

## STANDARD TERMS AND CONDITIONS -- RADIO

### 1. PARTIES

- (a) For the purpose of these standard terms and conditions, the person(s), firm or corporation contracting for broadcast time under the agreement, of which these terms and conditions form a part (the "**Agreement**"), whether as principal (the "**Advertiser**") or as agent (the "**Agency**"), is deemed to be duly authorized for all purposes relating to this Agreement.
- (b) If an Agency is or has accepted this Agreement on behalf of an Advertiser, the Agency confirms that it is authorized to bind the Advertiser and the Advertiser and the Agency shall be jointly and severally liable for all obligations under this Agreement. The Advertiser/Agency (hereinafter, the "**Purchaser**") and the radio station accepting this Agreement (the "**Station**") hereby agree to the following terms and conditions.

### 2. PAYMENT

- (a) The Purchaser agrees to pay for the services contracted for herein within Thirty (30) days of the date the invoice is rendered to Purchaser. Notwithstanding the foregoing, if the credit of the Purchaser is not satisfactory to the Station, the Station may at any time require, and the Purchaser shall pay for, the services prior to the airing of the broadcast time contracted for under this Agreement.
- (b) All sums due at any time under this Agreement are payable in Canadian dollars within Thirty (30) days of the date that an invoice is rendered to the Agency in respect of such sums. The Station reserves the right to charge Purchaser interest at the rate of Two percent (2%) per month (Twenty-four percent (24%) per annum) on accounts that remain unpaid for Thirty (30) days from the date of invoice.
- (c) In all cases, the date of payment shall be deemed material and, unless otherwise stipulated in this Agreement, the postmark date on the envelope properly addressed to the Station or its representative shall be considered the date when payment was made.
- (d) Advertisements will be broadcast within 15 minutes of the time outlined on the face of this Agreement. The Station will render invoices and/or an affidavit showing actual airtime with the commercial code aired on the spot to Purchaser unless otherwise stipulated in this Agreement. Station will supply certified statements of performance on request. Agency shall notify Station of any discrepancies in invoicing within Twenty (20) days of receipt of invoice. Station's invoices shall set out all dates and times of broadcasts, length of commercial announcements, the portion of Station's program log indicating the Advertisements referred to in the invoice, details identifying and stating the nature of any and all discrepancies between the broadcast time contracted for hereunder and the Station's program log, and a statement of the reason or reasons for such discrepancies, if any. For purpose of this Section 2 (d) it is accepted and agreed that the broadcasting of Advertisements within 15 minutes of the time outlined on the face of this Agreement will not be considered a discrepancy.
- (e) Where a dispute arises over payment of an invoice, the Purchaser agrees to remit the undisputed portion of the invoice in accordance with the terms of this Agreement, and acceptance by the Station of such portion shall in no way be construed as an admission by the Station of the validity of the Purchaser's dispute.
- (f) The Purchaser agrees that the Station may conduct credit inquiries on the Purchaser as long as any sums owed to the Station have not been paid entirely. The Purchaser authorizes any third party to convey any information of a financial matter about the Purchaser at the request of the Station.

### 3. TERMINATION

- (a) Where the agreement is for Advertisements in the form of regular commercial inventory, such agreement may be terminated by either party giving the other at least Two (2) broadcast weeks written notice. Where the agreement is for Advertisements in the form of sponsorship/feature, such agreement may be terminated by either party giving the other at least Four (4) weeks written notice. Verbal notice is acceptable if confirmed in writing within Seven (7) days. Except as otherwise agreed, no such termination shall be effective during the first Four (4) weeks of any flight. A 'broadcast week' shall be considered 'Monday through Sunday'.
- (b) In the event of termination of this Agreement by Purchaser, other than for breach by Station of Station's obligations under this Agreement, prior to the completion of all broadcasts contracted for, as provided in Subparagraph 3 (a) above, the Purchaser shall pay the Station all amounts owing for services rendered by the Station which have been contracted for by the Purchaser up to and including the date of termination at the Station's published or other agreed upon rates for such lesser number of broadcasts. Notwithstanding such early termination, the Purchaser shall also reimburse the Station for all sums the Station has expended or is required to expend for all contractual commitments of supply made by it in order to fulfill the terms of this Agreement.
- (c) In the event of cancellation of this Agreement by the Station on default of the Purchaser to make any payment provided for, or as the result of the breach of any of its terms or conditions, the Station shall be entitled to recover as damages, and the Purchaser shall pay to the Station the total of all amounts due, or to become due hereunder, to the expiration of this Agreement or any renewal term thereof. The Purchaser agrees that such amounts are liquidated damages. The Station shall also be entitled to recover, and the Purchaser shall pay, the costs and expenses of the Station, including reasonable legal fees, in the collection of the amounts due hereunder to the Station. In addition the Purchaser will reimburse the Station for all sums which

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the Station has expended, or may be required to expend, for all contractual commitments of supply made by it in order to fulfill the terms of this Agreement.

- (d) If, due to Station's material breach, Purchaser cancels this Agreement, Station's liability shall be limited to payment as liquidated damages of a net sum equal to the actual non-cancellable live talent costs incurred by Purchaser for production of a live program (not recorded) in the cancelled time and the reasonable allocated production or rental cost of mechanical reproductions scheduled but not used for the cancelled broadcast and not useable for future scheduling due to Station's breach. Such charges shall not exceed the time charges for the period involved. Inability to broadcast covered by paragraphs 4 or 5 below shall not be considered a breach of this Agreement by the Station.
- (e) Where the Purchaser is in default in the payment of sums due under this Agreement, or where in the opinion of the Station there are other grounds for questioning the soundness of the Purchaser's credit, the Station shall have the right, in its absolute discretion, to change the requirements as to the terms of payment for further broadcasting under this Agreement.

### 4. OBLIGATIONS OF THE PURCHASER

- (a) The Purchaser shall provide the Station with the script, recording or instructions concerning the content of commercial advertisements, in writing, at least Two (2) business days prior to the broadcast of said commercial messages. In case of failure to do so, the Station may, at its discretion, broadcast other Advertisements for the Purchaser to the best of the knowledge of its agents or employees (the "Substitute Ads"). The Purchaser releases the Station of any claim arising from the broadcast of the Substitute Ads. Should any additional work be required from the Station, due to these circumstances, the Purchaser shall be charged for such work in accordance with the rates established by the Station.
- (b) Each advertisement must contain Advertising Standards Canada's approval, failing which, the Station will not broadcast the advertisement and the Purchaser shall be liable for full payment therefor.
- (c) The Purchaser shall ensure that the scripts, recordings or instructions submitted to that Station are in accordance with commercial and trade ethics, applicable codes and laws or by-laws in force at the time of broadcast and with the Advertising Standards Canada's approval. The Purchaser guarantees that all scripts and recordings submitted to the Station shall be in accordance with the foregoing and undertakes to defend, indemnify and save harmless the Station, its parent, related and affiliated companies, its officers, directors, shareholders, agents, servants and employees, for any amount of damages, expenses, fines or claims of any nature which the Station could be legally or otherwise exposed to following the execution of its obligations under this Agreement.
- (d) Notwithstanding the preceding and without prejudice to the guarantee hereinabove provided by the Purchaser, the latter acknowledges that said scripts or recording or commercial copy work shall be subject to the final approval of the Station. The Station shall have the right to modify, in whole or in part, at its sole discretion, said scripts or recordings or commercial copy work and the Purchaser releases the Station, its parent, related and affiliated companies, its officers, directors, shareholders, agents, servants and employees, of any claim arising from such changes.
- (e) The Purchaser shall pay to the Station any tax imposed with respect to the services.

### 5. BROADCAST DISRUPTION/PRE-EMPTION/SUBSTITUTION

- (a) The Station shall not be liable for any damages, losses, costs or expense of any kind suffered by the Purchaser arising from the omission to broadcast or the substitution, interruption or postponement of any commercial advertisements or services if due to any of the following events:
  - (i) Act of God, technical problems, a public emergency or necessity, legal restrictions, power failure, strike, adverse weather conditions or any other circumstances resulting not from doings of the Station, its employees or third parties, or at the direction of federal, provincial or municipal authorities, the direction or regulation of the Canadian Radio-television and Telecommunications Commission ("CRTC"), or for any other reason including labour disputes, mechanical conditions, or as the result of a contractual agreement with a network or a federal, provincial or municipal election or referendum; or
  - (ii) In any case where, at the discretion of the Station, a modification to commercial copy work or the broadcast schedule of said commercial advertisements is required in the public interest or by public order; or
  - (iii) A modification to commercial copy work or the broadcast schedule of said commercial advertisements is required in order to comply with any law, by-law or directives issued by any governmental or public authorities;
- (b) Upon the mutual agreement of the parties, a later make good broadcast of the omitted broadcast may be performed by the Station. Such make good broadcast shall be airtime of equivalent value to the interrupted, substituted or postponed commercial message.

### 6. SUBSTITUTION OF PROGRAMS OF PUBLIC SIGNIFICANCE

Notwithstanding anything to the contrary herein, the Station shall have the right, in its absolute discretion, to cancel or pre-empt any broadcast or portion thereof covered by this Agreement in order to broadcast any program which, in the opinion of the Station, is considered to be of public significance or in the public interest. Such pre-empted time will be reallocated to the Purchaser at a future mutually agreeable time, failing which Purchaser will not be charged for such air-time. In such cases, the

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Station shall notify the Purchaser in advance where reasonably possible, otherwise the Station shall notify the Purchaser within One (1) business day following the cancellation/pre-emption.

### 7. MATERIAL PROVISION AND SHIPMENT

- (a) Purchaser shall send Station any and all broadcast material, including instructions, at least Two (2) business days prior to broadcast time, not including Saturdays, Sundays and holidays. If such material and broadcast instructions do not arrive at the Station Forty-eight (48) hours prior to broadcast the Station may invoice the Purchaser for time contracted and Purchaser shall promptly pay the same. At the Station's discretion, the Station may exert reasonable efforts to obtain and broadcast material from the Purchaser.
- (b) All material for broadcast supplied by the Purchaser is subject to Station's prior written approval and the Station is expressly authorized to reject such material, in its absolute discretion and may require Purchaser to furnish substitute material satisfactory to Station. Unless the Purchaser furnishes satisfactory material Forty-eight (48) hours prior to broadcast time, or notifies the Station that such material will be available Forty-eight (48) hours prior to broadcast time, the Station shall have the right to supply substitute material, or in the case of announcements, to broadcast non-commercial material. In each case, the Station may charge, in its absolute discretion, the Purchaser for contracted time.
- (c) All material for broadcast supplied by Purchaser shall be in accordance with the appropriate broadcast advertising and product codes.
- (d) Unless otherwise noted on face hereof, all program material including talent and commercial announcements shall be furnished by the Purchaser, and all expenses connected with delivery thereof to the Station and further shipment from the Station, if directed by the Purchaser, shall be at the Purchaser's sole expense.

### 8. LIABILITIES

- (a) The Purchaser agrees to defend, indemnify and save harmless the Station, its parent, related and affiliated companies, its officers, directors, shareholders, agents, servants and employees, against all or any claims, damages, liabilities, costs and expenses of any nature whatsoever whether accrued, absolute, contingent or otherwise, including without limitation legal fees and costs for defamation or trade practice, illegal competition, infringement of trade-marks, trade names or program titles, violation of rights of privacy, infringements of copyrights and proprietary titles, failure to secure synchronization rights, and all other claims and demands liabilities and costs resulting from the broadcast of any material furnished by, or for, the Purchaser.
- (b) The Station shall indemnify and save harmless the Purchaser against all such liability described in sub-paragraph (a) above on material furnished solely by the Station, and in the case of material furnished by Purchaser or musical compositions performed in non-dramatic form, the restricted right for performance of which is licensed for broadcasting by a music licensing corporation, of which Station is a licensee.
- (c) The Purchaser shall obtain clearance in accordance with the *Food and Drug Act*, the *Advertising Standards Council*, and regulations of the CRTC and all applicable regulatory bodies ("**Regulations**") for all commercials required to obtain clearance. The Purchaser shall furnish the Station with the applicable registration number, at least seventy-two (72) hours prior to broadcast, of all commercials coming within the jurisdiction of the Regulations. The Agency and the Advertiser shall jointly and severally defend, indemnify and save harmless the Station, its parent, related and affiliated companies, its officers, directors, shareholders, agents, servants and employees, from any prosecution due to non-conformity with the Regulations, or in connection with the furnishing of the registration.
- (d) At the time the Purchaser supplies traffic instructions for broadcast time, the Purchaser shall also supply the Station with dates of talent cycles for each commercial. If subsequent use payments are required by any union or performer involved in the supply of commercial announcements covered by this Agreement, other than as a result of the negligence, error or oversight of the Station, the Purchaser accepts full responsibility for all expenses incurred in connection with negotiations involved, or payments required, or both, and further agree to defend, indemnify and save the Station, its parent, related and affiliated companies, its officers, directors, shareholders, agents, servants and employees, harmless against any or all liability resulting from such demands.
- (e) If, as a result of the negligence, error or oversight of the Station, any subsequent use payments are required by any union or performer as aforesaid, the Station will accept responsibility for expenses incurred in connection with negotiations involved or payments required and the Station further agrees to indemnify and save the Purchaser harmless against any or all liability resulting from such demands. Failure on the part of the Purchaser to supply dates of talent cycle shall absolve the Station, its parent, related and affiliated companies, its officers, directors, shareholders, agents, servants and employees, of all liability resulting from incorrect play.

### 9. GENERAL

- (a) This Agreement is subject to all terms of licenses held by all parties hereto, and to all federal, provincial and municipal laws; regulations of the CRTC and to all other applicable laws or regulations of any branch of government or industry regulatory bodies authorized to exercise jurisdiction relative to licensees of broadcasting transmitting undertakings in force now or in future.

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- (b) Subject as aforesaid, this Agreement, together with any rights under it, may not be assigned or transferred without the prior written consent of the Station; nor may the Station be required to broadcast hereunder for any advertising other than that named on the face of this Agreement. Failure of the Station or the Purchaser to enforce any of the provisions herein with respect to the breach thereof shall not be construed as a general relinquishment or waiver as to that provision.
- (c) The Station shall exercise normal precautions but assumes no liability for loss of, or damage to, program material or other property furnished by the Purchaser. The Station shall not accept or process mail, correspondence, or telephone calls in connection with broadcasts without prior approval. Such approval shall be at the sole risk of the Purchaser and subject to reimbursement by the Purchaser for all expenses incurred.
- (d) Unless otherwise stated herein, all notices provided hereunder shall be in writing and shall be given either by courier, mail, facsimile or by delivering same, addressed to the Station, the Agency or the Advertiser, at the addresses contained on the face of the Agreement. Any such notice if mailed shall be deemed to have been received upon the expiration of forty-eight (48) hours after the same was posted, and if faxed or delivered, shall be deemed to have been received on the day on which it was faxed or delivered.
- (e) Unless Purchaser provides Station with an objection, in writing, within Five (5) business days of receipt of agreement confirmation from Station, Purchaser shall be deemed to have accepted these terms and conditions.
- (f) In the event of a conflict between these broadcast conditions and any provisions on the face of this Agreement, the provisions on the face of this Agreement shall prevail.
- (g) If any covenant or provision herein is determined to be void or unenforceable, in whole or in part, it shall be severable from, and shall not be deemed to affect or impair the validity of, any other covenant or provision.
- (h) This Agreement contains the entire agreement between the parties relating to the subject matter herein contained, and no changes or modifications of any of its terms or provisions shall be effective unless made in writing, signed by those parties and incorporated into this Agreement.