercials on selected Premium TV Channels and settled as part of one order.
- 2.7.2. The minimum number of GRPs purchased under a single order is 3 GRPs.
- 2.7.3. The Premium TV package is a variant of the GRP package, which means that in order to effectively place a Broadcast Order for the Premium TV package, an Advertiser specifies the total number of GRPs and one of the currently offered types of packages.
- 2.7.4. The Premium TV package type determines the Channels included in the package and the approximate ratio between the number of GRPs for each of the Channels.

2.8. Package purchase – the Multiscreen package

- 2.8.1. The package is executed by broadcasting Commercials on selected Channels and as Digital Video Commercials.
- 2.8.2. The Multiscreen package is a variant of the GRP package, which means that in order to effectively place a Broadcast Order for the Multiscreen package, an Advertiser specifies the total number of GRPs.
- 2.8.3. The Multiscreen package is executed and settled as part of one Broadcast Order.
- 2.8.4. The net remuneration amounts for the Multiscreen package shall be credited towards the declared annual net expenditures in the TVN segment.
- 2.8.5. The prices, the available options and the anticipated compositions of Multiscreen packages are specified in Annex no. 3.
- 2.8.6. The Multiscreen package shall be subject to additional surcharges, shall not be covered by discounts, subject to section 3.3.8.e., and shall be subject to the settlement rules applicable to other GRP packages.

2.9. Principles for selecting and settling GRP packages (sections 2.5, 2.6, 2.7 and 2.8).

- 2.9.1. An Advertiser specifies the total number of GRPs in the Target Group available in a given package and the period covered by a given Broadcast Order. The total number of GRPs for the GRP package is calculated by TVN Media on the basis of telemetry data provided by the Independent Research Institute selected by TVN Media, including the number of GRPs and the Target Group audience of a Commercial in a given minute, and is settled under a given Broadcast Order. In the Multiscreen package, the number of GRPs achieved under the Digital Video Commercial is calculated based on the measurements of TVN Media's ad server.
- 2.9.2. In a single month, two Broadcast Orders for one month per one Advertiser concerning the same product or service of the same broadcast length, but different monthly seasonal indices, may be settled as one.

TVN Media reserves the right to merge two or more Broadcast Orders for one month, for one Advertiser and product, with the same length of advertising material, with the same type of package, into one Broadcast Order.

- 2.9.3. The settlement of a Broadcast Order shall be based on telemetry data provided by the Independent Research Institute selected by TVN Media after the end of an advertising campaign, provided that, according to section 3.2.7., the settlement of the Broadcast Order shall be made within up to 30 days of the end of the month in which such Broadcast Order is executed.
- 2.9.4. Broadcast Orders shall be settled based on the following ranges that relate to the settlement of differences between the actual number of achieved GRPs and the number of GRPs specified in a given Broadcast Order and that depend on the broadcasting period indicated in the Broadcast Order:
 - a. A period of up to 7 days of broadcast commercials – when the number of actually achieved GRPs is lower by not more than 10% than that specified in a Broadcast Order or is equal to or higher than the number of GRPs specified in the Order, an Advertiser shall pay for the number of GRPs specified in the Broadcast Order. If the number of actually achieved GRPs is lower by more than 10% than that specified in a Broadcast Order, the Advertiser shall pay for the actually achieved GRPs.
 - b. A period of between 8 and 14 days of broadcast commercials – when the number of actually achieved GRPs is lower by not more than 7% than that specified in a Broadcast Order or is equal to or higher than the number of GRPs specified in the Order, an Advertiser shall pay for the number of GRPs specified in the Broadcast Order. If the number of the actually achieved GRPs is lower by more than 7% than that specified in a Broadcast Order, the Advertiser shall pay for the actually achieved GRPs.
 - c. A period of more than 14 days of broadcast commercials – when the number of actually achieved GRPs is lower by not more than 5% than that specified in a Broadcast Order or is equal to or higher than the number of GRP specified in the Order, an Advertiser shall pay for the number of GRPs specified in the Broadcast Order. If the number of the actually achieved GRPs is lower by more than 5% than that specified in a Broadcast Order, the Advertiser shall pay for the actually achieved GRPs.
- 2.9.5. In the event of Advertisers/Counterparties which are public finance sector units, Broadcast Orders executed in the form of GRP packages shall be settled based on the actually achieved GRPs under a given Order. The maximum number of GRPs that is taken into account when settling a given Broadcast Order shall not exceed the number of GRPs specified in the Broadcast Order.

2.10. Sponsorship of Programmes and other communications.

- 2.10.1. A sponsorship package relates to the provision of information on the funding of a Programme (or other communication) by indicating the Sponsor at the beginning and at the end of each sponsored Programme and at the moment when it is resumed after a commercial break.
- 2.10.2. The package may include an optional broadcast of Sponsor Indications when broadcasting trailers of the sponsored Programme (or other communication).
- 2.10.3. Indication of the sponsored Programme, the date and number of Sponsor Indications as well as the sponsor's contribution is agreed individually with a Sponsor.

2.11. Product Placement.

- 2.11.1. Product Placement is possible in selected Programmes.
- 2.11.2. The manner, time and terms of product placement, including the amount of remuneration payable to TVN Media, is agreed individually with a Counterparty.

2.12. Non-standard forms.

- 2.12.1. Non-standard forms are commercial communications produced based on individual arrangements with an Advertiser and/or Counterparty as regards the production, method, time and place of broadcast in Programme. The available offer of non-standard forms is published in the Price List.
- 2.12.2. The amount of remuneration payable to TVN Media for the broadcast of a non-standard form is agreed individually with an Advertiser/Counterparty based on the Price List applicable in the month in which the cost estimate is performed.
- 2.12.3. The amount of remuneration for the broadcast of a non-standard form is subject to surcharges indicated in section 3.2. and may be reduced by following Discounts:
 - Discount for the Price List purchase option share,
 - direct purchase Discount.
 - agency Discount,
 - investment Discount,
 - Discount for a Perspective Advertiser.
- 2.12.4. The crediting of the annual net expenditure under Non-standard forms transmission carried out directly by broadcaster towards the annual net expenditure is possible only if TVN Media agrees.
- 2.12.5. The value of remuneration due to TVN Media for transmission of Commercial Communication accompanying live sport events at the channels defined in the Price List as "sport channels" is agreed individually with an Advertiser/Contractor.

3. PRINCIPLES FOR CALCULATING SURCHARGES AND DISCOUNTS.

3.1. General principles.

- 3.1.1. In the case of the price list purchase option and the quantity package, the price published in the Price List applicable in a given period is first increased by due surcharges. Each subsequent surcharge is calculated based on the amount resulting from the addition of the previous surcharge. The value so calculated is reduced by the discounts to which a Counterparty is entitled. Each subsequent discount is calculated based on the amount remaining after the deduction of the prior discount. Then the value is increased by a technical fee, as specified in section 3.2.7. An amount so calculated is the net value of an Order.
- 3.1.2. In the case of the GRP package purchase option, the GPR purchase cost is increased by due surcharges. Each subsequent surcharge is calculated based on the amount resulting from the addition of the previous surcharge. An amount so calculated may be reduced by Discounts specified in sections 3.3.3, 3.3.6, 3.3.7 and 3.3.8. Each subsequent discount is calculated based on the amount remaining after the deduction of the prior discount. Then the result of the calculations is increased by a technical fee, as specified in section 3.2.7. An amount so calculated is the net value of an Order.

3.2. Surcharges.

- 3.2.1. The prices for the broadcast of Commercials are increased by the following surcharges:
- for broadcasting a Commercial in an indicated spot during a commercial break;
 - for a Commercial of two or more products/services of the same Advertiser (regardless of whether the products/services are completely different or constitute one line);
 - for including products/services of other Advertisers in a Commercial;
 - for including a designation of a media patron or a Sponsor or including a designation of other mass media entities;
 - for broadcasting a Commercial of an alcoholic beverage.
 - the technical fee, as referred to in section 3.2.7.
- 3.2.2. Surcharge for placing Commercials in an indicated spot during a commercial break:
- a. up to + 25% for the first spot during a commercial break;
 - b. up to + 25% for the last spot during a commercial break;
 - c. up to + 20% for the first or last spot during a commercial break;
 - d. up to + 15% for the second or penultimate spot during a commercial break;
 - e. up to + 10% for indicating the spot or order in which two (the so-called "duospot") or more Commercials are broadcast during a single commercial break – the surcharge applies to all Commercials; cannot be guaranteed on the following Channels: TVN24, TVN24 BIS.
- 3.2.3. Surcharge for a Commercial of two or more products/services of the same Advertiser:
- a. up to + 5% for the second and up to + 5% for each subsequent product and/or service of the same Advertiser.
- 3.2.4. Surcharge for the inclusion of products/services/logo/trademarks of other Advertisers in a Commercial:
- a. up to + 20% for the first product/service/logo/trademark of another Advertiser;
 - b. up to + 10% for the second and up to + 10% for each subsequent product/service/logo/trademark of another Advertiser.
- 3.2.5. Surcharge for placing a designation (e.g. trademark, logo) of a media patron or a Sponsor or a mass media entity is subject to individual negotiations and can amount to up to 5% for each time a designation is shown.
- 3.2.6. Surcharge for broadcasting a Commercial of an alcoholic beverage shall amount to 13.5%.
- 3.2.7. TVN Media charges a technical fee amounting PLN 3.5 for the service of the booking of each spot. The detailed methodology for calculating the fee is published in the Price List.
- In the event of a package purchase, the value of remuneration charged by TVN Media as payment of that fee is each time determined in the Broadcast Order and is not subject to settlement against the amount resulting from the actual number of broadcasts.
- In the event of a price list purchase and the quantity package, the value of remuneration charged by TVN Media as payment of that fee is each time determined in the Broadcast Order and is subject to settlement against the amount resulting from the actual number of broadcasts.

3.3. Discounts.

- 3.3.1. TVN Media may offer an Advertiser the following discounts:
- investment discount,
 - discount for a Perspective Advertiser,
 - discount for the Price List purchase option share,
 - discount for an annual Price List declaration for the TVN channel,
 - seasonal discount/special discount,
 - seasonal – sales discount,
 - discount for signing an Annual Framework Agreement,

- direct purchase discount,
 - agency discount
- 3.3.2. Investment discount.
- a. TVN Media may offer an investment discount to an Advertiser for all Commercials broadcast in a given calendar year if the Advertiser submits a declaration of annual net expenditure in this period,
 - b. the amount of applicable investment discounts depending on declared annual net expenditure is specified in Annex No. 1,
 - c. the amount of the investment discount depends on the amount of declared annual net expenditure of the Advertiser, determined through negotiations with TVN Media, and the annual net expenditures made, in accordance with provisions set in section 4.
- 3.3.3. Discount for a Perspective Advertiser.
- TVN Media may offer a Perspective Advertiser a discount if the Advertiser declares at least a 50 percent share of net annual expenditure on the TVN segment in relation to all its annual net television expenditure on advertising and sponsoring of programmes and product placement and Non-standard forms. In such case, the Advertiser will receive a discount of up to 7% of the amount of expenditure on a Price List option and a package option purchase on the TVN segment. TVN Media reserves the right to request the Advertiser to produce a statement signed by the chief accountant, confirming the declared share in expenditure.
- 3.3.4. Discount for the Price List purchase option share.
- Advertisers whose products or services are the subject matter of a Commercial and that in a given month fulfil the following criteria relating to the minimum share of expenditures in the Price List purchase and quantity package option purchase calculated separately for the TVN Channel and the Premium TV Channel may be offered by TVN Media an additional discount on the Price List purchase and quantity package purchase, to the amount of up to:

TVN In PLN million	SHARE OF THE PRICE LIST OPTION PURCHASE OF 90% TO 99.99%	SHARE OF THE PRICE LIST OPTION PURCHASE OF 100%	Premium TV In PLN million	SHARE OF THE PRICE LIST OPTION PURCHASE OF 70% TO 99.99%	SHARE OF THE PRICE LIST OPTION PURCHASE OF 100%
0 – 2.2	15%	30%	0 – 2	20%	30%
2.2 – 4.4	14%	28%	2 – 4	18%	28%
4.4 – 6.5	13.5%	27%	4 – 6	17%	27%
6.5 – 8.5	12.5%	25%	6 – 8	15%	25%
8.5 – 10.5	12.5%	25%	8 – 10	15%	25%
10.5 – 12.75	11.5%	23%	10 – 12.5	13%	23%
12.75 – 15	11%	22%	12.5 – 15	12%	22%
15 – 18	10.5%	21%	15 – 17.5	11%	21%
18 – 21	10%	20%	17.5 – 20	10%	20%
21 – 26	7.5%	15%	20 – 25	7%	15%
26 +	7.5%	15%	25 +	7%	15%

- 3.3.5. Discount for an annual price list declaration for the TVN Channel.
- A discount for an annual price list declaration is offered when, at the moment of submitting an annual expenditure declaration, an Advertiser/Counterparty declares a 100 percent share of the Price List in a purchase relating to the TVN channel in a given year.
- a. Prior to 1 January 2019, TVN Media will publish the average gross price of the opened Price List for each month of a given year on the website of the Advertising Office of TVN Media.
 - b. The value of the discount shall each time be determined when opening a Price List for a given month and shall be calculated when the average gross list price of a Price List for a given month exceeds the value published previously in particular months of the entire year.
 - c. The value of the discount shall be calculated as follows: difference between the price for a given month and the published price divided by the price for a given month.
- 3.3.6. Seasonal discount and/or a special discount.

- a. Seasonal discounts may be introduced periodically. Their amount is published in the Price List.
- b. Special discounts are occasional. Their amount is published in the Price List.
- 3.3.7. Seasonal – sales discount.
 - a. The seasonal – sales discount announced periodically at the website of the Advertising Office of TVN Media each time in a fixed amount and at a specified date and for specific inventory available for sale, while the inventory lasts.
 - b. The seasonal – sales discount may be offered to Advertisers that submit a confirmed written order during a sale.
- 3.3.8. Discount for signing an Annual Framework Agreement.
 - a. The discount is offered to Advertisers/Counterparties that sign an Annual Framework Agreement comprising individual declarations of an Advertiser/Advertisers under separate segments of TVN and Premium TV before 25 January 2019, and perform the Agreement in accordance with its provisions.
 - b. The fulfilment of a declaration submitted under the Annual Framework Agreement means the execution of net expenditures on an advertising campaign declared for segments: separately for TVN, Premium TV (including Kids Premium). Failure to fulfil the declaration for any of the above segments is equivalent to the non-performance of the Annual Framework Agreement and entails the obligation to refund the discount. The discount shall be refunded by way of correcting invoices to each broadcast order covered by the discount.
 - c. The discount shall amount to 2%.
 - d. The discount shall only apply maximum to the value of declared Net expenditure on an advertising campaign, specified in an Annual Framework Agreement signed before 25 January 2019; the discount shall apply from 1 January 2019.
 - e. The discount shall apply to a price list purchase and a quantity package purchase, excluding the purchase of a non-standard form;
 - f. As regards Broadcast Orders in the form of a package purchase, excluding quantity package purchase, the discount shall be applied in the form of a GRP equivalent under this Broadcast Order.
 - g. As regards broadcast orders in the form of a price list purchase and quantity package purchase, the amount of discount shall reduce the net amount of the Broadcast Order.
 - h. TVN Media reserves the right to apply the due discount for signing an Annual Framework Agreement that arose during the transitional period, i.e. from 1 January to 31 March 2019, in the form of a GRP equivalent to be issued as part of an Advertiser's Broadcast Orders in the segment agreed with TVN Media (TVN or Premium TV). The settlement shall take place no later than by 31 August 2019. In the case of failure to settle the discount for signing an Annual Framework Agreement, through no fault of TVN Media, due for the transitional period by 31 August 2019, the obligation of TVN Media in this regard shall expire.
 - i. The discount for signing an Annual Framework Agreement does not apply to Strategic Advertisers.
- 3.3.9. Direct purchase discount.
 - a. Advertisers acting on their own behalf may be offered a discount of up to 10%.
- 3.3.10. Agency discount.
 - a. The agency discount of up to 15% may be offered when an Advertiser is represented by an Agency.
 - b. The discount granted to entities acting on their own behalf and for the benefit of an Advertiser will be treated on par with the above-mentioned discount.

4. GENERAL PROVISIONS.

4.1. Trade Conditions.

- 4.1.1. The basis and the fixed framework for the negotiation by TVN Media of trade terms for each of the Advertisers are determined by the parameters described in Annexes No. 1 – 3 hereto. In the case of declared annual net expenditure equal to the threshold value of a specific range, parameters applicable to the range in which the threshold value originates shall apply to a Counterparty. Declarations submitted by a Counterparty to TVN Media concern each Advertiser separately, which in particular means that for the purposes of determining a discount for a given Advertiser, only annual net expenditure of this Advertiser shall be taken into account.
- 4.1.2. For clients declaring net annual expenditure at the level of the highest level specified in the table covered by Annexes nos. 1 and 2, TVN Media shall have a right to indicate the method of execution of the declared expenditure.
- 4.1.3. For Counterparties declaring total expenditure on TVN Media (expenditure on advertising campaigns, amounts invoiced as sponsor's contribution and/or as remuneration for Product Placement services, total in the TVN, Premium TV and Digital segments) in excess of PLN 46,000,000, the trade conditions shall be agreed upon individually in the annual framework agreement. TVN Media is entitled to decide on the way of execution of expenditure declared according to such a procedure.

- 4.1.4. The terms for a Counterparty or an Agency participating in the tender shall be negotiated and confirmed by TVN Media only for a clearly identified Advertiser.
- 4.1.5. Receiving the lowest CPP/biggest discount in the cluster shall depend on a range of factors, such as: the selection of the preferred purchase options and planned distribution of expenditures among them, proportional distribution of expenditures within TVN Media between TVN segment and Premium TV segment, conclusion of the Annual Framework Agreement and the performance thereof in accordance with its provisions, timely settlement of payments, history of cooperation, and first and foremost shall depend on the submission and performance of the declaration of annual net expenditures on Sponsor Indications, Product Placement as well as in the Digital Offer. The amount of the declaration shall be agreed on in the course of negotiations.

In the case of the lack of agreed and performed declaration on Sponsor Indications, Product Placement as well as in the Digital Offer, TVN Media shall have the right to determine CPP higher by at least 2.5% than the minimum CPP in the cluster (for Advertisers who execute and declare annual net expenditures in TVN segment in the amount higher than PLN 2,199,999 and/or in Premium TV segment in the amount higher than PLN 1,999,999) and the investment discount lower than the highest level in the cluster by at least 2.5 p.p. (for Advertisers who execute and declare annual net expenditures in TVN segment above PLN 2,199,999 and/or in the Premium TV segment above PLN 1,999,999).

This condition shall not apply to the following:

- Perspective Advertisers with regard to CPP and the investment discount in a given segment
- Advertisers spending less than PLN 0.75 million in Kids Premium products, with regard to CPP and investment discount in those products.

The abovementioned declaration may have expenditures executed for the benefit of the Advertiser by a few Counterparties added.

- 4.1.6. All essential trade conditions are agreed by TVN Media with Counterparties in writing or by electronic mail. The essential conditions include in particular:
- a. the level of discounts applicable to each purchase option,
 - b. the level of the CPP on the TVN segment as well as on Premium TV segment,
 - c. the declaration covering the following elements:
 - annual net expenditure on an advertising campaign in TVN,
 - annual net expenditure on an advertising campaign in Premium TV,
 - annual net expenditure on an advertising campaign in Kids Premium ,
 - annual net expenditure on Sponsor Indications and/or Product Placement in TVN,
 - annual net expenditure on Sponsor Indications and/or Product Placement in Premium TV,
 - annual net expenditure on Sponsor Indications and/or Product Placement in Kids Premium,
 - annual net expenditure on the Digital Offer Commercial (excluding a Digital Video Commercial executed as part of the Multiscreen package),
 - the declaration of at least a 40 percent share of annual expenditure on advertising campaigns on the TVN segment in relation to the Advertiser's all annual net television expenditure on advertising,
 - the declaration of a Price List share in the purchase in the TVN Channel.

In the case of failure to submit a declaration for any of the above components, it shall be deemed that the Counterparty/Advertiser waived the submission of a declaration in a given category.

- 4.1.7. TVN Media may waive the requirement of submitting by a Counterparty a declaration of total annual net expenditure if the Counterparty is offered trade terms applicable to the annual net expenditures which do not exceed PLN 999,999.99.
- 4.1.8. All trade arrangements made during negotiations as well as the content of the Framework Agreements and understandings concluded via e-mail and any and all information or data obtained by the parties in connection with their conclusion are a trade secret within the meaning of the Act of 16 April 1993 on Combating Unfair Competition and may not be disclosed to any third party without the written consent of the party to which they relate, unless they are in public domain or unless the obligation to disclose them arises out of the provisions of law or a final judgment of a court or administrative body or is connected with the performance of an audit mentioned in section 4.1.8.
- 4.1.9. In order to maintain the transparency of the implemented trade policy, TVN Media will subject itself to an audit, the results of which will be published after the end of each calendar year.
- 4.1.10. A change in any of the criteria described in sections 4.1.4. and 4.1.5., including in particular the amount of declared annual net expenditure, is the basis for the adjustment by TVN Media of the essential trade terms mentioned in section 4.1.5. previously confirmed for a Counterparty throughout the period of their validity. TVN Media reserves the right to make such adjustments also when, in the opinion of TVN Media, the current amount of annual net expenditure made by the Counterparty clearly indicates that the Counterparty will not be able to make the previously declared annual net expenditure. This provision does

- not apply to the Non-standard form.
- 4.1.11. Net remuneration resulting from the partial orders/agreements that were agreed (i.e. confirmed and signed) by a Counterparty and TVN Media in writing and that were not executed for reasons attributable only to TVN Media and/ or television broadcasters for and on behalf of which TVN Media acts shall be treated as annual net expenditures.
 - 4.1.12. Within a period from 10 days before and 15 days after the end of the first, second and third quarter of a given year, TVN Media has a right to quarterly verify the execution of the declared annual net expenditures. In the case of circumstances as a result of which the performance of the provisions of an Annual Framework Agreement (if it is concluded), the confirmed declared annual net expenditure or the distribution of expenditure between purchase options is endangered, TVN Media has the right to change the previously offered trade conditions (specified in Annexes No. 1 - 3), with the basis of annual net expenditures being the value falling within the range of estimated expenditure, calculated in proportion to the relation of actually incurred annual net expenditures to declared annual net expenditures as at the end of a specific quarter of the year, accruing as of the beginning of the year, and the value resulting from the actually incurred expenses.
 - 4.1.13. TVN Media shall verify the actually made annual net expenditure in a given year and shall issue relevant correcting invoices between 4 November 2019 and 17 February 2020. This provision does not apply to the non-standard form.
 - 4.1.14. Should the actual annual net expenditures made by a Counterparty be lower than the expenditures declared pursuant to sections 4.1.4. and 4.1.5., TVN Media shall have the right to demand that the Counterparty reimburse granted discounts and/or adjustment resulting from the change in CPP under the following terms:
 - a. Based on actual annual net expenditure, TVN Media shall specify trade terms applicable to the Advertiser in accordance with this Trade Policy and shall accordingly calculate the amount by which the value of orders shall be adjusted.
 - b. If the amount referred to in section 4.1.13.a is an amount payable to TVN Media and the Counterparty pays the said amount to TVN Media within 14 days and on terms specified on the correcting invoices issued by TVN Media to the Counterparty.
 - 4.1.15. Should the declaration of the annual net expenditures be increased or should expenditure be made in excess of the amount declared pursuant to sections 4.1.5. and 4.1.7, TVN Media and an Advertiser/Counterparty may renegotiate trade terms upon the request made by the Advertiser/Counterparty in accordance with the new rules, and the negotiated terms cannot be more favourable for the Advertiser/Counterparty than those resulting from the Tables provided in Annexes No. 1 – 3, applied to the actually made annual net expenditures.
 - 4.1.16. An Advertiser and/or a Counterparty shall undertake to pay the outstanding supplementary remuneration referred to in section 4.1.13 within 14 days of receipt of a relevant correcting invoice issued by TVN Media. In the event when, in accordance with arrangements made pursuant to section 4.1.14 and/or 4.1.15, an Advertiser and/or a Counterparty is entitled to a discount/return as a result of a change of CPP, the settlement shall be made on the basis of the correcting invoice issued by TVN Media.
 - 4.1.17. If, during a calendar year, a Counterparty purchasing advertising campaigns for and on behalf the Advertiser changes, the value of orders placed via the previous Counterparty will not be verified in accordance with section 4.1.12. and 4.1.13 hereof. The expenditure of the Advertiser made via a new Counterparty shall be deemed new as of the change of the Counterparty, unless the new Counterparty or the Advertiser and TVN Media agree that annual net expenditures made via the previous Counterparty shall be added to expenditures made via the new Counterparty, provided that the aforementioned agreement does not result in exceptions to rules provided for herein. In particular, if the sum of expenditures made via the previous Counterparty and the declared value of annual net expenditures to be made via the new Counterparty differs from the value of annual net expenditures declared by the previous Counterparty, provisions of sections 4.1.9, 4.1.11, 4.1.13, 4.1.14 and 4.1.15 shall apply.
 - 4.1.18. If an Advertiser acts directly or via one or more Agencies, TVN Media may sum up declarations of annual net expenditures, provided that the Counterparty or the Advertiser assumes liability for the settlements provided for in sections 4.1.11. through 4.1.15.
 - 4.1.19. The trade conditions specified by TVN Media shall only apply to one Advertiser; this shall in particular mean that in order to determine a discount and/or CPP applicable to a specific Advertiser, only annual net expenditures made by that Advertiser will be taken into account. The obligation to prove the presence of Control in order to consider one or more Advertisers as one Advertiser shall be met by relevant Advertisers. TVN Media reserves the right to demand that relevant Advertisers produce documents or representations confirming the presence of such Control. The confirmation of the presence of Control shall take place on the date on which the Advertiser submits a request for confirmation of the presence of Control for a given year to TVN Media (together with relevant documents), provided that this request is positively assessed by TVN Media. TVN Media may refuse to acknowledge the presence of Control.

4.2. Trade Policy Period.

- 4.2.1. This Trade Policy enters into force on 1 January 2019.
- 4.2.2. In the event of discrepancies between the Trade Policy and the General Terms for the Conclusion of Agreements, the provisions of the Trade Policy shall apply.

4.3. Amendments to the Trade Policy.

- 4.3.1. Amendments to this Policy will be made in the event of:
 - a. changes in the provisions of law which:
 - significantly affect a possibility of broadcasting commercials on television channels or significantly change the rules of operation of the media market,
 - necessitate amendments to the previously existing rules of the Policy,
 - b. decisions of TVN Media,
 - c. changes with respect to a concession and licence to broadcast the TVN Channel and/or a Premium TV Channel as well as changes with respect to the broadcasters of a Premium TV Channel, represented by TVN Media pursuant to relevant powers of attorney or for whom TVN Media acts on its own behalf.
- 4.3.2. If these amendments are made public, they will be in effect with regard to the content each time located at a place where the Counterparty may become familiar with them, subject to the provisions of sections 4.3.3 and 4.3.4.
- 4.3.3. Amendments referred to in section 4.3.1 a. and 4.3.1 c. will also be binding on Counterparties related to TVN Media under agreements or other written understandings (including an understanding via e-mail) concluded prior to the introduction of the amendments only if: (i) the reason for the amendment is clearly indicated in a document establishing the amendment and (ii) the document will be delivered to the Counterparty in writing 14 days prior to entry of the amendment into force, unless the provision of law or judgment from which the amendment results provides for a shorter period for the entry of the amendment into force.
- 4.3.4. Amendments referred to in section 4.3.1.b will not be applicable to Counterparties bound with TVN Media under agreements or other written understandings (including an understanding via e-mail) concluded prior to the introduction of a given amendment.

5. ANNEXES.

- 5.1. Annex No. 1: CPP costs, discounts and monthly seasonal indices.
- 5.2. Annex No. 2: Premium TV Channels price indices.
- 5.3. Annex No. 3: Prices and composition of Multiscreen packages

Annex No. 1: CPP costs, discounts and monthly seasonal indices.

Investment in the following tables is understood as the amount of the declared annual net expenditure on advertising.

TABLE NO. 1: COSTS AND DISCOUNTS APPLICABLE IN 2018

ADVERTISER TVN	TVN INVESTMENT LEVEL	TVN DISCOUNT	CPP TVN MAX		ADVERTISER PREMIUM TV	PREMIUM TV INVESTMENT LEVEL	PREMIUM TV DISCOUNT	CPP PREMIUM TV (REACH MUX) In PLN	
Type	Ranges in PLN million	max	min	Max	Type	Ranges in PLN million	max	min	max
PERSPECTIVE	0 – 2.2	24%	2,525	3,540	PERSPECTIVE	0 - 2	24%	1,845	2,580
KEY	2.2 – 4.4	28%	2,425	3,275	KEY	2 - 4	28%	1,770	2,295
KEY	4.4 – 6.5	32%	2,300	2,990	KEY	4 - 6	32%	1,705	2,215
KEY	6.5 – 8.5	36%	2,210	2,875	KEY	6 – 8	36%	1,655	2,150
KEY	8.5 – 10.5	39%	2,130	2,770	KEY	8 – 10	39%	1,620	2,110
KEY	10.5 – 12.75	42%	2,070	2,705	KEY	10 – 12.5	42%	1,565	2,035
KEY	12.75 – 15	45%	2,005	2,610	KEY	12.5 - 15	45%	1,500	1,950
KEY	15 – 18	47%	1,925	2,495	KEY	15 – 17.5	47%	1,465	1,905
STRATEGIC	18 – 21	50%	1,650	2,140	STRATEGIC	17.5 - 20	50%	1,440	1,875
STRATEGIC	21 – 26	TO BE NEGOTIATED	1,500	1,955	STRATEGIC	20 - 25	TO BE NEGOTIATED	1,410	1,830
STRATEGIC	26 +	TO BE NEGOTIATED	1,400	1,820	STRATEGIC	25 +	TO BE NEGOTIATED	1,380	1,790

All 16-49 Target Group

For Counterparties declaring total expenditure on TVN Media (expenditure on advertising campaigns, amounts invoiced as sponsor's contribution and/or as remuneration for Product Placement services, total in the TVN, Premium TV and Digital segments) in excess of PLN 46,000,000, the trade conditions shall be agreed upon individually in the Annual Framework Agreement. TVN Media is entitled to decide on the way of execution of expenditure declared according to such a procedure.

SUPPLEMENTARY TABLE TO TABLE NO. 1: COSTS OF THE KIDS PREMIUM PRODUCT IN 2019 AND DISCOUNTS FOR PRICE LIST PURCHASE FOR CHILDREN'S CHANNELS

INVESTMENT LEVEL	CPP KIDS PREMIUM		PRICE LIST PURCHASE DISCOUNT KIDS PREMIUM	
RANGES IN PLN MILLION	min	max	min	max
0.0 - 0.25	500	645	0%	27%
0.25 - 0.75	460	580	28%	30%
0.75 - 2.5	440	560	31%	34%
2.5 - 4.5	410	500	35%	39%
4.5 - 6.0	380	465	40%	45%
6.0+	TO BE NEGOTIATED		TO BE NEGOTIATED	

All 4-12 Target Group

MONTHLY SEASONAL INDICES TABLE

	I		II		III	IV	V	VI	VII	VIII	IX	X	XI	XII	
	1-6	7-31	1-17	18-28										1-22	23-31
TVN MAX, MULTISCREEN	0.7	0.86	0.94	1.10	1.10	1.13	1.22	1.10	0.84	0.90	1.20	1.25	1.20	1.10	0.64
PREMIUM TV	0.66	0.76	0.89	1.00	1.05	1.15	1.22	1.10	0.75	0.75	1.22	1.25	1.20	1.05	0.60
KIDS PREMIUM	0.60	0.60	0.70	0.70	1.05	1.10	1.30	1.00	0.65	0.65	1.15	1.25	1.40	1.30	0.70

Annex No. 2: Premium TV Channels price indices.

TABLE OF PREMIUM TV PRODUCT PRICE INDICES APPLICABLE IN 2019

The base cost subject to indexation in accordance with the table below is the CPP of the Reach MUX product.

Investment level	WOMAN	MAN	CITY	YOUNG	REACH	REACH	REACH
Ranges in PLN million	PREMIUM	PREMIUM	PREMIUM	PREMIUM	ADULTS	FAMILY	PRIME (18:00-23:00)
0 - 2	1.25	1.15	1.11	1.14	1.04	1.01	1.08
2 - 4	1.29	1.18	1.14	1.19	1.03	1.00	1.11
4 - 6	1.27	1.21	1.17	1.23	1.03	1.00	1.14
6 - 8	1.27	1.23	1.18	1.21	1.04	1.01	1.15
8 - 10	1.24	1.24	1.15	1.24	1.02	0.99	1.16
10 - 12.5	1.26	1.27	1.17	1.28	1.04	1.01	1.2
12.5 - 15	1.25	1.31	1.2	1.32	1.06	1.03	1.25
15 - 17.5	1.22	1.31	1.19	1.33	1.06	1.03	1.25
17.5 - 20	1.21	1.3	1.19	1.34	1.06	1.04	1.26
20 - 25	1.18	1.29	1.18	1.35	1.06	1.03	1.26
25 +	1.12	1.3	1.2	1.36	1.06	1.04	1.27

Target Group: All 16-49, Young Premium All 13-34

TABLE OF PREMIUM TV CHANNEL GRP PACKAGE PRICE INDICES APPLICABLE IN 2019

The base cost subject to indexation in accordance with the table below is the CPP of the Reach MUX product.

INVESTMENT LEVEL		PACKAGES						
Ranges in PLN million	TVN24	TVN24 BiS	TVN Style	TVN Turbo	Discovery Channel	FOX	HGTV	Comedy Central
0 - 2	1.34	1.34	1.39	1.12	1.23	1.54	1.34	1.34
2 - 4	1.39	1.39	1.43	1.16	1.27	1.58	1.39	1.39
4 - 6	1.44	1.44	1.48	1.19	1.32	1.63	1.44	1.44
6 - 8	1.44	1.44	1.51	1.19	1.32	1.66	1.44	1.44
8 - 10	1.43	1.43	1.49	1.21	1.31	1.65	1.43	1.43
10 - 12.5	1.47	1.47	1.51	1.25	1.35	1.67	1.47	1.47
12.5 - 15	1.50	1.50	1.55	1.29	1.38	1.71	1.50	1.50
15 - 17.5	1.5	1.50	1.55	1.28	1.38	1.71	1.5	1.5
17.5 - 20	1.51	1.51	1.53	1.26	1.38	1.69	1.51	1.51
20 - 25	1.49	1.49	1.52	1.25	1.37	1.68	1.49	1.49
25 +	1.50	1.50	1.53	1.27	1.38	1.69	1.50	1.50

Target Group: ALL 16-49

TABLE OF PREMIUM TV MIX KIDS PRODUCTS PRICE INDICES APPLICABLE IN 2019

INVESTMENT LEVEL	PACKAGES		
RANGES in PLN million	GIRL PREMIUM	BOY PREMIUM	JUNIOR PREMIUM
0.0 - 0.25	1.05	1.1	1.15
0.25 - 0.75	1.05	1.1	1.15
0.75 - 2.5	1.05	1.1	1.15
2.5 - 4.5	1.1	1.15	1.2
4.5 - 6.0	1.15	1.15	1.2
6.0+	TO BE NEGOTIATED		

All 4-12 Target Group

Annex no. 3: Prices and composition of Multiscreen package

MULTISCREEN ALL PACKAGE	% GRP* composition
TVN MAX	90%
PLAYER SMART TV	10%

All 16-49 Target Group

INVESTMENT LEVEL Ranges in PLN million	CPP
0.0 – 2.2	2,625
2.2 – 4.4	2,535
4.4 – 6.5	2,420
6.5 – 8.5	2,340
8.5 – 10.5	2,270
10.5 – 12.75	2,215
12.75 - 15	2,155
15 - 18	2,085
18 - 21	1,835
21 - 26	1,700
26+	1,610

*Anticipated composition of Multiscreen packages