

Terms of sale for advertising on RTV Slovenija programmes for 2012

I. GENERAL PROVISIONS

Together with the general terms and conditions of business, the terms of sale for advertising on RTV Slovenia programmes, define concepts and govern the procedures and methods of commissioning the services, and set the advertising rules on RTV Slovenija. In accordance with these conditions and terms, the Marketing Department of RTV Slovenija prepares offers and receives purchase orders. Price lists, discount scales, procedures, offers, special offers and agreements are an integral part of these conditions and terms.

RTV Slovenija undertakes to provide an advertising service pursuant to the received purchase order of the advertiser, agency, or association (hereinafter referred to as the Client), or pursuant to an agreement signed with an advertiser, agency, or association, providing that all applicable liabilities to RTV Slovenija are satisfied in full. In case that not all of the contracting authority's maturities are satisfied, RTV Slovenija retains the right not to broadcast the ordered advertisement, and it can demand an additional payment insurance, while broadcasting the advertisement with the concurrence of the Director-General.

RTV Slovenija concludes contracts worth more than 12.500 EUR with clients in accordance with these terms of sale, and contracts worth more than 2000 EUR for advertisements to be broadcast only in regional centres. If the amount is lower than stated above, the advertising services can be provided on the basis of a written or an e-mail purchase order, signed by the client. Clients can conclude partnership contracts with persons in charge in the Marketing Department at RTV Slovenija. Advertising purchase orders are received by the **Marketing department of RTV Slovenija**, which has the sole authority of placing advertisements on the RTV Slovenija programmes.

In cases of mutual interest, RTV Slovenija can co-operate directly with individual advertisers, who otherwise utilise agencies or an association of agencies. Such forms of co-operation should be carried out independently, without the use of an agency or associations of agencies, and is not included in their agreed annual contractual total.

II. OFFERS TO ADVERTISE

Advertising space is marketed according to offers to advertise on the radio, television and other programmes, and these offers are made public. An offer normally includes **programme announcements, announcements of specific broadcasts, television series, live transmissions of sporting events, programme scheduling, rates of advertising at**

different programming times (rate per second in EUR), and other advertising options. All offers, additional information and modifications related to advertising on RTV Slovenija programmes are published **on our web page www.rtv slo.si/marketing.**

RTV Slovenija retains the following rights:

- to **change the published advertising offers**, timing, or prices.
- all changes have to be published on its web page.
- to publish special advertising and sponsorship offers, along with its regular offers.
- to publish **a special last minute advertising offer**, in case of any new advertising forms, or outstanding events placed within the programme
- **to prepare special packaged offers, which should be made public, pursuant to the terms of sale.**

III. ADVERTISING PURCHASE ORDERS

RTV Slovenija receives purchase orders through the postal service, by fax, or by e-mail.

All purchase orders have to be authenticated with the original, i.e. with a signature and seal, or with an electronic signature, one day before the first broadcast. If on the day of the expected implementation of the purchase order, RTV Slovenija still does not receive the relevant authentication, it is not obliged to follow through with the order.

In the individual client's (advertiser's or agency's) annual turnover, only authenticated and published purchase orders with the advertiser's indication are taken into consideration. In the sum of the total annual turnover of an association or agency(s), only an association's purchase orders, and not those of individual members, are taken into account.

The client is obliged to make a purchase order at least five working days before the first television, radio, or internet broadcast. The client can revoke the advertising purchase order in written form only and at least three working days before the first television, radio, or internet broadcast. Television and radio advertisements have to be a minimum of 5 seconds long.

RTV Slovenija preserves the right to issue an invoice for the payment of 50% of the total cost of a revoked purchase order, in case of a client's revocation of an ordered and authenticated advertisement, in less than three days before the first broadcasting. The cancellation of an ordered and authenticated advertisement just one day before the first broadcast is not allowable. In this case, RTV Slovenija charges the client the full amount for the ordered advertisement.

In case there is no more advertising space left, priority should be given to clients who have signed annual contracts on the basis of financial discount leasing.

IV. CONTENT RELATED AND TECHNICAL REQUIREMENTS

RTV Slovenija will accept purchase orders, **which are in conformity with the applicable legislation, regulations, and stated codes**. RTV Slovenija is not obliged to broadcast or publish any advertisements which are not in conformity with the applicable legislation, regulation and codes, and will refuse to broadcast or publish them. If the purchase order is refused, the client has the right to demand a written explanation.

RTV Slovenija is obliged to refuse the broadcasting of advertisements also in the following instances:

- if an advertisement does not comply with RTV Slovenija programming principles
- if any visual or music material from the RTV Slovenija archives is included in the advertisement, without the prior consent of RTV Slovenija.
- if the advertisement content is in contravention with the convention for the protection of children.
- in case of advertising erotic phone lines, or fortune telling services.
- if the advertisement content is in contravention with the Mass Media Act and the Audiovisual Media Services Act.

RTV Slovenija does not take any responsibility regarding the content and the accuracy of claims stated within advertisements. Responsibility for such claims or statements is held by **the client**.

Prior to broadcasting, RTV Slovenija reviews all advertisements, while a special technical team verifies all the technical parameters, published on our web page www.rtv slo.si/marketing.

Advertisements for Radio Slovenia have to be prepared in one of the following standard formats; magnetic tape (the maximum magnetising of the tape is 513nWb/m, 38cm/s, with an introduction before and after the recording), mini disc standard play, CD audio (CD: Wav 44.1 KHz; CD: Mp3, 44.1 kHz, bit stream 320 Kbps), e-mail (Wav 44.1 KHz or 48 kHz, 16 bit stereo, or Mp3 format 44.1 kHz, or 48 kHz, 16 bit stereo Bit stream: 320 Kpbs, with approximately 0.5 seconds of recorded silence before and after the recording).

RTV Slovenija allows the producers to place their signature on advertisements.

The client is obliged to deliver the advertisement through **the appropriate time frame**:

- **for television broadcasting,**
- **at least three working days before the first broadcast**
- for internet publication, at least five working days before publication, and
- for radio broadcasting, at least three working days before the first broadcast.

Failing that, RTV Slovenija charges any missed broadcasts in full, according to the current price listing.

The client is obliged to provide all advertisements with a declaration that states:

- (a) the name and address of the company/agency which has made the advertisement.
- b) the advertisement title,
- c) the exact length of advertisement, and
- d) the codes IN/OUT.

RTV Slovenija preserves the right to copy the ordered advertisements on the appropriate medium. The delivered video and magnetic tapes with recorded advertisements will be handed over only to the person authorised by the client. Only upon the client's order, can the advertisements from the RTV Slovenija archive be forwarded.

V. ADVERTISING RATES AND RATE CARDS

Advertising rates for different advertising times are defined in the yearly rate cards, and regular monthly and special advertising offers. The advertising value is normally defined in EUR/s, and the rate cards are made public. RTV Slovenija preserves the right to change the rates, i.e. when publishing last minute offers it can raise or lower these rates.

The purchasing of advertising space can also take place in the form of various packages, be it for the standard advertising time, or for sports advertisements.

In case of great business interest, the purchasing of advertising space can take place in the form of GRP purchases. The rate of a 30 second GRP is the subject of the contract, concluded between the advertiser and the agency, or association (in cases where the purchase is carried out by the agency and association). RTV Slovenija preserves the right to set the threshold limit, or an annual net amount of the purchase, thus enabling the purchasing of GRP-s, and the rate card defining the rating point prices for individual target groups, by the set annual net amount of the advertising purchase.

RTV Slovenija also enables sponsorships of individual broadcasts, and prepares offers designed for the specific needs of all clients, according to the Audiovisual and Media Services Act.

According to last year's net turnover and this year's predictions, RTV Slovenija allows discounts to clients with signed advertising contracts, according to the terms of sale, contract provisions, and other agreements in written form. In case of non-compliance with contractual obligations, the contractor can change certain provisions of the contract regarding the amount of discount and rating point prices.

VI. DISCOUNTS AND DISCOUNT SCALES

Discounts are calculated on the basis of using the valid discount scales. The basis for a discount grant is based upon the realised annual turnover, defined as **the net amount** of an individual client, accumulated from advertising and sponsorships on RTV Slovenija programmes in a single year. The net worth of advertising is the value we get after deducting all discounts from the rate card value (gross value). VAT is not included.

In calculating the annual net worth of advertising, only the paid realisation of purchase orders in the time period of the validity of a contract is taken into consideration. This worth includes all delivered advertising and sponsorship orders.

The discounts are adjusted to the realised turnover in the current year, in such a manner that on the next invoice allows the **granting of a higher discount rate** to those clients with concluded contracts, who **have exceeded a certain amount of advertising**. Discount scales are an integral part of the terms of sale for advertising on RTV Slovenija programmes.

The system consists of the following types of discounts:

1. Discounts for advertising through agencies

They consist of: agency discounts and quantity discounts for purchase orders through agencies.

A. Agency discounts are uniform for all agencies (regardless of the net turnover provision), and amount to 18%.

B. Quantity discounts for purchase orders through agencies are additional discounts, determined for individual advertisers, according to their net turnover in the previous year and forecast for the current year pending. Agency discounts and quantity discounts for purchase orders through agencies are not to be aggregated. An agency discount should be calculated first, and according to this sum the quantity discount should then be calculated. **The sum of quantity discounts and other special discounts must not exceed 60 %.**

Agency discount is taken into consideration in calculating the advertisement purchases in seconds, and is not considered in the calculation of GRP and advertising packages purchased.

ADDITIONAL QUANTITY DISCOUNTS FOR ORDERS THROUGH AGENCIES (net amounts)
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up to 4,200 EUR	-
from 4,200 to 12,500 EUR	5 %
from 12,500 to 25,000 EUR	6 %
from 25,000 to 42,000 EUR	7 %
from 42,000 to 84,000 EUR	8 %
from 84,000 to 125,000 EUR	10 %
from 125,000 to 250,000 EUR	12 %
from 250,000 to 420,000 EUR	16 %
from 420,000 to 585,000 EUR	20 %
from 585,000 to 750,000 EUR	23 %
from 750,000 to 1,050,000 EUR	26 %
above 1,050,000 EUR	29 %

1. Direct clients discounts

Those who advertise directly, without the assistance of an agency are entitled to direct client quantity discount rates, taking into account their net turnover in the previous year and the forecast for the current year pending.

DIRECT CLIENT QUANTITY DSCOUNT (net values)
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up to 4,200 EUR	10 %
from 4,200 to 12,500 EUR	15 %
from 12,500 to 25,000 EUR	16 %
from 25,000 to 42,000 EUR	17 %
from 42,000 to 84,000 EUR	18 %

from 84,000 to 125,000 EUR	21 %
from 125,000 to 250,000 EUR	24 %
from 250,000 to 420,000 EUR	29 %
from 420,000 to 585,000 EUR	34 %
from 585,000 to 750,000 EUR	36 %
from 750,000 to 1,050,000 EUR	38 %
above 1,050,000 EUR	40 %

2. Discounts for advertising solely on programmes from regional RTV centres in Maribor and Koper–Capodistria

Along with the existing discount scales, a special additional quantity discount should be considered for advertising on the regional RTV centres programmes. An additional direct client quantity discount is added to the direct client quantity discount, and is only granted to those who advertise solely at the regional centres.

ADDITIONAL DIRECT CLIENTS OF REGIONAL CENTRES QUANTITY DISCOUNT (net amounts)
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up to 4.200 EUR	2%
from 4.200 to 12.500 EUR	4%
from 12.500 to 25.000 EUR	6%
from 25.000 to 42.000 EUR	10 %
from 42.000 to 84.000 EUR	14 %
above 84.000 EUR	16 %

The additional direct quantity discount for clients advertising at regional centres through agencies is added to the quantity discount for orders through agencies scale, and is only granted to those who advertise solely at the regional centres through small regional agencies, with less than 400.000 EUR of annual turnover.

<p style="text-align: center;"> ADDITIONAL QUANTITY DISCOUNT FOR CLIENTS OF THE REGIONAL CENTRES THROUGH SMALL AGENCIES (net amounts) </p>
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up to 12.500 EUR	10 %
from 12.500 to 25.000 EUR	12 %
from 25.000 to 42.000 EUR	14 %
from 42.000 to 84.000 EUR	16 %
above 84.000 EUR	18 %

VII. OTHER SPECIAL DISCOUNTS

Along with the discounts presented under section VI, RTV Slovenija offers other special discounts to **organisations who substantially contribute to the realisation of individual programme projects**. Such special discounts are normally granted up to the amount of 40%, in cases of programme and business co-operation, or in cases of some form of special mission, as provided by the applicable laws and or other documents.

Other organisations eligible for a special 60% discount, are cultural and artistic institutions, museums, libraries, theatres, cultural associations, state bodies and state institutions, sports organisations and other similar organisations, mainly for broadcasting **information and announcements regarding events that are of major importance for the general public and where participation is free**.

The director general of RTV Slovenija decides upon special advertising discounts, agreements, and amounts of granted discounts. In case of non-compliance with the terms of sale, the Director General informs the committee, and the committee will then inform the supervisory board.

VIII. ADDITIONAL DISCOUNT TO WARRANT THE EXTENT OF ADVERTISING

Additional discount to warrant the extent of advertising is a compensation given to agencies or associations for their work and function, which they exert upon market (simplification of purchases, simplification and taking over of risky payments). This discount is subject to an annual contract between an agency or a specific association and RTV Slovenija, whereby RTV Slovenija preserves the right to set the upper threshold of such additional discounts.

Each agency or association that concludes an annual contract with RTV Slovenija and undertakes to provide a certain annual amount of advertisements on the RTV Slovenija programmes, is entitled to a discount to warrant the extent of advertising.

Additional discounts to warrant the extent of advertising shall be calculated from the paid advertising net turnover. The net worth is the value we get after deducting all calculated discounts, except for the discount to warrant the extent of advertising.

IX. ADVERTISING FREE OF CHARGE

RTV Slovenija allows free advertising for various national or international humanitarian actions and actions of a wider social significance, organised by national or international organizations. RTV Slovenija also enables free advertising for actions of a wider social significance, humanitarian actions, non-commercial sports, cultural, scientific and educational events, and to various humanitarian and disability organisations.

The extent of free advertising is limited to a maximum of 5 advertisements in a specific medium or 10.000 internet visits a month for a specific action. For a larger number of advertisement provisions regarding other special discounts, please go to Article VII.

The Director General of RTV Slovenija makes all the decisions about free advertising, on the basis of written requests of direct contact with proposed clients.

RTV Slovenija does not enable the production of free advertisements. Special advertising discounts do not apply to the production of advertisements. This is charged according to the valid rate card.

X. CONTRACT

These terms of sale apply to advertising on RTV Slovenija programmes. Pursuant to the provision of sale, some provisions apply exclusively to clients who conclude an annual advertising contract with RTV Slovenija. **RTV Slovenija can conclude such contracts with direct advertisers, agencies or an association of agencies.**

An annex defining the terms of sale for the period of the current year or 12 months, as well as the client's annual net turnover on RTV Slovenija programmes, is an integral part of the contract. If the annual contract is concluded with an agency or association, the terms of sale for an individual advertiser apply, only if the annex is made for each advertiser separately. An annex signed by the agency, advertiser, and RTV Slovenija and initialled by the association, presents the legal basis to grant quantity discounts.

XI. PAYMENT OF SERVICES

RTV Slovenija issues an invoice **for all ordered and authenticated services within eight days after the last broadcast**. If a purchase order is intended for a longer period, i.e. if the time span between the first and the last broadcast is more than 35 days, RTV Slovenija charges for such cases, and issues an invoice at the end of the year of the last broadcast of that advertisement.

RTV Slovenija charges statutory interest rates for late payments. Debtors are obliged to pay **within the period stated by the applicable laws**. RTV Slovenija retains the right not to provide new services to defaulted contract holders until **payment has been made in full**.

The deadline for the payment for advertisers, who have not signed an advertising contract, is 15 days after the issuing of the invoice. Deadlines for payment and other payment terms for clients with a concluded contract are defined within each contract. RTV Slovenija preserves the right to demand a pro forma payment from clients who have not concluded an advertising contract.

XII. SECURING PAYMENTS

Instruments for securing the payment from contractual partners are defined in a contract.

Despite the contract provisions regarding the security of the payment before

broadcasting the advertisement, RTV Slovenija retains the right to demand **security of payment in case of a lowering of the credit rating or the payment discipline of a client.**

XIII. COMPLAINTS

RTV Slovenija accepts complaints within eight days after the broadcasting of the advertisement, relevant to complaint. RTV Slovenija is not obliged to consider complaints sent after the stated time period.

The client can refuse an invoice within 15 days after its issue, in written form and with a thorough reason as to why the refusal to pay the stated amount. The original invoice must be returned. RTV Slovenija is not obliged to consider invoice refusals after the stated time period.

XIV OTHER SERVICES

Other marketing services consist mainly in producing radio and television advertisements, providing services from radio and television archives, and other services. The ordering of services, rate cards and other provisions are defined separately, and present an integral part of these terms of sale.

XVI TRANSITIONAL AND FINAL PROVISIONS

These terms of sale come into force on 1st January 2012, and shall remain in force until revoked or altered, or until new terms of sale are adopted and made public. A public notice is a publication on the web pages www.rtvsllo.si, or any other public notice. On the day these terms of sale come into force, all hitherto terms of sale and business shall cease to be applicable.