

ITV SALES LIMITED

GLOSSARY

-Of-

AIRTIME CONTRACT TERMS

Introduction:

The terms defined in this Glossary of Contract Terms ("Glossary") shall be deemed incorporated into the Deal Arrangements, the Deal Conditions at the following URL:

http://www.itvsales.com/itvsales/jsp/programming/deal_conditions.pdf and the Broadcasters Terms and Conditions at the following URL:

http://www.itvsales.com/itvsales/jsp/programming/broadcasters_terms_and_conditions.pdf.

All demographic grouping abbreviations (ABC1, HWCH etc.) shall have the meaning applied to them by the BARB. Such definitions are hereby incorporated into this Glossary and the agreements and terms and conditions referred to above for airtime sales entered into by ITV Sales or a Broadcaster.

Defined Terms:

Act: means the Broadcasting Acts 1990 and 1996, the Communications Act 2003 and any amendments thereto or any superseding legislation;

Actual Delivery: means the actual TVRs delivered by the relevant Broadcasters under a Booking Agreement as reported by BARB;

Adjudicator: means the adjudicator appointed pursuant to the Undertakings;

Advance Booking Deadline or ABD: means the relevant date from the list of dates published by ITV Sales from time to time on its website at www.itvsales.com, (or such other deadline as is agreed between an Advertiser or Agency on the one hand and a Broadcaster on the other hand), by which the Agency or Advertiser is required to make its Booking;

Advertisement: means any item of Advertising intended for broadcast incorporating Advertisement Copy in respect of which Airtime has been sold and which has been accepted for transmission in accordance with the Broadcaster Terms and Conditions;

Advertisement Copy: means any material for an Advertisement provided by or on behalf of the Advertiser or Agency and intended for transmission by the Broadcaster;

Advertiser: means a person, firm or company wishing to advertise;

Advertising: shall have the same meaning as it has for the purposes of the codes and regulations from time to time of Ofcom;

Agency: means an advertising agent or agency, being a person, firm or company carrying on business involving the selection and purchase of Airtime for an Advertiser;

Airtime: means Advertising airtime on UK Television (excluding any interactive element and sponsorship element);

Airtime Credits: means Buyer Airtime Credits and/or Broadcaster Airtime Credits;

Anglia: means Anglia Television Limited (Co. No: 955957);

Approved Buyer: means a Buyer approved for credit by the Broadcaster (subject to any conditions which may be imposed by the Broadcaster) and **Non-approved Buyer** shall be interpreted accordingly;

Area: means any geographical transmission area of any of the Broadcasters;

ASA: means the Advertising Standards Association or any superseding body;

BACC: means the Broadcast Advertising Clearance Centre or any superseding body;

BARB: means the Broadcaster's Audience Research Board Limited or any superseding body;

Barter: means any Airtime or advertising space on Inhouse Channel which Broadcasters agree may be paid for otherwise than in cash or Contra;

Booking: means an offer from a Buyer set out in a Booking Form for the purchase of Airtime for Advertising from a Broadcaster;

Booking Agreement: shall have the meaning set out in clause 2.1 of the Broadcaster Terms and Conditions;

Booking Form: means the applicable standard form or such other means as determined by ITV Sales to be used to make a Booking;

Booking Spend: means the amount of money due from a Buyer under a Booking Agreement;

Border: means Border Television Limited (Co. No. 654206);

Broadcaster(s): means any of the following as specified in the Deal Arrangements or Booking Form (as appropriate) for whom ITV Sales is the authorised sales agent: Anglia, Border, Channel, London Weekday, Central, Grampian, Granada, London Weekend, HTV, Meridian, S4C, Scottish, Tyne Tees, Yorkshire, UTV and Westcountry and any cable, satellite or digital broadcaster for which ITV Sales is the authorised agent for the sale of Airtime (such as ITV2, GSKyB, ITV News Channel);

Broadcaster Airtime Credits: means the value of the number of TVRs (expressed as Station price less any relevant discount or plus any relevant premium as appropriate) by which Actual Delivery to an Approved Buyer exceeds Deal Delivery;

Broadcast Revenue: means all actual expenditure (whether direct or indirect) in any form (whether in cash or in kind) by Clients or a specific Client of the Buyer or the Buyer (as specified in the Deal Arrangements) on Airtime and advertising space on Inhouse Channel during the Term other than expenditure relating to any of the following: Excluded Clients, Excluded Brands, Excluded Business or new business which may be refused pursuant to Section 3 of the Deal Arrangements;

Broadcaster Terms and Conditions: means a Broadcaster's standard airtime sales terms and conditions for Bookings as set out at the following URL:
http://www.itvsales.com/itvsales/jsp/programming/broadcasters_terms_and_conditions.pdf;

Buyer: means the person (which expression includes the firm or company) identified in the Deal Arrangements or the Booking Form (as appropriate);

Buyer Airtime Credits: means the value of the number of TVRs (expressed as Station price less any relevant discount or plus any relevant premium as appropriate) by which Actual Delivery to an Approved Buyer is less than Deal Delivery;

Buyer Commission: means the discount applied to an invoice under the Broadcaster Terms and Conditions where the Buyer is a Registered Buyer;

Buyer Commitments: means the minimum commitments made by the Buyer in relation to Share of Broadcast Revenue and/or Volume Commitment as set out in the Deal Arrangements;

Buyer Spend: means the amount(s) in cash (less any Late Copy Surcharges, Late Booking Fees and late payment charges) actually paid by a Buyer (less any VAT applicable) to ITV Sales (received on behalf of the Broadcasters) for Airtime during the Term;

Calendar Year: means any period of 12 months commencing on 1st January in any calendar year;

Cancellation: means any request by an Agency or an Advertiser to cancel any Booking Agreement;

Carlton: means Carlton Television Limited (Co. Reg. No. 2937518);

Carlton Broadcasting: means Carlton Broadcasting Limited (Co. Reg. No. 2455642) trading as Carlton London;

Carlton Broadcasters: means London Weekday, Central, HTV and Westcountry;

Central: means Central Independent Television Limited (Co. No. 1490357) trading as Carlton Central;

Centre Break: means an Advertising break within a TV programme;

Channel: means Channel Television Limited (Co. No. FC025063);

Client and Clients: shall mean the advertising client and clients, as appropriate, of an Agency;

Competitive Media: means any competing TV channel and/or any other media;

Confidential Information: includes any information marked as such and any other information which might reasonably be assumed to be confidential in any form emanating from either party at any time and shall include any compilation of otherwise public information in a form not publicly known and the existence and contents of any agreement in respect of Airtime to which a Broadcaster or ITV Sales is a party and any information, materials or data in any form produced by, for or on behalf of either party during the term of or pursuant to such an agreement but shall not include:

(a) information which at the time of disclosure is publicly known or information which after disclosure becomes publicly known other than as a result of any breach of such agreement;

(b) information which can be shown to be known to the other party, other than under a subsisting obligation of confidentiality, or restricted use, prior to the disclosure;

(c) information made available to the other party by a third party having a right to do so and who has not imposed on that party any subsisting obligation of confidentiality or restricted use in respect thereof;

Contra: means advertising value as sold by other media owners (including but not limited to radio advertising airtime, print advertising space and online advertising space);

Copy Rotation: means where a campaign consists of two or more separate Advertisements (or variations of the same) the agreed order for transmission and any changes thereto;

CPT or Cost per Thousand: means the price of Airtime which is sufficient to achieve 1000 Impacts within a Target Audience calculated by Station Price;

CRRA Rules: means the Contracts Rights Renewal Adjudication Rules as referred to in the Undertakings;

CRRA Scheme: means the Contracts Rights Renewal Adjudication Scheme as referred to in the Undertakings;

Day Parts: means the segment times as specified from time to time by the Broadcaster or as set out in the Deal Arrangements;

Deal Agreement: means, together, the Deal Arrangements and Deal Conditions;

Deal Arrangements: means the specific commercial terms agreed between ITV Sales and a Buyer for the procurement of Airtime during the Term;

Deal Conditions: means ITV Sales' standard terms and conditions for the procurement of Airtime during the Term as set out at the following URL: http://www.itvsales.com/itvsales/jsp/programming/deal_conditions.pdf;

Deal Delivery: means the TVRs which were agreed to be delivered under a Booking Agreement calculated by applying the Booking Spend to the discounted/premium prices agreed by the parties as set out in the Booking Agreement;

Demograph: means an audience type defined by age or social classification or a combination thereof as defined by BARB;

DRTV: means Advertisement(s) which include a direct call to action to the viewer and transmitted in daytime programming;

Duration Equivalent Impacts: means Impacts weighted in accordance with the following factors:

Time Length	Weighting Factor
10 seconds	0.333
20 seconds	0.666
30 seconds	1.000
40 seconds	1.333
50 seconds	1.666
60 seconds	2.000

Any Spot over 60 seconds will be weighted pro-rata to the 60 second factor and for all Broadcasters (excluding Channel, Carlton Broadcasters and ITV2) such weighting will be discounted by 2.5%;

Duration Weighted Station Price (otherwise known as “DWSP”): means the price calculated using the following formula:

$$\text{DWSP} = \frac{\text{Total Net Advertising Spot Revenue for Area} \div 0.85 \text{ (Buyer Commission)}}{(\text{Duration Equivalent Impacts}_{(\text{for the relevant Target Audience})} \div 1000);}$$

End Break: means an Advertising break between two distinct TV programmes;

Estimated Broadcast Revenue: means the estimated expenditure (whether direct or indirect) in any form (whether in cash or in kind) by Clients or a specific Client of the Buyer (as specified in the Deal Arrangements) on Airtime and advertising space on Inhouse Channel during the Term, other than expenditure relating to any of the following: Excluded Clients, Excluded Brands, Excluded Business or new business which may be refused pursuant to Section 3 of the Deal Arrangements, which is provided by the Buyer and is taken into consideration by ITV Sales in agreeing prices as set out in the Schedule(s) to the Deal Arrangements;

Excluded Brands: means any excluded brands of any Client of the Buyer which are identified as such in the Deal Arrangements;

Excluded Business: means any excluded type of business of any Client of the Buyer which is identified as such in the Deal Arrangements;

Excluded Clients: means any excluded Clients of the Buyer which are identified as such in the Deal Arrangements;

FIB and LIB: means respectively the first Advertisement in an Advertising break and the last Advertisement in an Advertising break;

Force Majeure: means an event, inability or delay which is caused by circumstances beyond the relevant party's reasonable control and which cannot be cured by measures which might reasonably be taken in the course of that relevant party's business, including, without limitation, war or other action of military forces, terrorism, riot, civil commotion, sabotage, vandalism, accident, breakdown or damage to machinery or equipment or technology, fire, flood, acts of God, regulatory, legislative or administrative interference, ruling or decision PROVIDED THAT no circumstance or cause shall be considered to be beyond the control of a party if it arises as a result of that party's failure to take reasonable care. For the avoidance of doubt, the loss of a Client or a Client's brand by an Agency will not be deemed to be an event of Force Majeure;

Frequency: the number of times the Target Audience has an opportunity to see a commercial or campaign;

Granada: means Granada Television Limited (Co. No: 840590);

Granada Broadcasters: means Anglia, Border, Granada, London Weekend, Meridian, Tyne Tees, and Yorkshire;

Grampian: means Grampian Television Limited (Co. No. SC35733);

Gross Station Price (otherwise known as “GSP”): means the price calculated using the following formula:

$$\text{GSP} = \frac{(\text{Net Advertising Spot Revenue} \div \text{Carlton gross up})}{(\text{Ratecard Equivalent Impacts}_{(\text{for the relevant Target Audience})} \div 1000)}$$

HTV: means HTV Group Limited (Co. No. 121260) trading as Carlton West;

Impacts: means single viewings of Advertisements as reported by BARB;

Inhouse Channel: means any television service which includes advertisements for products and/or services, which is available to the public in the UK and which is not broadcast under a licence issued by the Independent Television Commission or Ofcom (including but not limited to the Pub channel and inhouse supermarket and store channels);

ITV or ITV 1: means the regional Channel 3 service defined in the Act;

ITV Broadcasters: means Carlton Broadcasters, Granada Broadcasters, SMG Broadcasters, Channel and UTV;

ITV plc Broadcasters: means Carlton Broadcasters and Granada Broadcasters;

ITV 2: means the digital channel owned and operated by ITV2 Limited (Co. No 1867871);

ITV Group: means the group (as such term is defined in section 53 of the Companies Act 1989) from time to time whose holding company is ITV plc;

ITV Network: means ITV Network Limited (Co. No. 603893);

ITV Plc: means ITV Plc (Co. No. 4967001);

ITV Sales: means ITV Sales Limited (Co. No. 2463697);

Late Booking Fee: means the additional fee applicable to any Booking accepted after the ABD as set out in the Deal Arrangements or Booking Form (as appropriate);

Late Copy: means Advertisement Copy that is received two Working Days or less before transmission;

Late Copy Surcharge: means the cost set out in the Booking Agreement payable by the Buyer for Late Copy;

London Weekday: means Carlton Broadcasting or such other company that holds the broadcasting licence to broadcast on the Channel 3 service in the London region from 09:25 to 06:00 Monday to Thursday and 09:25 to 16:59 on Fridays;

London Weekend: means LWT or such other company that holds the broadcasting licence to broadcast on the Channel 3 service in the London region between 17:00 Friday to 05:59 Monday excluding Saturday and Sunday 06:00 to 09:25;

LWT: means LWT (Holdings) Limited (Co. No: 2431623);

Macro Area: means a combination of a Broadcaster's Areas;

Market Rate: means a fair sum reasonably determined by the Broadcaster with reference to historical precedent, the trading position of the Broadcaster at the relevant point in time and the ability of the Broadcaster to accommodate the Buyer's campaign requirements;

Meridian: means Meridian Broadcasting Limited (Co. No.02519552);

Natural Delivery: means delivery of Advertisements on an even-handed basis (by reference to information published by BARB) when compared to the delivery of all Advertisements;

Net Advertising Spot Revenue: means monthly Spot Advertising revenue less any applicable Buyer Commission as declared by individual Broadcasters to Ofcom;

Non-approved Buyer: refer to definition of Approved Buyer;

Non-pre-emptible: means guaranteed to be shown at the agreed time and not capable of being transferred to any other time except by agreement with the Buyer or because of Optimisation; and **Pre-emptible** shall be interpreted accordingly;

Non-Sport Specials: means unique programmes including but not limited to movie premieres, first run dramas and one-off programmes which are determined by ITV Sales;

North Macro: consists of Border, Granada, Tyne Tees and Yorkshire;

Ofcom: means the Office of Communications or its successor, and in the case of S4C, the Welsh Authority as defined in the Act;

Off Peak: refer to definition of Peak;

Optimal and Optimisation: means the most efficient manner in the reasonable opinion of the Broadcaster or ITV Sales, using non-discriminatory and objective criteria, of matching demand and supply of Advertising and Airtime across all Buyers and of delivering the agreed audiences;

Part Area: means a part of a Broadcaster's Area or part of a Macro Area;

Partworks: means a weekly or other periodic themed publication;

Peak: means the agreed segments of prime time viewing; and **Off Peak** shall be interpreted accordingly;

Platinum Specials: means premium programmes which are determined by ITV Sales;

Position in Break: means any specific position within an Advertising break;

Postponement: means any request by an Agency or an Advertiser to postpone any Booking Agreement;

Pre-emptible: refer to definition of Non-pre-emptible;

Price(s): means the discounts and/or premiums set out in Schedule 1 of the Deal Arrangements;

Protected Contract: shall have the meaning set out in the Undertakings;

Pure Station Price (otherwise known as "PSP" or "Ratecard Weighted Price"): means the price calculated using the following formula:

$$\text{PSP} = \frac{\text{Total Net Advertising Spot Revenue for Area} \div 0.85 \text{ (Buyer Commission)}}{(\text{Ratecard Equivalent Impacts}_{((\text{for the relevant Target Audience})} \div 1000)};$$

Ratecard Equivalent Impacts: means Impacts weighted in accordance with the following factors:

Time-Length	Weighting Factor (Granada Broadcasters and Ulster, Channel, S4C)	Weighting Factor (Carlton Broadcasters and SMG Broadcasters)
10 Seconds	0.600	0.500
20 Seconds	0.800	0.830
30 Seconds	1.000	1.000
40 Seconds	1.333	1.333
50 Seconds	1.667	1.660
60 Seconds	2.000	2.000

Any Spot over 60 seconds will be weighted pro rata to the 60 second factor and when calculating PSP for all Broadcasters (excluding Channel, Carlton Broadcasters and ITV2) such weighting will be discounted by 2.5%;

Regional Package(s): means the regional bronze, silver, gold and platinum Spot packages sold by the ITV Broadcasters as set out in regional advertising rate cards issued by the ITV Broadcasters from time to time;

Registered Buyer: means a Buyer which is considered by a Broadcaster (in its reasonable opinion) to be an advertising agency with sufficient financial standing and client base to warrant the granting of a discount on invoices;

S4C: means Sianel Pedwar Cymru Rhyngwladol Cyf (and its successors or assigns) as established by the Act;

Scottish: means Scottish Television plc (Co. No. SC172149);

Share of Broadcast Revenue: means the minimum share of Broadcast Revenue which a Buyer agrees to spend or agrees to procure its Clients (except Excluded Clients) will spend with the Broadcasters during the Term as set out in the Deal Arrangements;

SMG: means Scottish Media Group Holdings (Co. No. 3269576);

SMG Broadcasters: means Scottish and Grampian;

South East Macro: consists of Anglia and Meridian;

Specials: means Platinum Specials and/or Non-Sport Specials and/or Sport Specials;

Split Month Price: means any month where there is a different demand for Airtime across the month such that demand is at a significantly different level and price from the start to the end of the month, as determined at the Broadcaster's discretion, (e.g. December);

Split Time-length Campaigns: means Advertising campaigns with more than one time length;

Spot(s): means one specific portion of Airtime identified as available for purchase by a Broadcaster for Advertising;

Sport Specials: means major sporting event programmes which are determined by ITV Sales;

Standard Time-lengths: 10 seconds or a multiple of 10 seconds;

Station Price(s): means the Duration Weighted Station Price, Pure Station Price or Gross Station Price;

Strike Weight: means the amount of TVR's by day, week, month or other pre-determined duration;

Strike Weight Tolerance: means any maximum agreed deviation from the Strike Weight;

Tagged: means the situation where two or more Advertisements are joined back-to-back as if they were one Advertisement;

Target Audience: means a Demograph within a particular Area;

Term: shall have the meaning set out in Section 2 of the Deal Arrangements;

Time-length: means the duration of a Spot;

TV Eye: means TV Eye Limited (Co. No: 4547560);

TV Eye Credit List: means the list of Buyers recommended for credit by TV Eye;

TVR: means one percent of the Target Audience purchased by the Buyer and **TVR's** (or parts thereof) shall be interpreted accordingly ;

Tyne Tees: means Tyne Tees Television Limited (Co. No: 598781);

UK Television: means any service broadcast under a licence issued by the Independent Television Commission or Ofcom;

UTV: means Ulster Television plc (Co. No.NI004230);

Universe: means the total number of individuals for a given target audience able to view television within a given licence region;

Underspend: means the situation where the Buyer Spend is less than the Buyer Commitments as set out in the Deal Arrangements at the end of the Term;

Undertakings: means the undertakings given by Carlton Communications Plc and Granada Plc to the Secretary of State for Trade and Industry dated 14 November 2003;

Volume Commitment: means the commitment by the Buyer to spend or to procure its Clients (except Excluded Clients) spend at least the amount (in cash) with the Broadcaster(s) as set out in the Deal Arrangements;

Westcountry: means Westcountry Television Limited (Co. No. 2495073) trading as Carlton Westcountry;

Working Day: means any day other than a Saturday or Sunday or any other day which is a public or bank holiday in England;

Yorkshire: means Yorkshire Television Ltd (Co. No: 0899713).