

# Audio Pod

## Advertising Rate Card

### How It Works

**1 REGISTER & LOG IN**  
The registration process is simple and straightforward. You enter your company information and provide contact information. The contact person identified will be the primary point of contact between Audio Pod Inc. and your company.

**2 CREATE ADVERTISEMENT**  
Create a new Advertisement and upload your advertising image to it. Assign a title, descriptive text and a target URL. The URL will be used as the target web address that the user will be taken to when your advertisement is clicked. Advertising is Non-Intrusive and will not compromise the integrity of the user's audio experience.



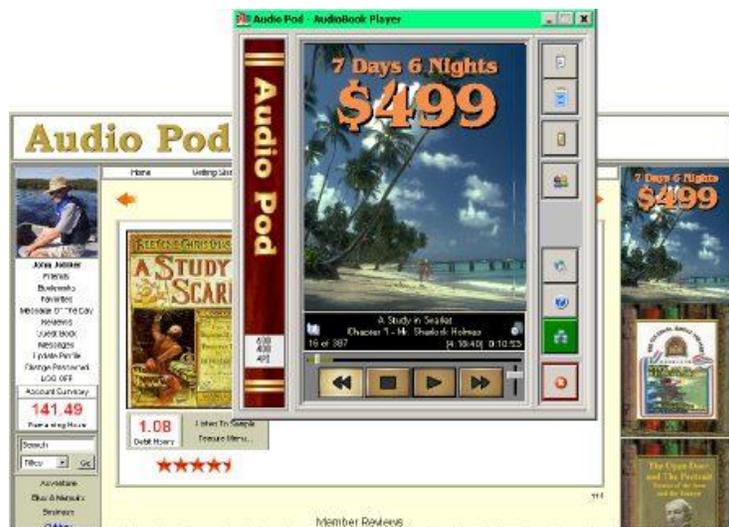
**3 CREATE INSERTION ORDERS**  
The Insertion Order is used to tell Audio Pod how many imprints of your Advertisement you would like to contract for and where you want your Advertisement used. Advertisements can be assigned for use in our Web Site Social Space and Embedded in Content. You can also specify which areas of the world that you want your advertising directed, allowing you to address customers registered to a specific advertising region.



You can have as many Insertion Orders assigned to an advertisement as you like. If your needs change over time, you can reassign the unused portion of an Insertion Order to another advertisement or change the region you want your advertising directed.

### YOU ARE FINISHED!

Your advertisement will be added to the pool of available advertisements and used on either the Web Site Social Space or Embedded in Content. Every imprint of your advertisement will take a user to your web site from any Audio Pod utility or web browser. Audio Pod tracks usage and click-thru's, and provides detailed reports.



[www.audiopod.ca](http://www.audiopod.ca)

Audio Pod Inc., 606-900 Greenbank Road, Ottawa, Ontario, Canada K2J-4P6

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## **Audio Pod Advertising Imprints**

All audio Pod advertising imprints are graphic images. These images appear on web pages that make up the Audio Pod Library and Social Space. They also appear as embedded advertising in audiobooks. Each advertisement may have a target URL associated with it. In order to ensure that a consumer enjoys an uninterrupted audio experience, advertising imprints will not contain any audio component.

## **Imprint Click-Thru**

Each imprint of an advertisement may have a URL associated with it. This URL represents the web target that is addressed in the event that a consumer clicks on the advertisement. Each mouse click is recorded for later reporting to the advertiser. Advertisers should ensure that a target exists for the URL provided. Advertising imprints embedded with content may exist and be re-displayed for years following initial delivery to a consumer. This may require advertisers to provide support or redirection for dangling URL's.

## **Types of Advertisements**

Audio Pod provides two different approaches to the placement of advertising imprints. Web Site Advertising places advertising imprints on the web pages that make up the Audio Pod Library and Social Space. Content Embedded Advertising delivers advertising to a consumer within the context of an audio stream.

### **Web Site Advertising**

Web Site Advertising places an imprint of your advertisement on an instance of a web page that makes up the Audio Pod Library and Social Site. Each instance of a web page may contain one or more advertisements, and may also contain one or more internal book promotion images. Each time your advertisement is embedded in a web page, your account is debited for that imprint. The frequency of imprint inclusion is dependent upon the number of web page hits generated and the number of advertisements available for inclusion.

### **Content Embedded Advertising**

Content Embedded Advertising provides Audio Pod with the ability to present visual, on-screen advertising images to a consumer without interrupting the continuity of their audio experience. Each instance of an audiobook may contain imprints from one or more advertisers. Each advertisement will be allocated a time slot within the context of an audio book. Each time slot recurs 6 times per hour for each hour that the audio book plays. As the consumer advances their position through an audiobook, the advertisements are periodically imprinted for the consumer. For example, an advertisement delivered with an instance of a 3 hour audiobook will receive 18 imprints, for which the advertisers account will be debited. Advertisers are charged only for the number of imprints that are associated with a single end-to-end use of a specific instance of an audiobook, regardless of how many additional advertising imprints actually occur.

Content Embedded Advertising is delivered when the consumer first opens an instance of an audiobook. The advertising related to that audiobook instance remains active until that audiobook instance is deleted. If a consumer keeps an instance of an audiobook open, or retains that instance on their bookshelf, the advertising related to that instance of the audiobook remains with it and is imprinted every time that the audiobook is used. In the event that a

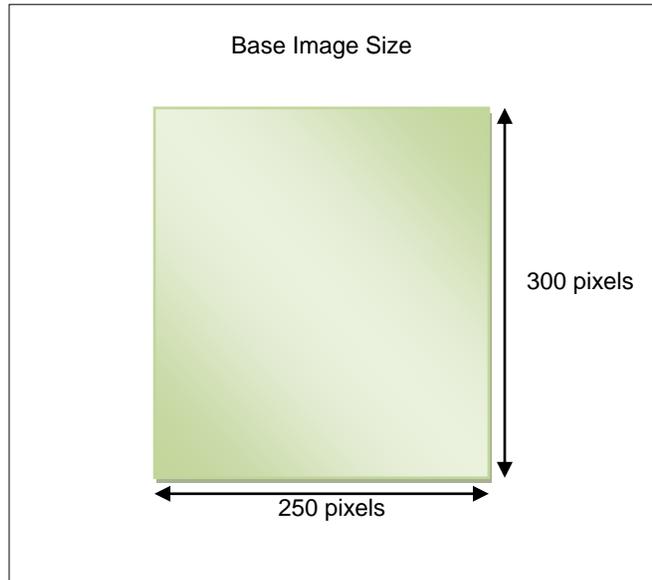
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consumer replays all or part of an audiobook, the associated advertising is imprinted as in the original context every time it is played. Advertisers are not charged for these repeated imprints.

When an audiobook is loaded onto a portable MP3 player, the PortaPod Loader displays continuous imprints of all advertising related to that instance of the audiobook. The order of display is derived from the time slot allocated for the advertisement imprints in the Audio Pod player.

## Advertising Images

The standard advertising image size used by the Audio Pod player is 250 pixels wide by 300 pixels high. Images of this size are used directly by the Audio Pod player, and will be scaled as needed for Web Site or PortaPod Loader usage. Audio Pod reserves the right to optimize image formats, where needed, in order to make the best use of network and target platform resources. All advertising images are either jpeg or gif format.



## Advertising Rates

Advertising Rates are subject to change without notice. All pricing shown in US Dollars and do not include any taxes or levies that may apply. Insertion Orders remain valid for 30 days from the date of issue. All advertising with Audio Pod Inc is subject to the 'Advertising Terms and Conditions' as documented herein. Advertising with Audio Pod Inc will be taken as acceptance of those terms and conditions.

Imprint Quantity *	Cost/K Imprints (\$) *
Less than 100 K	\$ 7.00
100 K to 999 K	\$ 6.60
1 M to 99 M	\$ 6.20
100M to 999 M	\$ 5.80
1 B to 99 B	\$ 5.40
100 B or more	\$ 5.00

\* K = Thousand, M = Million, B = Billion

Rates effective as of 22 January 2009.

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## **Frequently Asked Questions**

### **How far could my advertising imprints go?**

This table shows the probable maximum number of advertising inclusions expected for a specific media type. For example: 50 thousand imprints could generally expect to be included in as many as 5,600 small audiobooks. However, advertising is distributed on the basis of content demand originating with the consumer resulting in advertising inclusions in a blend of all types of audiobooks and web pages.

Imprint Quantity	Web Pages	Short Stories	Small Books	Midsized Books	Large Books
10,000	10,000	3,500	1,100	560	240
25,000	25,000	8,500	2,800	1,400	600
50,000	50,000	16,500	5,600	2,800	1,200
100,000	100,000	35,000	11,000	5,600	2,400
250,000	250,000	85,000	28,000	14,000	6,000
500,000	500,000	165,000	56,000	28,000	12,000
1,000,000	1,000,000	350,000	110,000	56,000	24,000
2,500,000	2,500,000	850,000	280,000	140,000	60,000
5,000,000	5,000,000	1,650,000	560,000	280,000	120,000
10,000,000	10,000,000	3,500,000	1,100,000	560,000	240,000

### **How are advertisements selected for inclusion in audiobooks and web pages?**

Advertisements are randomly selected from a list of valid advertisements then currently available. Duplicate copies of an individual advertisement within a web page or embedded with content will not be allowed to occur.

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## Advertising Terms and Condition

These Terms and Conditions for Internet Based Advertising Services (the "AGREEMENT") are entered into by Audio Pod Inc. at 606-900 Greenbank Road, Ottawa, Ontario, Canada K2J-4P6 (hereinafter 'AUDIO POD') and, the party you represent as detailed and described on the Advertisers Account you create and you affirm that you have the authority to enter into this AGREEMENT for that party (hereinafter 'ADVERTISER'). You represent and warrant that you are authorized to act on behalf of, and bind to this AGREEMENT, any third party for which you act.

**You hereby agree and acknowledge:**

### Recitals

AUDIO POD owns and operates web page based Audio Book Library and Social Space Style Web Site, (hereinafter 'LIBRARY'), for the purposes of serving visitors to and subscribers of LIBRARY, (hereinafter 'USERS'), with information bearing and descriptive web pages (hereinafter 'WEB PAGES') and spoken word audio content comprising various media streams including but not limited to audiobooks, short stories, articles, speeches, news reports, documentaries, technical journals, plays, radio plays and full cast audio productions (hereinafter CONTENT).

ADVERTISER has a graphic image to which is associated a specific web based Uniform Resource Locator (URL) that ADVERTISER desires to be displayed to a USER such that if clicked will direct the USER to the associated URL (hereinafter ADVERTISEMENT).

AUDIO POD provides opportunities for ADVERTISER to include one or more ADVERTISEMENT on WEB PAGES and to embed one or more ADVERTISEMENT with CONTENT.

### 1. ADVERTISING MATERIALS

- a) ADVERTISER agrees to submit ADVERTISEMENT to AUDIO POD using the online Insertion Order Form (hereinafter ORDER) in a format described in the Rate Card or required by the ORDER.
- b) AUDIO POD has the right to reject, in its absolute discretion, ADVERTISEMENT provided by ADVERTISER if such ADVERTISEMENT is objectionable to AUDIO POD in any way or contains false or misleading information or contains any illegal information or contains any vulgar or pornographic items, or for any other reason with or without cause. If AUDIO POD rejects ADVERTISEMENT, AUDIO POD will notify ADVERTISER. Notwithstanding prior acceptance of ADVERTISEMENT, AUDIO POD has the right to remove ADVERTISEMENT if ADVERTISEMENT does not function correctly or for any of the reasons described above. AUDIO POD placing ADVERTISEMENT on WEB PAGES or embedding it in with CONTENT does not signify its approval or waiver of the right to object to it in the future.
- c) ADVERTISER may periodically make changes to its ADVERTISEMENT using the online administration forms provided, such changes are subject to the review and approval of AUDIO POD, such approval process performed in accordance with Para 1b.

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- d) AUDIO POD has the right to terminate this AGREEMENT if AUDIO POD removes or rejects ADVERTISEMENT provided by ADVERTISER. In the event of such termination, AUDIO POD will return to ADVERTISER any prepaid advertising fees or any unused portion of prepaid fees and ADVERTISER will not have any damages or other remedies, in law or otherwise against the AUDIO POD for such termination.

## 2. SERVICES TO BE PROVIDED

AUDIO POD will make its best good faith effort to track ADVERTISING imprints and USER clicks on ADVERTISEMENT. AUDIO POD will provide this information to ADVERTISER using various electronic means including, but not limited to email, online forms, web pages and database services. AUDIO POD will retain such specific information in confidence but may use cumulative averaged information from multiple ADVERTISERS and ADVERTISEMENTS, without revealing specific information of ADVERTISER or USER, for its internal business and marketing planning.

- a) AUDIO POD agrees to provide ADVERTISER with a fixed quantity of advertising slots on WEB PAGES and embedded with CONTENT, such advertising slots to be used to display imprints of ADVERTISEMENT to USER. Subject to the actions of USER, the ultimate number of imprints of ADVERTISEMENT embedded with CONTENT may be less than or equal to or greater than the number of imprints expected. If ADVERTISER has specified an End Date in ORDER, the fixed quantity of advertising slots will be considered the maximum number of advertising slots to be used. ADVERTISER will receive a refund for any unused advertising slots.
- b) AUDIO POD will make its best good faith effort to ensure LIBRARY is continuously available for use. Notwithstanding these efforts, AUDIO POD will not be held responsible for periodic downtime for maintenance, backup, acts of God, and any other circumstances beyond its control however caused.

## 3. PLACEMENT OF THE ADVERTISING

AUDIO POD reserves unto its own discretion all decisions and matters concerning placement of ADVERTISEMENT on WEB PAGES and embedded with CONTENT where such discretion will not conflict with the placement restrictions contained in the ORDER.

## 4. COMPENSATION

In consideration of its advertising services, ADVERTISER agrees to pay the advertising fees set forth in the advertising Rate Card that is then current at the time the ORDER is generated. ORDER will remain valid for 30 calendar days from the date of issue. ADVERTISER will pay any sales and other taxes based upon the fees set forth therein. Advertising fees will be paid in advance, unless otherwise agreed to in advance by AUDIO POD.

## 5. DELINQUENT ACCOUNTS

AUDIO POD will charge interest and service charges on accounts that are delinquent, such interest not to exceed the maximum rate allowable by law. ADVERTISER will be held responsible for all collection costs and attorney fees if it is necessary to pursue collection efforts to collect on an account. AUDIO POD reserves the right to suspend advertising services until ADVERTISER's account is brought current. AUDIO POD has the right to terminate this AGREEMENT if any advertising fee is delinquent.

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## 6. PROPRIETARY RIGHTS

AUDIO POD will retain all proprietary rights in and to its LIBRARY, WEB PAGES, CONTENT and other proprietary materials such as copyrights, trademarks, trade secrets, patents and confidential information. ADVERTISER grants AUDIO POD a non-exclusive license to use the advertising material provided, including its trademarks and copyrights during the term of this Agreement and for the life of any ADVERTISEMENT embedded with CONTENT. No other rights are transferred. Upon termination of this Agreement, AUDIO POD agrees to remove and stop serving ADVERTISING provided by ADVERTISER on WEB PAGES and embedded with CONTENT. Notwithstanding the forgoing, ADVERTISER acknowledges that one or more ADVERTISEMENT embedded with CONTENT may be persistent and active for an indefinite period of time and may be beyond the control of AUDIO POD.

## 7. REPRESENTATIONS AND WARRANTIES

- a) ADVERTISER represents and warrants that ADVERTISING provided is not false and misleading, does not contain any untrue, defamatory, harmful, abusive, vulgar or obscene materials, is in compliance with all applicable laws, does not infringe upon the rights of any other party, including but not limited to copyrights, trademarks, privacy rights, moral rights, trade secrets, patents and any other rights. ADVERTISER also warrants and represents that it has the unrestricted and exclusive right to use all such materials.
- b) AUDIO POD makes no warranties that ADVERTISING on WEB PAGES and embedded with CONTENT will be free from errors or defects or that the use of the hypertext link or access to its site will be uninterrupted. AUDIO POD SPECIFICALLY DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT ON THE RIGHTS OF THIRD PARTIES. IN NO EVENT SHALL THE AUDIO POD BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST SALES OR PROFIT, LOST DATA, BUSINESS INTERRUPTION OR ATTORNEYS' FEES), EVEN IF NOTIFIED IN ADVANCE OF SUCH POSSIBILITY.

## 8. INDEMNIFICATION

ADVERTISER will indemnify and save AUDIO POD harmless from and against any claims, suits, threats, demands, settlements, actions, causes of action, liabilities, obligations and all other matters, including but not limited to court costs, attorney fees, witness fees, settlement fees, and all other direct and indirect expenses and losses that may occur arising from the breach of any of the representations and warranties that ADVERTISER has made in ADVERTISING and otherwise arising directly or indirectly from the placement of its advertising materials with AUDIO POD.

## 9. FORCE MAJEURE

AUDIO POD will not be responsible for any failure or delay in performance hereunder that is directly or indirectly related to acts of God, storm, natural disaster, act of terrorism, utility outages or interruptions, system transmission failure, server failure, strike, lockout, or any other situation which is beyond its control.

## 10. TERMINATION

ADVERTISER may terminate this AGREEMENT, with or without cause, by giving 30 days advance notice of its intent to terminate. AUDIO POD reserves the right to terminate this AGREEMENT for any reason, with or without cause, without notice to ADVERTISER.

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## 11. ENTIRE AGREEMENT

This AGREEMENT constitute the entire agreement and understanding between the parties with respect to the subject matter hereof. It supersedes and replaces all previous discussions, negotiations, and understandings between the parties. This AGREEMENT may only be amended by a written amendment signed by authorized representative of both of parties.

## 12. ASSIGNMENT

ADVERTISER is not permitted to assign its rights or responsibilities hereunder. If any dispute or lawsuit between the parties arises relative to this AGREEMENT, the prevailing party will be entitled to an award of reasonable attorney fees and costs.

## 13. NOTICES

All notices called for herein shall be to the parties at the addresses contained in this AGREEMENT and shall be by certified mail, return receipt requested or by reputable national overnight delivery service, such as Federal Express.

## 14. Governing Law

This Agreement shall be governed by the laws of the Province of Ontario, Canada. Any dispute or claim arising out of or in connection with this Agreement shall be adjudicated in Ottawa, Ontario, Canada.

This constitutes the entire agreement between the parties with respect to the subject matter hereof. Each party hereto is duly authorized to enter into this Agreement and perform its obligations hereunder. Any modifications to this Agreement must be made in a writing executed by both parties. The parties will negotiate any dispute hereunder in good faith within ninety (90) days of receiving written notice; this obligation shall not eliminate any remedies available to the parties. Any notices shall be sent to the addresses set forth in the ORDER by facsimile or overnight courier and shall be deemed given upon receipt. The waiver of any breach or default of this Agreement will not constitute a waiver of any subsequent breach or default. If any provision herein is unenforceable under any applicable law, then such provision will be modified to reflect the intention of the parties, and the remaining provisions of this Agreement will remain in full force and effect. ADVERTISER may not resell, assign, or transfer any of its rights hereunder. Any such attempt shall automatically terminate the Agreement, without liability to AUDIO POD.