

# Commercial Policy of AMS S.A.

## I General Provisions

1. This commercial policy (Commercial Policy) sets out the purchase price terms for Advertising Campaigns on Advertising Media of AMS S.A. (AMS).
2. The Commercial Policy does not apply to social advertisements, election campaigns/announcements of political parties, transactions with Public Finance Sector Units – concluded directly between such Units and AMS, contracts of mutual exchange of services and set-offs, as well as contracts concluded with any governmental or local government institutions, including Institutions of Culture and also with entities from the Capital Group of Agora or with entities which – regardless of the legal basis – make available to AMS surface for Advertising Media.
3. The Commercial Policy is addressed to persons who are not consumers within the meaning of the provisions of Article 22<sup>1</sup> of the Act of 23 April 1964 – the Civil Code. The persons who are consumers within the meaning of the Civil Code are requested to contact representatives of AMS in order to conclude a contract on the provision of advertising services on individual terms and conditions.

## II Definitions

1. The capitalised terms, in the scope which is not defined by the Commercial Policy, shall have the meaning set out in the General Terms and Conditions of Display of Advertisements on Advertising Media of AMS S.A. or General Terms and Conditions Digital Display of Advertisement on Digital Advertising Media.
2. The words and expressions capitalised in the Commercial Policy shall have the following meaning:
  - Catalogue Price** – the price of Advertisement Display or Digital Display on Advertising Medium stemming from the Price List currently binding at AMS.
  - Price Lists** – the Price Lists of Display or Digital Display of Advertisements on Advertising Media of AMS S.A.
  - CPP (Cost Per Point)** – the price for 1 Rating (1 GRP)
  - CPM DOOH (Cost Per Mille)** – the price of 1000 Digital Display on Digital Media
  - Declaration** – a declaration regarding net expenditures on Advertising Campaigns of the Client/ Advertiser for whose benefit the Client acts.
  - Additional Payment** – an additional payment for an additional service rendered by AMS in accordance with the terms and conditions of the Commercial Policy.
  - Display** – a calendar month- or half-calendar month-long display of advertisements on the Advertising Media. It shall be possible to change the Display period into 30/14 days in the event of any changes to the schedule of posting at AMS.
  - GRP (Gross Rating Points)** – total Ratings of Advertising Campaign.
  - Digital Display** – display of advertisements on the digital Advertising Media.
  - IBO** – Instytut Badań Outdooru IBO Sp. z o. o.
  - Other Services** – services rendered by AMS on the terms and conditions individually agreed with the Client, pertaining to special projects, City Transport, printing of Advertisements, Restickers.
  - Institutions of Culture** – entities within the meaning of the Act of 25 October 1991 on organising and conducting cultural activities.

**Public Finance Sector Units** – entities within the meaning of the Act of 27 August 2009 on public finance, in particular: Central Bodies of Governmental Administration, Territorial Government Units, other categories of units of the public finance sector, excluding enterprises, banks and commercial law companies.

**Advertising Campaign** – the service consisting in Advertisement Display and/or Digital Display and/or Other Services rendered by AMS on the basis of an Order.

**Client** – an entity that concludes with AMS an Order to perform an Advertising Campaign.

**Multiformat** – an Advertising Campaign that is executed on various types of Advertising Media and various formats during one Display.

**Advertising Media** – advertising media, on which AMS displays or digital displays Advertisements.

**General Terms and Conditions** – General Terms and Conditions of Advertisement Display on Advertising Media of AMS S.A.

**General Digital Terms and Conditions** – General Terms and Conditions of Advertisement Display on Digital Advertising Media of AMS S.A.

**Outdoor Track** – a study of visibility of Advertising Media performed by IBO based on Route methodology.

**Package** – an option of purchasing an Advertising Campaign when the Client receives specified viewers on the Advertising Media selected by AMS in such a way as to optimise the reach and to be evenly distributed in the areas of agglomerations covered by Outdoor Track study. A Package involves limited Selection.

**Product** – an option of purchasing an Advertising Campaign when the Client receives a set of commercial services dedicated to the target group of Campaign recipients. A Product is not subject to Selection.

**Bands** – 10 categories of Advertising Media with a specific audience expressed with the parameter of the number of contacts – VAC (P1-P10).

**Discount** – each decrease in the price of Advertising Display in line with the terms and conditions of the Commercial Policy.

**Rating** – number of contacts of Advertising Media equal to 1% of population covered by Outdoor Track study, aged 15-65.

**Advertiser** – an entity whose goods or services are the subject matter of the Advertisement.

**Annual Framework Contract** – a contract concluded by and between the Client and AMS for the performance of Advertising Campaigns in a given calendar year, setting out material commercial terms and conditions.

**Net Advertising Campaign Expenditure** – amounts invoiced by AMS, taking into account due discounts and additional payments for the services of an Advertising Campaign, including expenditure on account of the remuneration for Other Services, net of VAT, except the contractual penalty for withdrawing from the Order stipulated in the General Terms and Conditions.

**Annual Net Expenditure** – Net Advertising Campaign Expenditure, including amounts invoiced on account of the remuneration for Other Services, net of VAT. Annual Net Expenditure pertains to Advertising Campaigns performed in a given calendar year.

**Exclusivity** – Display of Advertisements of one Advertiser on all Advertising Media of Citylight type mounted on a single bus/tram shelter or on a single advertising column.

**Sector Exclusivity** – Display or Digital Display of Advertisements of one Advertiser on Advertising Media of Citylight type mounted on a single bus/tram shelter or on a single advertising column, excluding any display on a given shelter or column of Advertisements for goods or services of the same type.

**VAC (Visibility Adjusted Contacts)** – the scale of audience of an Advertising Medium expressed with the number of contacts, specified in the Outdoor Track study performed by IBO.

**Selection** – an individual choice of Advertising Media made by the Client, on the basis of a pool of available Advertising Media presented by AMS.

**Order** – a contract whose subject is Advertisement Display and/ or Digital Display and/or Other Services (or any other separate arrangement, including any arrangement made by e-mail)

concluded in writing, in electronic form or with the use of a simple (not qualified) electronic signature by and between the Client and AMS, which sets out depending on option of purchasing an Advertising Campaign: the subject of the Advertisement, period of the Advertising Campaign, number and type of Advertising Media, number of Digital Display and the net remuneration.

### **III Advertising Campaign purchase options**

1. The Commercial Policy and the Price List, each time posted on the website of AMS, shall specify the available Advertising Campaign purchase options.
2. AMS reserves itself the right to amend the adopted purchase options and to temporarily limit the availability of the selected purchase options.
3. The remuneration rates published in the Price Lists. The value of Orders is calculated based on proper Price Lists applicable on the day on which the estimate is made for a given Advertising Campaign.
4. The Order value shall be calculated based on the Price List effective on the day on which the estimate of a given Advertisement Campaign is made.
5. The Advertising Campaign purchase at AMS shall be made according to the following options:
  - a) Purchasing an Advertising Campaign based on the Price List shall mean that the Client shall have the right to make a Selection of Advertising Media as per all the Advertising Media offered by AMS provided that they are available.
  - b) Purchasing an Advertising Campaign as a Package shall mean that the Client receives specific viewers as per the Advertising Media selected by AMS in such a way as to optimise the reach and to be evenly distributed in the areas of agglomerations covered by Outdoor Track study.
  - c) Purchasing an Advertising Campaign as a Product shall mean that the Client receives a set of advertising services dedicated to the target group of Campaign recipients.
6. The amount of the remuneration due to AMS on account of performing Other Services shall each time be agreed as a result of individual negotiations with the Client.

### **IV Principles of calculating the Additional Payments and Discounts**

1. The amount of remuneration due to AMS on account of the performance of an Advertising Campaign shall be subject to Additional Payments and Discounts on the terms and conditions set out in the Commercial Policy.
2. In the event of purchasing an Advertising Campaign, the price published in the Price List shall be increased – first of all – by any Additional Payments due. Each successive Additional Payment shall be calculated based on the sum following the previous Additional Payment. The amount calculated in this manner shall be then decreased by any Discounts the Client is entitled to. Each successive Discount shall be calculated based on the amount that remains after the deduction of the previous Discount.

### **V Additional Payments**

1. The following Additional Payments shall be added to the Advertisement Display or Digital Display prices:
  - a) Additional Payment for Exclusivity – it shall amount to 100% of the price list value of a Display or Digital Display on all Advertising Media on a given shelter or advertising column, subject to Exclusivity.
  - b) Additional Payment for Sector Exclusivity – it shall amount to 50% of the price list value of a Display or Digital Display on all Advertising Media on a given shelter or advertising column, subject to Sector Exclusivity.
  - c) Additional Payment for placing Advertisement for an alcoholic beverage – it shall amount to 11.11% of the price list value of a Display or Digital Display of Advertisements for an alcoholic beverage.

## VI Discounts

1. AMS may grant the Client the following discounts:

a) Discount for Advertiser expenditure,

### Discount for Advertiser expenditure

declared expenses in PLN	discount level
≤ 49 000	1,0%
50 000 – 99 999 zł	1,5%
100 000 – 199 999 zł	2,0%
200 000 – 299 999 zł	2,5%
300 000 – 399 999 zł	3,0%
400 000 – 499 999 zł	3,5%
500 000 – 599 999 zł	4,0%
600 000 – 699 999 zł	4,5%
700 000 – 799 999 zł	5,0%
800 000 – 899 999 zł	5,5%
900 000 – 999 999 zł	6,0%
1 000 000 – 1 499 999 zł	6,5%
1 500 000 – 1 999 999 zł	7,0%
2 000 000 – 2 999 999 zł	7,5%
≥ 3 000 000	subject to negotiations

b) Agency Discount,

### Agency Discount

declared expenses in PLN	discount level
≤ 999 999 zł	3,0%
1 000 000 – 2 999 999 zł	5,0%
3 000 000 – 4 999 999 zł	7,0%
5 000 000 – 8 999 999 zł	10,0%
9 000 000 – 13 999 999 zł	13,0%
≥ 14 000 000	15,0%

c) Conditional Discount,

### Conditional Discount

subject to negotiations

2. Discount for Advertiser expenditure is granted to the Client provided that the given Client, by the last day of February of a given calendar year, submits the Declaration regarding net expenditures of a given Client or Advertisers for whose benefit the Client acts, and it acts in line with the Declaration. The Discount for Advertiser expenditure is granted also based on the actual annual expenditure of the Client/Advertiser.
3. Should the Declaration submitted by the Client pertain to more than one Advertiser, only the declared net expenditure of that Advertiser shall be taken into account in order to determine the Discount for annual expenditure for a given Advertiser.
4. The amount of Discount for Advertiser expenditure for Clients who failed to submit the Declaration shall be calculated progressively, in accordance with the discount table included in the Commercial Policy. The progressive method of calculation of the Discount for Advertiser expenditure shall mean that the amount of Discount for successive Advertising Campaigns shall be calculated on the basis of the sum of net expenditure for a planned Advertiser Campaign and the campaigns already performed since 1 January of given calendar year.
5. The performance of the Declaration shall mean meeting the declared Annual Net Expenditure. Should the Declaration not be performed, AMS shall have the right to demand that the Client reimburse or adjust the Discount for Advertiser expenditure. Reimbursement or adjustment of the Discount for Advertiser expenditure shall be made via correction of invoices for each Order covered by a Discount for Advertiser expenditure, in accordance with item 7.8 of the Commercial Policy.
6. Agency Discount is granted solely to a Client that is a media house or an advertising agency.
7. The Agency Discount is granted provided that the Client, by the last day of February of given calendar year, submits the Declaration and it acts in line with the Declaration. The Agency Discount is granted also based on the actual annual expenditure of the Client. Advertising agencies or media houses may jointly declare expenditure, however in such a case the consequences of incurring Annual Net Expenditure below or above the amount jointly declared shall pertain to all the Clients that jointly submitted their Declaration.
8. The amount of the Agency Discount shall be calculated progressively, in accordance with the discount table included in the Commercial Policy. The progressive method of calculation of the Agency Discount shall mean that the amount of Agency Discount for successive Advertising Campaigns shall be calculated on the basis of the sum of net expenditure for a planned Client Campaign and the campaigns already performed since 1 January of a given calendar year.
9. The performance of the Declaration shall mean meeting the declared Annual Net Expenditure. Should the Declaration not be performed, AMS shall have the right to demand that the Client reimburse or adjust the Agency Discount to reimburse or adjust the Agency Discount. Reimbursement or adjustment of the Agency Discount shall be made via correction of invoices for each Order covered by the Agency Discount, in accordance with item 7.8 of the Commercial Policy.
10. The Conditional Discount shall be granted based on individual negotiations conducted with the Client, and its amount shall depend on, among others, the type of Media on which a given Advertising Campaign is to be performed, Other Services performed in connection with a given Advertising Campaign, the period in which a given Advertising Campaign is to be organised and the type of business conducted by the Advertiser.
11. For the purpose of calculation of discounts due to the Client/Advertiser, AMS shall take into account the Net Advertising Campaign Expenditure, including Other Services performed at AMS by a given Client/Advertiser in the period from 1 January to 31 December of given calendar year.

## VII Final provisions

1. All the commercial arrangements made in the course of negotiations as well as the content of the Order, framework contracts and arrangements made by e-mail as well as any information and data received by the parties due to their conclusion shall constitute business secret within the meaning of the Act of 16 April 1993 on combatting unfair competition, and may not be disclosed

to any third parties without prior written consent of the party they pertain to, unless they are commonly known or if the obligation to disclose them stems from the provisions of binding law or a final decision of the court or administration body, or the disclosing is connected with performing the transparency audit of the executed Commercial Policy.

2. AMS shall have the right to perform a quarterly verification of whether the Clients/Advertisers met the declared Annual Net Expenditure.
3. If in the course of the quarterly verification AMS observes any circumstances which may threaten the performance of the provisions of the Annual Framework Contract (if such a contract was concluded) and the Declarations submitted by the Client, AMS shall have the right to amend the commercial terms and conditions agreed beforehand for the subsequent quarters of given calendar year, and it shall take as the basis for Annual Net Expenditure the value in the band between the expenditure estimated pro rata to the relation of the actually incurred expenditure to the declared Annual Net Expenditure at the end of a given quarter, calculated cumulatively from the beginning of the year, and the value ensuing from the actually made expenditure.
4. Following the termination of given calendar year, AMS shall verify the Annual Net Expenditure actually made by Clients/Advertisers in a given year, and it shall issue proper correction invoices.
5. Based on the actual Annual Net Expenditure AMS shall set out the commercial terms and conditions the Client/Advertiser is entitled to in accordance with the Commercial Policy, and based on that it shall calculate the amount by which the value of Orders shall be corrected.
6. Should the Client/Advertiser make actual Annual Net Expenditure lower than the declared amount, AMS shall have the right to request that the Client reimburse or adjust the granted Discounts, in accordance with items 6.5 and 6.9 of the Commercial Policy. The Client shall pay the complementary remuneration within 30 days of receipt of a correction invoice from AMS.
7. Should the declared Annual Net Expenditure be increased or should the Annual Net Expenditure exceed the declared amount, AMS and the Client, at the request of the Client, may agree new commercial terms and conditions, however the negotiated commercial terms and conditions may not be more advantageous for the Client/Advertiser than it would ensue from the currently binding Commercial Policy.
8. If in line with the agreements made under items 7.7 above the Client shall be entitled to the discount due/reimbursement, the settlement shall be made based on the correction invoice issued by AMS.
9. If in the course of a calendar year the Client, who in its own name and for the benefit of the Advertiser purchases Advertising Campaigns, changes, the amount of Net Advertising Campaign Expenditure of a given Advertiser incurred through the intermediary of the previous Client in given calendar year shall be summed with the Expenditure made through the intermediary of a new Client, provided that the above arrangement does not lead to any divergence from the provisions of the Commercial Policy.

## **VIII Term of the Commercial Policy and amendment hereto**

1. This Commercial Policy and the Price List shall enter into force on 1 January 2022 and they shall be effective until 31 December 2022, subject to item 7.11 of the Commercial Policy.
2. In the event of any conflict of the provisions of the Commercial Policy with the provisions of the General Terms and Conditions of Display of Advertisements on Advertising Media of AMS S.A., or General Terms and Conditions of Digital Display of Advertisement on Digital Advertising Media the provisions of the Commercial Policy shall apply.
3. Any amendments to the Commercial Policy and/or the Price List shall be made in the event of:
  - a) amendments to the provisions of law which significantly affect the possibility to Display Advertisements or in any other material way amend the principles of doing business on the media market or require an amendment to the currently binding terms and conditions of the Commercial Policy,

- b) decision of AMS,
  - c) amendments to the provisions of local law which significantly affect the conditions and the possibility of Advertisement Display, entered into force as a result of adopted acts on landscape.
4. The information on the amendment to the Commercial Policy and/or the Price List shall be posted on the website of AMS, and the Clients that are bound by contracts with AMS will be additionally notified of the fact and the scope of the amendment by sending them information to the e-mail address indicated by the Client. If within two weeks as of the day on which the information is received the Client does not oppose to it in writing, it shall be taken to mean that the Client agreed to the amendment of the Commercial Policy and/or the Price List, subject to the fact that an amendment to the Commercial Policy and/or the Price List that results in an amendment of material contract element shall require conclusion of an amendment. If the Client, within the time limit referred to above, opposes to the amendment to the Commercial Policy and/or the Price List, depending on the decision of AMS the contract shall continue to be performed on the currently binding terms and conditions or it shall be terminated in the part that pertains to the unperformed Advertising Campaigns affected by the amendment of the Commercial Policy and/or the Price List, and the Client shall have no right to make any claims towards AMS for contract termination.