



## GENERAL CONDITIONS FOR BUSINESS OPERATIONS

These general conditions apply to all contracts on advertising, i.e. rental of advertising surfaces owned by the company PIO, of Strossmayerov trg 8, Zagreb, and constitute, as an attachment, an integral part of each contract. If different conditions are stipulated in the contract, the conditions in the contract shall apply. These general conditions are valid from 1 March 2007 onwards.

**1.** Orders for advertising campaigns must be received exclusively in writing, not later than 40 days before the start of the campaign, and they must contain the exact title of the advertising campaign, its duration with the precise date when it is to begin and end, and the number of poster surfaces on which the advertising campaign is to be conducted. Changes or additions to the order must be delivered to PIO, also in writing.

**2.** The ordering party may cancel the contract, but not later than 30 days before the advertising campaign is to begin, with an explanation in writing. If the contract is canceled within this period, PIO will charge expenses as follows:

- if the ordering party cancels the contract up to 21 days before the start of the campaign, the expenses shall be 50% of the contracted value
- if the ordering party cancels the contract up to 14 days before the start of the campaign, the expenses shall be 75% of the contracted value
- if the ordering party cancels the contract up to 7 days before the start of the campaign, the expenses shall be 100% of the contracted value
- The advertising must be canceled in writing, and the date applicable is the date when such communication is received by PIO.

**3.** Permanent advertising surfaces rented on a yearly basis and located on private or cityowned land must, in the event of cancellation, be canceled not later than one month prior to the expiry of the contract. Otherwise, the contract shall be extended for another year.

**4.** Service prices are expressed in EUR and are converted to HRK according to the Croatian National Bank's mean rate of exchange on the day when the invoice is issued. Financial rebate and agency commission are determined according to the discount table for agencies and direct advertisers.

As a payment insurance instrument, PIO has the right to demand an insurance of the means of payment, which shall be returned upon the receipt of the contracted amount to PIO's giro account.

Any price changes will be published at least 45 days before their application begins.

**5.** Invoices are issued for two weeks periods, not longer than 3 days after the start of the advertising campaign. Unless otherwise agreed, the ordering party is obliged to make the payment within 30 days from the invoice date to PIO's giro account specified in the invoice. Should there be a change to the exchange rate of more than 3%, PIO has the right to charge the ordering party for the exchange rate difference incurred up to the date of collection.

**6.** In the event that the agreed date of payment is exceeded, default interest shall be charged, and PIO retains the right to cancel the contract or to immediately remove posters which are already in place, without the obligation to deliver a special written reminder.

In the event that the ordering party does not settle the debt within 60 days after the issue of the invoice, PIO does not undertake the obligation to complete campaigns previously ordered by the ordering party until the debt is settled.

**7.** The ordering party has the right to lodge a complaint on the invoice within 3 (three) days from the receipt thereof, exclusively in writing. After this period, any complaints regarding the issued invoice shall not be accepted.

**8.** The ordering party accepts full responsibility for the contents of the poster, and shall be directly accountable to any injured third party in the event of any violation of Croatian laws on advertising, infringement of copyright or any similar dispute. PIO has no legal liability to the third party. If it was not involved in the printing process, PIO shall not be responsible for any incomplete visual impression of the poster displayed resulting from an error in printing the poster or in its final cutting.

**9.** The ordering party shall deliver the posters at the latest 5 days before the start of the advertising campaign. Should there be a delay of delivery, PIO will not guarantee the timely placement of the posters, and the ordering party is obliged to pay for the poster surfaces ordered in the full amount and is not entitled to demand the prolongation of the advertising campaign.

**10.** For better performance and maintenance of the surfaces during the advertising campaign, it is necessary to deliver at least 20% more posters than the number of contracted surfaces.

**11.** Depending on the nature of the advertising campaign, the pasting of the posters will be carried out within 3 to 5 (three to five) days, which exceptionally may be extended in the event of unfavorable weather or other conditions. Complaints regarding the quality of the pasting must be delivered by the ordering party exclusively in writing within 3 to 7 (three to seven) days from the completion of postering, with a detailed description. After the expiry of this period, the complaint will not be accepted. The ordering party is responsible for the quality and the appearance of the poster delivered. During the campaign, the ordering party has the right to inform PIO in writing on flaws and necessary corrections to the posters which shall be carried out within 72 hours from the written notice.

**12.** For all pasting activities outside the regular terms (the regular terms are listed in the ***calendar of advertising periods***) PIO retains the right to charge extra costs of poster pasting in the amount of 15 EUR per poster, payable in HRK counter-value at the Croatian National Bank's mean rate of exchange on the day when the invoice is issued.

**13.** If by the ordering party's wish the posters are produced by PIO, the ordering party must deliver the films, texts and other elements for the production of the posters to PIO, not later than 3 weeks before the planned delivery of the completed poster material. PIO will not assume responsibility or compensate for damages resulting from late delivery or delivery of damaged or unusable materials. PIO will not be responsible for any damage to the delivered materials due to force majeure.

**14.** PIO will not assume responsibility to the ordering party for removal of advertising boards by the authorities or the landowner or for any force majeure which may prevent PIO from using the advertising surface assigned to the ordering party. The contract for the location is considered null and void, the ordering party has no right to indemnity, but it retains the right to reimbursement of any advance paid for such a surface.

**15.** PIO cannot guarantee that during the contracted period of each campaign, all poster surfaces will be in operation, visible and undamaged. Brief disruptions, resulting from force majeure or actions by a third party or the ordering party do not give the right to request additional services or indemnities of any kind. PIO will not be responsible for damage to a poster, but undertakes the obligation to replace it with a new poster.

**16.** For campaigns of general community interest, humanitarian or environmental campaigns, for the needs of theaters, museums, schools etc., and depending on the capacities available at any given moment, PIO shall grant special discounts or free advertising.

**17.** Due to general public interest, during election campaigns, PIO retains the right to reduce, as necessary, the volume of individual commercial posters, with the obligation to put the posters up again after the completion of the election campaign.

**18.** All poster surfaces owned by the company PIO are located at optimum positions, and individual wishes for specific locations shall be taken into the account only if previous and pending campaigns allow it. Each campaign is planned so that the presented poster material is evenly dispersed across the contracted area covered by our poster holders.

**19.** PIO's conditions for business operations shall be binding for all users of services. They are applied for an indefinite period of time or until they are revoked, and they enter into force on the day when the order or the contract is signed.

**20.** The parties undertake to settle any disputes amicably, and should this not be possible, the Court in Zagreb shall be competent.