

**SSSL'S STANDARD TERMS FOR THE PROVISION OF CONDITIONAL ACCESS AND/OR
REGIONALISATION SERVICES FOR PAY TV CHANNELS**

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1. DEFINITIONS AND INTERPRETATION

- 1.1 The words and expressions set out in Schedule 1 shall have the meanings ascribed therein.
- 1.2 References in this Agreement to “SSSL” and the “Distributor” shall include their respective employees, agents and permitted assigns.
- 1.3 Headings are included for ease of reference only and shall not affect the interpretation or construction of this Agreement.
- 1.4 References to Clauses, Schedules and Annexes are, unless otherwise provided, references to Clauses of and Schedules and Annexes to this Agreement.
- 1.5 In the event, and to the extent only, of any conflict between the Clauses and the Annex or the Schedules and the Annex, the Annex shall prevail. In the event, and to the extent only, of any conflict between the Clauses and the Schedules, the Clauses shall prevail.
- 1.6 References in this Agreement to the “Channel” or to a “Channel” shall be deemed to be separate, several references to each of the Channels listed at any time in Annex A.

2. COMMENCEMENT DATE AND TERM

- 2.1 The Commencement Date is set out in Annex A.
- 2.2 The Term is set out in the Front Sheet.

3. PROVISION OF SERVICES

- 3.1 SSSL shall provide the Distributor with the Services described in Part D and Part F of Schedule 2 in respect of all Channels listed in Annex A. SSSL shall provide the Distributor with the Services described in Part A, Part B, Part C and Part E of Schedule 2 in respect of a Channel only where such Services are specifically listed as being provided in respect of that Channel in Annex A. This Agreement does not entitle the Distributor to receive any other services in respect of any Channel.
- 3.2 The Distributor shall comply with its relevant obligations in connection with the Services set out in Schedule 2.

4. SERVICE LEVELS AND SERVICE FAILURES

- 4.1 SSSL shall provide the Services to the Distributor:
 - (i) to substantially the same standard as it provides such services to Third Parties; and
 - (ii) materially in accordance with the Technical Specifications.
- 4.2 SSSL does not warrant that the Services shall be free from error or fault.
- 4.3 SSSL shall use all reasonable endeavours to correct all faults with the Services as soon as practicable and in accordance with accepted satellite television engineering practices.
- 4.4 In the event of any Service Failure with the Subscription CA Services, PPV CA Services or Regionalisation CA Services, SSSL shall credit the Distributor with Service Credits calculated in accordance with Schedule 4.
- 4.5 For Services Failures affecting the Subscription CA Services or the Regionalisation Services, the aggregate value of all Service Credits which shall be payable to the Distributor as a consequence of or in connection with Service Failures occurring in any calendar month during the Term shall be capped at one hundred per cent (100%) of the Charges payable by the Distributor under Clause 7 in respect of the affected Channel in respect of that calendar month in respect of the Subscription CA Services or Regionalisation Services (as the case may be).
- 4.6 The remedies set out in Clauses 4.4, 4.5 and 9.2(ii) (and Schedule 4, as appropriate) shall be the Distributor’s only remedies as a consequence of or in connection with any Service

Failure and shall be in full and final settlement of any liability of SSSL to the Distributor arising as a consequence of or in connection with any Service Failure.

- 4.7 SSSL shall, on request, provide a written report to the Distributor in respect of any Service Failure, detailing its length, nature, known cause(s) and action taken to fix the Service Failure. Such report shall be sent to the Distributor within sixty (60) days of the Distributor's request.

5. AMENDMENTS

- 5.1 SSSL reserves the right to update the terms of this Pay CA TV Agreement from time to time by notice to the Distributor ("**Updated Terms**"). In exercising this right, SSSL shall provide the Distributor with reasonable notice before the Updated Terms become effective and shall ensure that the Distributor has a reasonable period within which to implement any necessary changes, taking into account the nature of the changes in the Updated Terms.
- 5.2 If the Distributor does not wish to accept the Updated Terms then it may terminate this Pay TV CA Agreement by providing notice to SSSL, such notice to be provided within thirty (30) days of SSSL's initial notification, to be effective on the date that the Updated Terms become effective. If SSSL decides not to implement the Updated Terms, then such notice of termination will be void.

6. USE OF THE SERVICES

- 6.1 The Distributor shall comply with (or procure compliance with) the Technical Specifications. Without limitation, the foregoing shall require the Distributor to procure compliance with the Technical Specifications by all third parties who broadcast the Channel(s) in so far as the Technical Specifications are applicable to activities that those third parties undertake.
- 6.2 The Distributor shall (at its own cost) obtain, install, operate and maintain (or shall procure the obtaining, installation, operation and maintenance of):
- (i) all equipment (including, without limitation, an Approved Adaptation Hub), facilities, licences and permissions (whether regulatory, copyright, contractual or otherwise) in connection with the encoding, multiplexing, transmission, uplinking, transponder capacity, broadcasting and content of and for the Channel(s); and
 - (ii) all applicable licences and permissions (of a regulatory nature or otherwise) for the transmission by or on behalf of the Distributor of the Platform Datastream with the Channel.
- 6.3 In the event of any material interference with or failure in the transmission of the Channel, the Distributor shall, as soon as is reasonably practicable, notify SSSL and use its reasonable endeavours to rectify the same.
- 6.4 In respect of those Channels (if any) broadcast by the Distributor, the Distributor shall comply with all legal and regulatory requirements (including any licensing requirements and applicable regulatory codes and directions issued from time to time by any competent regulatory authority). In respect of those Channels broadcast by third parties, the Distributor shall procure that the broadcasters of the relevant Channels shall comply with all legal and regulatory requirements (including any licensing requirements and applicable regulatory codes and directions issued from time to time by any competent regulatory authority).
- 6.5 The Distributor shall indemnify SSSL against all claims, damages, costs, expenses and other liabilities whatsoever arising directly or indirectly in connection with the content and/or the broadcast of the Channel (including, but not limited to, claims for defamation and infringement of any other person's Intellectual Property Rights).
- 6.6 In the event of a claim against SSSL by a third party, SSSL shall only be able to claim under the indemnity in Clause 6.5 provided that SSSL:

- (i) gives notice to the Distributor of any claim against SSSL which would be covered by the indemnity in Clause 6.5 as soon as reasonably practicable upon becoming aware of the same; and
 - (ii) at the Distributor's request, which shall be made within ten (10) working days of any notice given pursuant to Clause 6.6(i), and subject to the Distributor satisfying SSSL that it will have the necessary financial resources to satisfy the claim in the event that the claim is successful, gives the Distributor sole conduct of the defence to and any negotiations in connection with any such claim ("Sole Conduct of the Distributor's Defence").
- 6.7 The Distributor shall, as soon as reasonably practicable after accepting Sole Conduct of the Distributor's Defence and the negotiations under Clause 6.6(ii), take over conduct of the defence to and any negotiations in connection with the claim and any action or litigation that may arise in relation thereto.
- 6.8 Provided that the Distributor has accepted Sole Conduct of the Distributor's Defence and the negotiations under Clause 6.6(ii) (and has agreed by way of notice to SSSL to take over Sole Conduct of the Distributor's Defence), SSSL shall not at any time admit liability or otherwise attempt to settle or compromise the said claim except upon the express instruction of the Distributor and shall give to the Distributor, at the Distributor's cost, such assistance as it is reasonable to require in respect of the conduct of the said defence and/or negotiations.
- 7. CHARGES**
- 7.1 The Distributor shall pay the Charges determined in accordance with this Clause 7. Any periodic Charges shall be payable in respect of the period from the Commencement Date (in respect of Channels for which the relevant Services were provided on or prior to the Commencement Date), or from the date that Services are first provided (in respect of any Channels for which Services are first provided after the Commencement Date) until expiry or earlier termination of this Agreement.
- 7.2 The Distributor shall pay the Charges published in SSSL's Published Price List, which may be varied by SSSL from time to time in accordance with this Clause 7.
- 7.3 With respect to the provision of Services in connection with viewers in Commercial Premises, the Distributor shall pay the Charges determined in accordance with Clause 7.
- 7.4 With respect to any Services for which a further Charge is payable pursuant to any part of Schedule 2, the Distributor shall pay the Charges specified in Schedule 5.
- 7.5 SSSL may vary the Published Price List at any time either with immediate effect or on such date as it may specify, where SSSL considers that such variation is necessary in order for SSSL or any of its Associated Companies to comply with any regulatory obligation. SSSL must notify the Distributor of a variation to the Published Price List made in accordance with this Clause 7.5.
- 7.6 SSSL may also vary the Published Price List at any time on no less than ninety (90) days' written notice to the Distributor. Except in the circumstances specified below, SSSL does not intend to exercise its right to vary the Published Price List pursuant to this Clause 7.6 less than twelve (12) months after the preceding variation pursuant to this Clause 7.6, but nevertheless expressly reserves its right to do so at any time. The circumstances in which SSSL expects that it may be necessary to vary the Published Price List within twelve (12) months of a previous variation pursuant to this Clause 7.6 are where there are material changes to any Services applied to the Channel (including the application or removal of Subscription CA Services, PPV CA Services and/or Regionalisation Services).
- 7.7 The Charges are exclusive of VAT which shall be invoiced by SSSL and paid by the Distributor at the prevailing rate and in the manner prescribed by law at the date of invoice.

7.8 Where the Published Price List indicates that any Charge payable pursuant to Clause 7.2 is determined according to the retail charge levied by the Distributor, subject to Clause 7.9, the relevant retail charge used to determine the Charge payable under Clause 7.2 shall be either:

- (i) the Distributor's standard retail charge, disregarding any special offers or discounts to the standard retail charge ("**Undiscounted Retail Charge**") payable for the relevant retail Subscription Product or PPV Event (as the case may be), exclusive of VAT; or
- (ii) if the Distributor includes as part of the returns which it provides pursuant to Clause 7.11, details of the actual retail charge payable for the relevant retail Subscription Product or PPV Event (as the case may be) following the application of any special offers or discounts to the Undiscounted Retail Charge ("**Discounted Retail Charge**"), the Discounted Retail Charge payable for the relevant retail Subscription Product or PPV Event (as the case may be), exclusive of VAT, **EXCEPT THAT** if the Distributor applies a special offer or discount to the Subscription Product or PPV Event on the basis of the Distributor selling the relevant Subscription Product or PPV Event in conjunction with other services which are not also Subscription Products or PPV Events, the Undiscounted Retail Charge for such Subscription Product or PPV Event shall apply.

7.9 If there is no Standalone Price for the Subscription Product, SSSL will determine the appropriate retail charge (the "Relevant Retail Charge") that will be used to determine the amount payable pursuant to Annex 3 of the Published Price List in respect of each Subscription Product sold ("Annex 3 Charge"). The process that will be used to determine the Relevant Retail Charge is set out in this Clause 7.9.

For so long as SSSL has not determined the Relevant Retail Charge, the Annex 3 Charge shall be determined by SSSL and shall be no more than 50 pence per subscriber per month in respect of each Subscription Product sold (the "Proxy Charge").

The following process shall be used to determine the Relevant Retail Charge:

- (i) The Distributor shall notify SSSL of the retail charge(s) at which it will sell the relevant Subscription Product in conjunction with other services which are not also Subscription Products. Such notice shall be given to SSSL no later than 7 days after such information is made available publicly.
- (ii) Following such notification, SSSL shall notify the Distributor of the proposed Relevant Retail Charge ("SSSL's Notification"). SSSL's Notification shall be given to the Distributor no later than 30 days after receipt of the Distributor's notice under Clause 7.9 (i).
- (iii) (If the Distributor does not respond to SSSL's Notification within 60 days of receipt, SSSL shall notify the Distributor of the Relevant Retail Charge. Such notice shall be given to the Distributor no later than 14 days after the end of the 60 day notice period referred to above.
- (iv) If the Distributor responds in writing to SSSL's Notification within 60 days of receipt, SSSL shall within 30 days receipt of such:
 - a. have due regard to the Distributor's representations; and
 - b. determine and notify the Distributor of the Relevant Retail Charge.

Within 30 days of SSSL notifying the Distributor of the Relevant Retail Charge, SSSL shall reconcile the difference between, (1) the Charges the Distributor should have paid pursuant to Annex 3 of the Published Price List, determined on the basis of the Relevant Retail Charge, and (2) the sum it actually paid to SSSL, on the basis of the Proxy Charge (the "Balance"). The Balance shall be repayable to the other party within 30 days of SSSL notifying the Distributor of the same.

For the avoidance of doubt, notwithstanding the Charges set out in this Clause 7.9, the Distributor remains liable for and shall pay any other appropriate Charges specified in this Agreement or the Published Price List.

7.10 In respect of Subscription CA Services, where the Published Price List specifies that a “monthly” retail charge shall be used to determine the Charges payable under Clause 7.2:

- (i) the relevant Charges shall be payable in respect of the mean number of Subscribers entitled to view the relevant Subscription Product in a given calendar month. Such number shall be determined by adding the number of Subscribers entitled to view the relevant Subscription Product on the first day of the relevant calendar month to the number of Subscribers entitled to view the relevant Subscription Product on the first day of the subsequent calendar month, and dividing by two;
- (ii) without prejudice to Clauses 7.8 and 7.9, if any of the Distributor’s retail charges relate to more than one calendar month, the relevant “monthly” charge shall be determined by dividing the relevant retail charge by the number of calendar months to which the charge relates (for example, if the Distributor levies quarterly or annual charges).

7.11 Unless otherwise instructed by SSSL, the Distributor shall, within fourteen (14) days of the end of each calendar month, provide returns to SSSL in respect of the preceding calendar month containing at least the following information:

- (i) a brief description of each of its Subscription Products which was available to Subscribers in Residential Premises within the calendar month;
- (ii) the VAT-inclusive and the VAT-exclusive monthly Undiscounted Retail Charge (shown in the currency in which it is charged and calculated with reference to Clauses 7.8, 7.9 and 7.10 above) payable to the Distributor for each of the Subscription Products referred to in Clause 7.11(i);
- (iii) or, as an alternative to (ii) above, at the Distributor’s option, the VAT-inclusive and the VAT-exclusive monthly Discounted Retail Charge (shown in the currency in which it is charged and calculated with reference to Clauses 7.8, 7.9 and 7.10 above) payable to the Distributor for each of the Subscription Products referred to in Clause 7.11(i);
- (iv) the number of Subscribers entitled to view each of the Subscription Products referred to in Clause 7.11(i) on the first day of the relevant calendar month and on the first day of the subsequent calendar month;
- (v) a brief description of each of its PPV Events which was available to PPV Customers in Residential Premises within the calendar month;
- (vi) the VAT-inclusive and the VAT-exclusive Undiscounted Retail Charge (shown in the currency in which it is charged and calculated with reference to Clauses 7.8 and 7.9 above) levied by the Distributor for each of its PPV Events referred to in Clause 7.11(v);
- (vii) or, as an alternative to (vi) above, at the Distributor’s option, the VAT-inclusive and the VAT-exclusive Discounted Retail Charge (shown in the currency in which it is charged and calculated with reference to Clauses 7.8 and 7.9 above) levied by the Distributor for each of its PPV Events referred to in Clause 7.11(v);
- (viii) the number of purchases by PPV Customers of each of the PPV Events referred to in Clause 7.11(v) above which were ordered by (a) OPPV and (b) IPPV; and
- (ix) any other information specified by SSSL from time to time which SSSL reasonably requires in order to determine the Charges payable under Clause 7.2.

7.12 SSSL shall be entitled to invoice the Distributor for the Charges payable by the Distributor pursuant to Clause 7.2 monthly in advance. Such invoices may be issued up to forty-five

(45) days prior to the commencement of the period to which the invoiced Charges relate. In respect of the Charges payable by the Distributor pursuant to Clause 7.2 in respect of:

- (i) Subscription CA Services (the calculation of which requires SSSL to know the number of the Distributor's Subscribers in Residential Premises and the Distributor's monthly retail subscription charges), the invoice shall be based on SSSL's reasonable estimate of such charges which shall be made with reference to:
 - (a) the number of the Distributor's Subscribers in Residential Premises: (i) returns previously provided by the Distributor and/or (ii) any data derived from the SCMS as to the potential number of such Subscribers and/or (iii) any public statements made by the Distributor or by the broadcaster of a Channel as to the number of such Subscribers and/or (iv) any other information available to SSSL; and
 - (b) the Distributor's monthly retail subscription charges: (i) returns previously provided by the Distributor (including the level of any special offers or discounts reflected in the retail subscription charges reported in such returns) and/or (ii) any publicly available information about such charges;
- (ii) PPV CA Services (the calculation of which requires SSSL to know the number of the Distributor's PPV Events available to PPV Customers in Residential Premises within the relevant calendar month, the Distributor's retail charge for each such PPV Event and the number of purchases of each of the PPV Events by PPV Customers within the relevant calendar month), the invoice shall be based on SSSL's reasonable estimate of such charges which shall be made with reference to:
 - (a) the number of PPV Events available to Residential Premises: (i) returns previously provided by the Distributor and/or (ii) any public statements made by the Distributor or by the broadcaster of a Channel as to the number of such PPV Events and/or (iii) any other information available to SSSL; and
 - (b) the Distributor's retail charges: (i) returns previously provided by the Distributor (including the level of any special offers or discounts reflected in the retail charges reported in such returns) and/or (ii) any other information available to SSSL about such charges;
 - (c) the number of purchases of each of the PPV Events by PPV Customers: (i) returns previously provided by the Distributor and/or (ii) data provided by Callbacks and/or (iii) any other data available to SSSL.

SSSL shall, in the invoicing round following receipt from the Distributor of the return in respect of a particular calendar month in accordance with Clause 7.11 of the Agreement, reconcile any difference between (i) the Charges invoiced pursuant to this Clause 7.12 and (ii) the Charges for Subscription CA Services and/or PPV CA Services actually payable in respect of that calendar month, based on the Distributor's returns and any other information available to SSSL EXCEPT THAT SSSL shall not be required (but shall be entitled) to reconcile any difference where such return is provided more than six (6) months after the end of the relevant calendar month.

- 7.13 The Distributor shall retain all information used to compile the returns required to be provided to SSSL pursuant to Clause 7.11, and all other information which may be necessary to verify such information and the Charges payable under Clause 7.2, for a period of no less than three (3) years from the end of the calendar month to which the return relates. SSSL shall have the right during the Term and for three (3) years thereafter, on reasonable notice, to appoint an Auditor to verify some or all of the returns provided by the Distributor pursuant to Clause 7.11 (or to create such returns where the Distributor has

failed to provide such returns). SSSL shall not be entitled to exercise such right within 12 months of previously appointing an Auditor, except where:

- (i) the Distributor has failed to provide returns in accordance with Paragraph 7.11 on one or more occasions since the previous appointment of an Auditor under this Clause 7.13;
- (ii) the previous audit had determined that the returns provided by the Distributor were in error such that the Charges levied by SSSL in reliance on such returns were found to be five per cent (5%) or more in error; or
- (iii) SSSL has reasonable grounds for believing that one or more of the returns provided by the Distributor since the previous audit contained incorrect information.

7.14 The Distributor shall ensure that an Auditor appointed by SSSL under Clause 7.13 has such access during business hours and on reasonable notice to all information used to compile the returns and all other information which may be necessary to verify such information PROVIDED THAT SSSL shall ensure that the Auditor:

- (i) takes all reasonable steps to minimise administration, burden and cost to the Distributor resulting from its investigations;
- (ii) undertakes to the Distributor not to disclose any Confidential Information it receives from the Distributor to any person save that it may disclose to SSSL such information as is necessary to calculate and verify the Charges; and
- (iii) without prejudice to the ability of the Auditor to take and retain notes, does not copy any documents or computer records or remove from the premises of the Distributor any such documentation or computer records (whether in hard or electronic copy).

7.15 SSSL shall bear the costs of the Auditor unless:

- (i) the Distributor has failed to provide a return in respect of a calendar month under Clause 7.11; or
- (ii) the returns which have been audited by the Auditor are in error such that the Charges levied by SSSL in reliance on such returns are found to be five per cent (5%) or more in error,

in which case the Distributor shall bear the reasonable costs of the Auditor.

7.16 If the Auditor determines that an overpayment has been made by the Distributor, SSSL shall issue a credit note to the Distributor against future invoices within thirty (30) days' of such determination. If the Auditor determines that an underpayment has been made by the Distributor, SSSL shall issue an invoice to the Distributor for the shortfall within thirty (30) days' of such determination.

7.17 In the event that the Distributor is required to remedy any underpayment pursuant to Clause 7.16, SSSL shall be entitled to charge interest in accordance with Clause 7.21 from the time at which the underpayment arose.

7.18 SSSL may invoice the Charges payable pursuant to Clause 7.3 up to forty-five (45) days prior to the commencement of the period to which the invoiced Charges relate. SSSL may invoice the Charges payable pursuant to Clause 7.4 in advance.

7.19 SSSL shall issue all invoices under this Agreement to the address specified in Annex A. The Distributor may change the address for invoices by service of written notice on SSSL.

7.20 The Distributor shall pay each invoice (including, without limitation, the first invoice and any invoice issued pursuant to Clause 7.16) rendered in accordance with this Clause 7 within 30 days of the date of the invoice (the "due date").

- 7.21 SSSL shall be entitled to charge interest on any sums which are overdue in accordance with the Late Payment of Commercial Debts (Interest) Act 1998.
- 7.22 The Distributor expressly agrees that if any amounts are properly due and owing to SSSL pursuant to an agreement between the parties for the provision immediately prior to the Commencement Date of any Services in respect of any Channel, the failure to pay such amounts by their due date (as defined in the relevant prior agreement) shall be deemed to be a breach of this Agreement by the Distributor. SSSL's various rights and remedies in the event of a breach (including those remedies set out in Clause 9) shall apply as if the Distributor had failed to pay the relevant amount pursuant to this Agreement.
- 7.23 SSSL may at any time, on notice to the Distributor, set off any liability of the Distributor to Sky or SSSL arising under the Platform Services Master Agreement against any liability of Sky or SSSL to the Distributor (or its Associated Companies), whether any such liability is present or future, liquidated or unliquidated and whether arising under the Platform Services Master Agreement or any other agreement between the Distributor and Sky or SSSL in respect of the Channels. Any exercise by SSSL of its rights under this Clause 7.23 shall be without prejudice to any other rights or remedies available to Sky or SSSL arising under the Platform Services Master Agreement or under any other agreement between the Distributor and Sky or SSSL.
- 7.24 The Distributor shall comply with any additional payment, deposit or security requirements specified in this Agreement.

Charges payable in respect of Viewers in Commercial Premises and/or Retail Premises

- 7.25 For each Subscriber in Commercial Premises, the Distributor shall pay to SSSL the Charges published in SSSL's Published Price List, which may be varied by SSSL from time to time in accordance with Clause 7 of this Agreement.
- 7.26 For the purpose of calculating the Charges payable pursuant to Clause 7.25 above, references to "Commercial Revenue" in SSSL's Published Price List shall be calculated using the following formula:

$$\sum_{i=1}^n P_i \times N_i$$

where:

P_i = the retail price payable by one or more Subscribers in Commercial Premises (excluding VAT); and

N_i = the number of Subscribers in Commercial Premises which were liable to pay the retail price P_i .

- 7.27 The Distributor shall, within 14 days of the end of each calendar month, provide SSSL with sufficient information to enable SSSL to calculate the Charges arising pursuant to Clause 7.25. Such information shall include, without limitation:
- 7.27.1 the total Commercial Revenue generated in respect of that calendar month;
- 7.27.2 the monthly retail price(s) charged to Subscribers in Commercial Premises;
- 7.27.3 the number of Access Cards in Commercial Premises entitled to view the Channels. For the avoidance of doubt, if the Distributor charges a range of different retail prices to Subscribers in Commercial Premises, the Distributor shall provide

information setting out the number of Access Cards in respect of which each different retail price is charged;

- 7.27.4 any other information specified by SSSL from time to time which SSSL reasonably requires in order to determine the Charges payable under this Paragraph 5.
- 7.28 SSSL shall be entitled to invoice the Distributor for the Charges payable by the Distributor pursuant to Clause 7.25 above in respect of a given calendar month up to forty-five (45) days prior to the commencement of the period to which the invoiced Charges relate. Such invoice shall be based on SSSL's estimate of such charges which shall be made with reference to:
- (a) in relation to the number of Access Cards entitled to view the Channels in Commercial Premises: (i) returns previously provided by the Distributor and/or (ii) SCMS data as to the number of such Access Cards and/or (iii) any public statements made by the Distributor as to the number of such Access Cards; and
 - (b) in relation to the Distributor's monthly retail subscription charges: (i) returns previously provided by the Distributor and/or (ii) any publicly available information about such charges;
- SSSL shall, in the invoicing round following receipt from the Distributor of the return in respect of a particular month in accordance with Paragraph 7.27 above, reconcile any difference between (i) the Charges invoiced pursuant to this Clause 7 and (ii) the Charges actually payable in respect of that month based on the Distributor's returns provided in accordance with Clause 7.27 EXCEPT THAT SSSL shall not be required (but shall be entitled) to reconcile any difference where such return is provided more than six (6) months after the end of the relevant calendar month.
- 7.29 The Distributor shall maintain such books, records, working papers, operating statistics and other relevant information in relation to this Agreement as are necessary to verify the information provided to SSSL under Clause 7.27. Such information shall be retained for no less than three years from the calendar month in respect of which it relates.
- 7.30 SSSL shall have the right during the Term and for three (3) years thereafter, on reasonable notice, to appoint an Auditor to verify some or all of the information provided by the Distributor pursuant to Clause 7.27 (or to provide such information where the Distributor has failed to provide such information). SSSL shall not be entitled to exercise such right within 12 months of previously appointing an Auditor, except where:
- (i) the Distributor has failed to provide information in accordance with Clause 7.27 on one or more occasions since the previous appointment of an Auditor under this Clause 7.30;
 - (ii) the previous audit had determined that the information provided by the Distributor pursuant to Paragraph 5.3 was in error such that the Charges levied by SSSL in reliance on such information were found to be five per cent (5%) or more in error; or
 - (iii) SSSL has reasonable grounds for believing that some or all of the information provided by the Distributor since the previous audit contained incorrect information.
- 7.31 The Distributor shall ensure that an Auditor appointed by SSSL under Clause 7.30 has such access during business hours and on reasonable notice to all information used to compile the information provided pursuant to Clause 7.27 and all other information which may be

necessary to verify such information PROVIDED THAT SSSL shall ensure that the Auditor:

- (i) takes all reasonable steps to minimise administration, burden and cost to the Distributor resulting from its investigations;
- (ii) undertakes to the Distributor not to disclose any Confidential Information it receives from the Distributor to any person save that it may disclose to SSSL such information as is necessary to calculate and verify the Charges; and
- (iii) without prejudice to the ability of the Auditor to take and retain notes, does not copy any documents or computer records or remove from the premises of the Distributor any such documentation or computer records (whether in hard or electronic copy).

7.32 SSSL shall bear the costs of the Auditor unless:

- (i) the Distributor has failed to provide the information referred to in Clause 7.27 in respect of a calendar month; or
- (ii) the returns which have been audited by the Auditor are in error such that the Charges levied by SSSL in reliance on such returns are found to be five per cent (5%) or more in error,

in which case the Distributor shall bear the reasonable costs of the Auditor.

7.33 If the Auditor determines that an overpayment has been made by the Distributor, SSSL shall issue a credit note to the Distributor against future invoices within thirty (30) days' of such determination. If the Auditor determines that an underpayment has been made by the Distributor, SSSL shall issue an invoice to the Distributor for the shortfall within thirty (30) days' of such determination.

7.34 In the event that the Distributor is required to remedy any underpayment pursuant to Clause 7.33, SSSL shall be entitled to charge interest in accordance with Clause 7.21 of the Agreement from the time at which the underpayment arose.

Deposit

7.35 If specified in Annex A, the Distributor shall pay to SSSL a deposit (as set out in Annex A) in respect of the Channel(s) ("the Deposit") as security for the charges payable under this Agreement. The Distributor shall pay the Deposit to SSSL by no later than six months after the Commencement Date. SSSL will give the Distributor no less than 2 months' notice of the amount of the Deposit.

7.36 The parties acknowledge that the Deposit amount represents SSSL's estimate of Charges payable by the Distributor pursuant to Clause 7.1 of the Agreement in respect of the provision of Services for a period of three (3) calendar months, including any applicable VAT. Such estimate is based on (where relevant):

- (a) the amount invoiced by SSSL for the provision of Services in respect of the Channel(s) during the previous twelve (12) calendar months or, where not possible, a representative month following the Commencement Date (e.g. the fifth month following the Commencement Date); and/or
- (b) any information provided by the Distributor to SSSL in respect of any of the following:

- (i) the number of Subscribers which the Distributor expects to become entitled to view each of its Subscription Products during the 12 month period following the Commencement Date;
 - (ii) the average monthly number of PPV Event purchases which the Distributor expects its PPV Customers to make during the 12 month period following the Commencement Date;
 - (iii) the retail charge which the Distributor intends to charge in respect of each of its Subscription Products and/or PPV Events during the 12 month period following the Commencement Date; and/or
 - (c) any other relevant information provided by the Distributor to SSSL; and/or
 - (d) any other information available to SSSL.
- 7.37 The parties agree that no earlier than 15 months after the Commencement Date, SSSL may recalculate the amount of the Deposit (the "New Deposit") that the Distributor is required to pay to SSSL based upon the Charges paid by the Distributor to SSSL pursuant to Clause 7 during the preceding 12 months. The parties agree and acknowledge that the amount of the New Deposit may be higher or lower than the Deposit. Whatever the amount, the parties agree that the party to whom the balancing payment needs to be made shall raise and issue to the other an invoice for the balancing payment within one (1) month of the amount of the New Deposit being notified to the Distributor. The parties further agree that the balancing payment itself shall be made by the party to whom the invoice was issued within 30 days of the date of the invoice.
- 7.38 Subject to Clause 7.39 below, SSSL shall repay the Deposit (or New Deposit, if applicable) to the Distributor, plus any interest payable to the Distributor pursuant to Clause 7.40, within thirty (30) days of expiry or earlier termination of this Agreement.
- 7.39 Any sums invoiced under this Agreement in accordance with Clause 7 which have not been paid by the Distributor shall be deducted from the Deposit (or New Deposit, if applicable) before its repayment to the Distributor in accordance with Clause 7.38.
- 7.40 SSSL shall pay interest on the Interest Earning Sum (as defined in Clause 7.41 below) at the rate of 1% above the base rate from time to time of HSBC Bank plc from the date on which the Deposit (and any additional amount relating to the New Deposit) is received by SSSL until the date of its repayment (in full or in part) in accordance with Clause 7.38. Such interest shall accrue and be calculated on an annual basis.
- 7.41 The Interest Earning Sum shall be equal to the Deposit (or New Deposit, if applicable), minus the average Charges which have not been paid by their due date (calculated on a daily basis): (i) during the Term; and (ii) during the term of any previous agreement for Services under which the Deposit(or New Deposit, if applicable) was held by SSSL. For the avoidance of doubt, interest accrued under any such previous agreement for Conditional Access and/or Regionalisation Services shall be refunded in accordance with Clause 7.38 of Annex A of this Agreement.
- 7.42 The parties acknowledge that the Deposit (or New Deposit, if applicable) amount payable under this Clause 7 has been calculated on the basis of an estimate in accordance with Clause 7.37 above. In the event SSSL reasonably considers that either:
- (i) the total Charges invoiced by SSSL under Clause 7.2 and Paragraph 4 of Schedule 5 to the Agreement in the preceding two (2) months; or

(ii) the total Charges which SSSL anticipates invoicing under Clause 7.2 and Paragraph 4 of Schedule 5 to the Agreement in the following two (2) months,

was or will be materially different to the Deposit amount, then SSSL shall be entitled (as appropriate) to (a) require the Distributor to pay to SSSL an additional amount in respect of the Deposit (or New Deposit, if applicable) and to invoice the Distributor in respect of such additional amount or (b) refund a portion of the Deposit to the Distributor. Such additional amount or refund shall equal the difference between the Deposit (or New Deposit, if applicable) amount and the total Charges invoiced or expected to be invoiced as described at (i) and (ii) above. The Distributor shall pay any invoice issued to it by SSSL in accordance with this Clause 7.42 within 30 days of the date of the invoice.

7.43 For the avoidance of doubt, nothing in Clauses 7.35 to 7.42 shall affect the Distributor's obligation to pay all invoices issued in accordance with Clause 7 of this Agreement by their due date.

7.44 SSSL shall have no obligation to encrypt the Channel unless and until the Distributor has paid the Deposit in accordance with Clause 7.

8. SECURITY

8.1 If there are security measures which it is reasonably necessary for the Distributor to effect and maintain in order to safeguard the Technology and prevent use of the Technology by any unauthorised person the Distributor will effect and maintain such measures (including, without limitation, any such security measures reasonably required by SSSL) at its own cost.

8.2 The Distributor shall, from time to time, promptly take such actions as SSSL may reasonably request to prevent or reduce piracy. Such actions shall be at SSSL's expense except where the risk of piracy is due to an act, omission or procedure of the Distributor, in which case such actions shall be taken at the expense of the Distributor.

8.3 If the Distributor becomes aware of a breach by a Subscriber of SSSL's "Terms & Conditions for Card Use" (as amended by SSSL and provided to the Distributor from time to time) ("Access Card T&Cs") in respect of an Access Card, the Distributor shall inform SSSL, to the extent they are aware, of the number of such Access Card, the nature of such breach, and the date and time that such breach was observed.

8.4 SSSL may, at any time, disable or refuse to replace any Access Card (without liability to the Distributor pursuant to this Agreement) where necessary (i) to prevent piracy and/or (ii) to protect the security of the Technology and/or (iii) in the event that SSSL becomes aware, whether pursuant to Clause 8.3 or otherwise, that such Access Card is not being used in accordance with SSSL's Access Card T&Cs.

8.5 Unless specifically directed by SSSL under Clause 8.2, the Distributor shall not copy, alter or modify the whole or any part of the Technology nor merge any part of the Technology with any software, nor decompile, disassemble or reverse engineer the object code of the Technology nor attempt to do any of these things, provided that nothing in this Clause shall prevent the Distributor from doing anything expressly permitted by section 50B of the Copyright Designs and Patents Act 1988. The Distributor confirms that, as at the date hereof, it has readily available to it the information necessary to achieve the permitted objective as defined in Section 50B(2)(a) of that Act.

9. TERMINATION

9.1 Either party may terminate this Agreement by service on the other party of:

(i) notice in writing having effect forthwith, if the other party shall become insolvent or have an administrator or administrative receiver appointed over the whole or any part of its assets or go into liquidation (whether compulsory or voluntary) otherwise than for the purposes of bona fide amalgamation or reconstruction or

shall make any agreement with its creditors or have any form of execution or distress levied upon its assets or cease to carry on business;

- (ii) not less than thirty (30) days' notice in writing specifying a material or persistent breach by the other party of a material obligation that is capable of remedy and requiring that the breach is remedied, provided that the breach is not remedied during such period. Without prejudice to the generality of this Clause 9.1(ii), the Distributor shall be considered to be in material and persistent breach of a material obligation if it fails to pay any invoice issued by SSSL in accordance with Clause 7 within thirty (30) days of its due date;
- (iii) notice in writing having effect forthwith specifying a material or persistent breach by the other party of a material obligation which is not capable of remedy; or
- (iv) notice in accordance with Clause 10.6.

9.2 The Distributor may terminate this Agreement in respect of the Subscription CA Services, PPV CA Services and/or the Regionalisation Services by service on SSSL of:

- (i) not less than ninety (90) days' notice in writing at any time;
- (ii) notice in writing taking effect forthwith in the event that any of the Service Credit caps specified in Clause 4.5 have been reached in respect of three (3) calendar months in any twelve (12) month period during the Term, provided that such notice is given within sixty (60) days of this right of termination arising; and
- (iii) in respect of the Regionalisation Services, not less than seven (7) days' notice in writing taking effect on a date nominated by the Distributor in such notice where SSSL has first published its Published Price List, or has varied its Published Price List in accordance with Clause 7.5 or 7.6, and such publication or variation (as the case may be) would result in the Distributor being liable for higher Charges in aggregate in respect of all of the Regionalisation Services applied to a Channel than it would have been liable for if such publication or variation had not been made, provided that termination pursuant to this Clause 9.2(iii) must take effect within ninety (90) days' of the relevant publication or notification of the variation by SSSL, and shall apply with respect to the affected Channel(s) only;
- (iv) in respect of the Subscription CA Services and PPV CA Services, not less than seven (7) days' notice in writing taking effect on a date nominated by the Distributor in such notice where SSSL has first published its Published Price List, or has varied its Published Price List in accordance with Clause 7.5 or 7.6, and such publication or variation (as the case may be) would result in the Distributor being liable under this Agreement for higher Charges in aggregate in respect of the Subscription CA Services (assuming the Distributor retains the same number of Subscribers and the same retail charges) or the PPV CA Services (in respect of the Distributor's most recent PPV Event) (as the case may be) than it would have been liable for if such publication or variation had not been made, provided that termination pursuant to this Clause 9.2(iv) must take effect within ninety (90) days' of the relevant publication or notification of the variation by SSSL, and shall apply with respect to the affected Service(s) only.

9.3 If the Distributor terminates this Agreement with respect to a given Channel or Service pursuant to Clause 9.2(iii) or 9.2(iv), it shall be liable for the Charges applicable to the terminated Channel or Service immediately prior to the relevant publication or variation having effect, and shall not be liable for the higher Charges resulting from the relevant publication or variation. SSSL shall, to the extent necessary, credit the difference between such Charges if it has already invoiced the higher Charges prior to the service of notice by the Distributor pursuant to Clause 9.2(iii) or Clause 9.2(iv).

- 9.4 SSSL may terminate this Agreement (but in the case of Clauses 9.4(i), 9.4(ii) and 9.4(iii) below, such termination shall apply with respect to the affected Channel(s) only) by service on the Distributor of:
- (i) notice in writing taking effect forthwith in the event that a Channel is not broadcast in the Territory in accordance with the Broadcast Requirements for a continuous period of one (1) month;
 - (ii) notice in writing taking effect forthwith in the event that the broadcast licence specified in Annex A in respect of a Channel is cancelled, revoked, or expires without being immediately renewed or replaced;
 - (iii) notice in writing taking effect forthwith in the event that the Distributor ceases to be the pay-TV distributor in respect of a given Channel;
 - (iv) notice in writing taking effect on a date nominated by SSSL in such notice, in the event that SSSL reasonably considers that any provision of this Agreement or any assumption underlying this Agreement may not be consistent (or may become inconsistent) with the regulatory obligations imposed on SSSL or an Associated Company, provided that after serving notice under this Clause 9.4(iv) SSSL shall give the Distributor reasonable notice of the terms (such terms being consistent with the regulatory obligations imposed on SSSL and its Associated Companies) on which SSSL offers to continue to provide the Services in respect of the Channel(s) upon termination of this Agreement;
 - (v) notice in writing taking effect on a date nominated by SSSL in such notice where SSSL reasonably considers that, but for the existence of this Agreement, it would not be required to provide the Services to the Distributor in respect of the Channel(s); or
 - (vi) notice in accordance with Paragraph 16.5 of Schedule 2.
- 9.5 The Distributor expressly acknowledges that if this Agreement is terminated pursuant to this Clause 9 in respect of any or all Services, SSSL shall be entitled to cease to provide such Service(s) forthwith.
- 9.6 Upon termination of this Agreement, the Distributor shall:
- (i) procure that its CMS shall cancel any redundant CA Products associated with the Channel; and
 - (ii) if PPV CA Services were applied to the Channel:
 - (a) permanently revoke the ability of PPV Customers to purchase the Distributor's PPV Events using their existing Access Cards; and
 - (b) deregister all PPV Customers in respect of the Channel.
- 9.7 Those provisions of this Agreement which by their nature were intended to continue after termination of this Agreement (including, to the extent relevant, Clauses 9 (Termination), 10 (Force Majeure), 11 (Liability), 12 (Confidentiality), 14 (Publicity and Marketing), 15 (Notices) and 16 (General)) shall continue in full force and effect notwithstanding the termination or expiry of this Agreement.
- 9.8 Termination or expiry of this Agreement shall not operate as a waiver of any breach by a party of any of the provisions hereof and shall be without prejudice to any rights or remedies of either party which may arise as a consequence of such breach or which may have accrued hereunder up to the date of such termination or expiry.

10. FORCE MAJEURE

- 10.1 Subject to Clauses 10.2, 10.3 and 10.4, any delay or failure to perform an obligation under this Agreement by a party (the “affected party”) shall not constitute a breach of this Agreement to the extent that it is caused by an event of Force Majeure.
- 10.2 The affected party shall promptly notify the other party in writing of the estimated extent and duration of the inability to perform its obligations.
- 10.3 Upon the cessation of the event of Force Majeure, the affected party shall promptly notify the other party in writing of such cessation.
- 10.4 The affected party shall use all reasonable endeavours to mitigate the effect of each event of Force Majeure.
- 10.5 Where an event of Force Majeure affecting SSSL materially adversely affects the Services for no less than twenty four (24) consecutive hours, then SSSL shall credit to the Distributor a reasonable proportion (as determined solely by SSSL) of the Charges payable in respect of the period during which the event of Force Majeure persists. Such amount shall be credited within sixty (60) days of the cessation of the event of Force Majeure.
- 10.6 If, following three months from the date of notification under Clause 10.2, the event of Force Majeure persists, the unaffected party may forthwith terminate this Agreement by service of notice in writing on the affected party.
- 10.7 Without prejudice to the generality of Clause 10, neither party shall be in breach of this Agreement for failure to perform its obligations or observe the provisions of this Agreement where to do so would place such party in breach of any applicable law, regulation, code of practice or similar instrument of any competent regulator.

11. LIABILITY

- 11.1 Neither party excludes or limits liability to the other party for death or personal injury.
- 11.2 Subject to Clauses 11.1 and 11.3, neither party shall be liable to the other in contract, tort (including negligence and breach of statutory duty) or otherwise for indirect or consequential loss or damage. For these purposes, the expression “indirect or consequential loss or damage” shall include but not be limited to loss of revenue, profit, anticipated savings or business.
- 11.3 The Distributor’s liability pursuant to the indemnity in Clause 6.5 shall be unlimited. SSSL’s liability in the event of any Service Failure shall be limited as set out in Clause 4.5.
- 11.4 Subject to Clauses 11.1, 11.2 and 11.3, the liability of each party to the other in contract, tort (including negligence and breach of statutory duty) or otherwise arising by reason of or in connection with this Agreement shall be limited to:
 - (i) two hundred and fifty thousand pounds (£250,000) for any one incident or series of events arising from a single incident; and
 - (ii) five hundred thousand pounds (£500,000) for all incidents in any twelve month period.
- 11.5 No party shall be liable to the other to the extent that any loss or damage arises or is increased as a result of any failure of any equipment or systems for which the other is responsible pursuant to this Agreement.
- 11.6 Should any limitation or provision contained in this Clause 11 be held to be invalid under any applicable statute or rule of law, it shall to that extent be deemed omitted.
- 11.7 All warranties, representations and conditions implied by statute, common law or otherwise, (including but not limited to fitness for purpose) are hereby excluded to the extent permitted by law.

12. CONFIDENTIALITY

- 12.1 Subject to Clauses 12.2 and 12.3, in respect of Confidential Information disclosed by the other party, each party shall and shall procure that its officers, employees and agents shall:
- (i) only use such Confidential Information for the purpose of performing this Agreement;
 - (ii) only disclose such Confidential Information to a third party with the prior written consent of the other party; and
 - (iii) ensure that any third party to which Confidential Information is disclosed under Clause 12.1(ii) or Clause 12.3(i) or 12.3(iii) executes a confidentiality undertaking on terms at least as strict as this Clause 12.
- 12.2 The provisions of Clause 12.1 shall not apply to any Confidential Information which:
- (i) is in or comes into the public domain other than by default of the recipient party;
 - (ii) is or has already been independently generated by the recipient party;
 - (iii) is in the possession of or is known by the recipient party prior to its receipt from the disclosing party; or
 - (iv) is properly disclosed pursuant to and in accordance with a relevant statutory or regulatory obligation or to obtain or maintain any listing on a stock exchange.
- 12.3 Notwithstanding Clause 12.1, each of the Distributor and SSSL shall be entitled to disclose:
- (i) Confidential Information to its permitted sub-contractors when (and to the extent only) such disclosure is necessary for the performance by the relevant party of its obligations under this Agreement;
 - (ii) Confidential Information to Ofcom or any successor regulator which has primary responsibility for the regulation of conditional access services in the United Kingdom (whether or not Clause 12.2 applies); and
 - (iii) details of the terms and performance of this Agreement to its Associated Companies, auditors, legal and other professional advisers who are bound by duties of confidentiality.

13. ASSIGNMENT, TRANSFER AND OTHER DEALINGS

- 13.1 The Distributor shall not assign, transfer, charge or otherwise deal with the whole or any part of this Agreement or its rights or obligations hereunder without the prior written consent in writing of SSSL. The Distributor shall request such consent no less than twenty eight (28) days prior to the proposed assignment, transfer, charge or other dealing. Subject to Clause 13.2, SSSL shall not unreasonably withhold or delay its consent under this Clause 13.1.
- 13.2 In the event of a proposed transfer or assignment of this Agreement, SSSL may, without limitation, require as a condition of giving its consent that the parties and the third party transferee or assignee enter into a deed of novation on terms acceptable to SSSL. Such terms may include a requirement that the agreements between the Distributor and its Subscribers and/or between the Distributor and its PPV Customers also transfer to the transferee or assignee.
- 13.3 SSSL may assign, transfer, charge or otherwise deal with the whole or any part of this Agreement or its rights or obligations hereunder.
- 13.4 The Distributor shall notify SSSL in the event that any of the broadcast licences specified in Annex A are transferred to any other entity.

14. PUBLICITY AND MARKETING

- 14.1 Subject to Clause 14.2 and save as required by law or regulation, neither party shall directly or indirectly make any press release or statement to the press, radio, television or other media in any way connected with the subject matter of this Agreement except with the prior written consent of the other which shall not be unreasonably withheld.
- 14.2 SSSL and its Associated Companies may refer to the Distributor and may use the Distributor's trade marks, channel names and service marks (the "Marks") non-exclusively and royalty-free to the extent necessary for the performance of its obligations under this Agreement in respect of the Channel and for the promotion of the digital satellite platform. SSSL and its Associated Companies may also use the Marks in any advertising or marketing material or communication, customer or corporate communication or other publicity materials in the Territory, subject to each type of use of the Marks being approved in writing by the Distributor (such consent not to be unreasonably withheld) and, such approval having been obtained, SSSL and its Associated Companies being able to use the Marks in a same or similar way to the approved use without further approval having to be obtained. For the avoidance of doubt, nothing in this clause shall prevent SSSL and its Associated Companies using the Marks as permitted under the Trade Marks Acts 1994 or as otherwise permitted by law.

15. NOTICES

- 15.1 Any notice required or authorised by this Agreement must be given in writing and may be delivered personally or by commercial messenger or courier service, or sent by email, or by prepaid, recorded, postal delivery.
- 15.2 Notices so given will be deemed to have been duly given and received as follows:
- (i) if delivered personally or by commercial messenger or courier service, or if sent by prepaid, recorded, postal delivery, upon delivery at the address of the relevant party as proven by a signed receipt;
 - (ii) if sent by email, upon receipt by the recipient,
- provided that, if, in accordance with the above provision, any such notice, demand or other communication would otherwise be deemed to be given or made outside of the hours of 0830 and 1730 on a working day in the place of delivery, such notice, demand or other communication will be deemed to be given or made on the next working day in such place.
- 15.3 Notwithstanding Clause 15.2, notices shall be deemed to have been duly given and received where all reasonable endeavours have been made to deliver the notice in accordance with this Clause 15 but such endeavours have been unsuccessful.
- 15.4 Notices addressed to SSSL shall be addressed to:
- Channels and Operations
Sky Subscribers Services Limited
Grant Way
Isleworth
Middlesex TW7 5QD
- e-mail: Channels.Operations@sky.uk
- 15.5 Notices addressed to the Distributor shall be addressed as specified in Annex A.
- 15.6 SSSL and the Distributor may amend their address and email address specified in Clause 15.4 or Annex A (respectively) by written notice to the other party.

16. GENERAL

- 16.1 **Information and assistance:** Each party shall promptly supply to the other such information and assistance as the other may reasonably request to enable it to perform its obligations under this Agreement. Each party shall ensure that information provided to

- the other party in accordance or in connection with this Agreement is correct to the best of its knowledge at the time of such provision.
- 16.2 **Counterparts:** This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
- 16.3 **Waiver:** The rights of each party under this Agreement are cumulative with, and not exclusive of, rights or remedies provided by law. The rights of each party under this Agreement may be waived only in writing and specifically. Delay in exercising or non-exercise of any right under this Agreement is not a waiver of that right.
- 16.4 **Severability:** If any term of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:
- (i) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or
 - (ii) the legality, validity or enforceability in other jurisdictions of that or any other provision of this Agreement.
- 16.5 **Third Party Rights:** A person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party, which exists or is available apart from that Act.
- 16.6 **Entire Agreement:** Save in the case of fraudulent misstatement or fraudulent misrepresentation, each party acknowledges that:
- (i) this Agreement constitutes the entire and only agreement between the parties relating to the subject matter hereof and supersedes all previous agreements between the parties; and
 - (ii) it has not been induced to enter into this Agreement in reliance on, nor has it been given, any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever in respect of the subject matter of this Agreement, other than as expressly set out in this Agreement and, to the extent that either party has been so induced, it unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation to the same.
- 16.7 **Freedom of Information:** SSSL recognises that the Distributor may be required to release information under the Freedom of Information Act 2000 ("FOIA"), and that such obligations may extend to information which is held by the Distributor or by another person on behalf of the Distributor. The parties agree that if the Distributor receives a request under the FOIA to disclose Confidential Information (in respect of which the Distributor is a recipient party for the purposes of this Agreement), it shall: (a) promptly notify SSSL, and (b) consult with SSSL prior to disclosing such Confidential Information, provided that nothing in this Paragraph shall require the Distributor to do anything which would be in breach of the FOIA or which would be inconsistent with the Lord Chancellor's Code of Practice on the Discharge of Public Authorities issued pursuant to section 45 of the FOIA.
- 16.8 **Bribery:** Each party will not, and nor will any of its officers, employees, shareholders, representatives or agents, directly or indirectly, either in private business dealings or in dealings with the public sector, offer, give or agree to offer or give (either itself or in agreement with others) any payment, gift or other advantage (whether or not by using any payments under this Agreement) with respect to any matters which are the subject of this Agreement which: (i) would violate any anti-corruption laws or regulations applicable to the Distributor or SSSL; (ii) is intended to, or does, influence any person to act or reward any person for acting in breach of an expectation of good faith, impartiality or trust, or which it would otherwise be improper for the recipient to accept; (iii) is made to or for a public official with the intention of influencing them and obtaining or retaining an

advantage in the conduct of business; or (iv) which a reasonable person would otherwise consider to be unethical, illegal or improper. Without prejudice to Clause 9 (Termination), in the event SSSL reasonably suspects there to have been a breach of this clause 16.8, SSSL may terminate this Agreement immediately upon giving notice in writing to the Distributor.

- 16.9 **Data Protection:** Where a party receives personal data from the other party in the course of this agreement, that party shall comply with applicable data protection law, including but not limited to (a) the General Data Protection Regulation (EU 2016/679) (the "GDPR"), and (b) the UK GDPR (as defined in section 3(10) of the UK Data Protection Act 2018), and (c) Directive on privacy and electronic communications (2002/58/EC, as amended), as well as all laws implementing each of (a) to (c) above, including the UK Data Protection Act 2018, as amended and updated from time to time.
- 16.10 **Law and Jurisdiction:** This Agreement shall be governed and construed in accordance with the laws of England and the parties hereby submit to the exclusive jurisdiction of the English Courts.
- 16.11 **Other:** the parties hereby agree to comply with any other provisions set out in Annex A.

SCHEDULE 1

DEFINITIONS

In this Agreement, the following words and expressions shall have the meanings ascribed herein.

“Access Card”	a smart card supplied by SSSL for use in a Set Top Box.
“Agreement”	this agreement together with the Schedules and Annex hereto.
“Approved Adaptation Hub”	a Tandberg Evolution 5000 system, Ericsson iSIS 8000 system or such other adaptation hub each as approved in writing by Sky and SSSL.
“Associated Company”	in the case of a relevant company, any subsidiary and holding company and any subsidiary of such holding company (and “holding company” and “subsidiary” are defined in Section 1159 Companies Act 2006).
“Auditor”	a third party auditor appointed by SSSL (or, subject to the Distributor’s agreement, Sky’s audit and risk management team).
“Bouquet”	shall have the meaning given to such term in Paragraph 19.2 of Schedule 2.
“Broadcast Requirements”	the requirements listed in Part B of Schedule 3 as changed from time to time in accordance with Clause 5.
“CA Datastream”	conditional access data requiring cross-carriage in accordance with this Agreement.
“CA Parameters”	conditional access feature control information defined by SSSL and either statically specified within the relevant CA Template, or attached to the Distributor’s schedules, and which are used to determine optional features.
“CA Product”	a CA Parameter defined by SSSL, determining the entitlements required within an Access Card to enable viewing of a given Channel at a given time.
“CA Template”	a template created by SSSL which, when attached to the Distributor’s schedules together with the CA Product(s) and other CA Parameters, results in those Access Cards which have been entitled with one or more of the CA Products and which meet the other template criteria to enable viewing of the relevant Channel(s).
“Callback”	a call initiated by an Access Card to the SSSL subscriber management systems via internet protocol or the modem in the Set Top Box.
“Channel”	the television channel(s) specified in Annex A which are distributed by the Distributor on a subscription or pay-per-view basis in part or all of the Territory.
“Charges”	the charges payable by the Distributor pursuant to Clause 7 of this Agreement.
“CMS”	the Distributor’s customer management services centre which acts as the Distributor’s interface with PPV Customers and Subscribers.
“Commencement Date”	the date set out in Annex A.
“Commercial Premises”	any premises other than an Residential Premises and shall include, without limitation public houses, private clubs, restaurants, sports bars, hotel bars, hotels, motels, guest houses,

	boarding houses, offices, shops or other retail premises, educational institutions, work, sports and social clubs, sports clubs, sports/leisure centres, government correctional institutions, hospitals, nursing and care homes, oil rigs or other premises used as offices or for other business purposes, and including any premises which would be Residential Premises but for the fact that they are provided with access to any Channel by means of an SMATV System and/or Hybrid SMATV System.
"Confidential Information"	all information (whether written or oral) designated as such by either party together with all such other information which relates to the business, affairs, subscribers, products, developments, trade secrets, know-how and personnel of either party (or an Associated Company of either party) which may reasonably be regarded as the confidential information of the disclosing party including, without limitation, the terms of this Agreement, any terms proposed by either party (whether or not agreed) in connection with the negotiation of this Agreement and information relating to programme content or schedules.
"Contract Period"	each period of thirty-six (36) months from the Commencement Date.
"Default Bouquet"	shall have the meaning given to such term in Paragraph 19.1 of Schedule 2.
"DocuSign"	DocuSign is a provider of electronic signature software that facilitates the secure exchange and completion of contracts and other legal documents by allowing an authorised person to sign a document electronically on behalf of a party to that document.
"EPG"	Sky's electronic programme guide for digital satellite television channels, radio stations and interactive services.
"Extended FTV Period"	any period of up to 60 consecutive hours during which the FTV CA Template is scheduled.
"FECM Datastream"	the datastream comprising forward entitlement control messages broadcast on the Sky EPG transponder to enable PPV Customers to view Programmes by way of IPPV or OPPV.
"Force Majeure"	any cause beyond a party's reasonable control affecting the performance by that party of its obligations hereunder including but not limited to acts of God, insurrection or civil disorder, war or military operations, national or local emergency, avian influenza pandemic, acts or omissions of Government or regulatory authority, industrial disputes of any kind (not involving that party's employees), fire, flood, lightning, explosion, subsidence, uplink and/or satellite failure or degradation, and acts or omissions of persons or bodies beyond the reasonable control of the affected party.
"Front Sheet"	the Front Sheet to the Platform Services Master Agreement.
"FTV CA Services"	the Services described in Paragraph 15 of Schedule 2.
"FTV CA Template"	the CA Template described in Paragraph 15.2 of Schedule 2.
"High Definition Format"	the format known as "1080i/25" or the format known as "720p/50", as further specified in the relevant Broadcast Requirements.

“Hybrid SMATV System”	a satellite master antennae television system or any other system in which a Channel is decrypted using multiple Access Cards, decoded by a Set Top Box and retransmitted (either on its own or with other television services) via a local distribution system to one or more televisions or other audio visual monitors on which the Channel can be received without use of a Set Top Box and Access Card.
“Inactive PPV Customer”	a PPV Customer from whose Access Card a Callback has not been registered during the period of three (3) months preceding the date of the Swap Out Notice served by SSSL pursuant to Paragraph 9.2 of Schedule 2.
“Intellectual Property Rights”	patents, trade marks, design rights (whether registrable or otherwise), applications for any of the foregoing, copyright, database rights, know-how, trade or business names and other similar rights or obligations whether registrable or not in any country.
“Intermediate Replacement Card”	a replacement Access Card which is provided to replace an Access Card which has been lost, stolen or damaged.
“IPPV”	functionality enabling a PPV Customer to purchase, on impulse, PPV Event(s) via functionality incorporated in the EPG without being required to contact the Distributor’s contact centre.
“Listing Methodology”	the document published by Sky entitled “Method for allocating Listings in Sky’s EPG”, as amended from time to time.’
“OPPV”	functionality enabling a PPV Customer to order PPV Event(s) by contacting the Distributor’s contact centre (for example, via telephone) and which results in a specific entitlement message from the Distributor’s CMS to the SCMS in respect of the Event(s).
“Periodic Replacement Card”	a replacement Access Card which is provided on the swap-out by SSSL of the entire population of active Access Cards in the Territory containing particular algorithms.
“Permitted FTV Period”	the period described in Paragraph 15.2 of Schedule 2.
“Platform Datastream”	conditional access, EPG and software download data identified in the Technical Specifications as requiring cross-carriage, together with the required DVB compliant data, including the network information tables, cross-carried between different Bouquets in the satellite system.
“Platform Freeze”	a period during which SSSL limits or ceases any non-essential changes to the Services or related platform arrangements.
“PPV CA Services”	the Services described in Part C of Schedule 2.
“PPV Customer”	a purchaser (or prospective purchaser, where required) of a PPV Event.
“PPV Event”	a programme or event or a number of programmes or events on one or more Channels to which an entitlement to view is purchased by PPV Customers on a discrete basis, and where the entitlement to view is not renewed without action by the PPV Customer. For the avoidance of doubt, a PPV Event includes “pay-per-night” offerings, and “season ticket” offerings (being products under which PPV Customers purchase an entitlement to view a number of related programmes or events over a given period).

“Promotional Slates”	shall have the meaning given to such term in Paragraph 15.2 of Schedule 2.
“Published Price List”	The Sky and SSSL Published Price List, published on www.sky.com/corporate or on such other website as SSSL may notify from time to time, and which may be varied in accordance with Clause 7.
“Reception Address”	the address recorded by SSSL from time to time as being the address at which an Access Card in a Set Top Box is located, such address being notified to SSSL via a customer management system interfacing with SSSL’s SCMS.
“Regionalisation Services”	the Services described in Part E of Schedule 2.
“Residential Premises”	premises occupied as a private dwelling house or other place of domestic residence, but excluding premises to which access to any Channel is provided by means of an SMATV System and/or Hybrid SMATV System.
“SCMS”	SSSL’s subscriber card management system.
“Services”	the Services described in Schedule 2.
“Service Credit”	an amount credited by SSSL pursuant to Clause 4 and Paragraph 3 of Schedule 4.
“Service Failure”	a service failure with the Subscription CA Services, PPV CA Services or Regionalisation CA Services described in Paragraph 1 or Paragraph 2 of Schedule 4.
“Set Top Box”	a set top box (or equivalent system integrated into a TV set or other audio visual monitor) which is compatible with the Technology.
“Sky”	Sky UK Limited, a company registered in England with company number 02906991 of Grant Way, Isleworth, Middlesex TW7 5QD.
“SMATV System”	a satellite master antennae television system or any other system in which a Channel is decrypted using an Access Card which is specific only to the Channel, decoded by a Set Top Box and retransmitted (either on its own or with other television services) via a local distribution system to one or more televisions or other audio visual monitors on which the Channel can be received without use of a Set Top Box and Access Card.
“Standalone Price”	a charge to subscribers for a Subscription Product which is provided to consumers without a requirement to purchase a telecommunications service.
“Sub-Bouquet”	shall have the meaning given to such term in Paragraph 19.2 of Schedule 2.
“Subscriber”	a purchaser (or prospective purchaser, as required) of a Subscription Product.
“Subscription CA Services”	the Services described in Part B of Schedule 2.
“Subscription Product”	a subscription package of one or more Channels made available by the Distributor to Subscribers.
“Technical Specifications”	the technical specifications and operational requirements listed in Part A of Schedule 3 as changed from time to time in accordance with Clause 5.

“Technology”	all software, hardware, other equipment and procedures used in the provision of the Services.
“Term”	the period from the Commencement Date together with any and all Contract Periods.
“Territory”	the United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man.
“Third Parties”	any and all distributors (other than the Distributor) of any comparable channels in respect of which SSSL provides Services (including Sky to the extent that the Services are provided in respect of any comparable channels distributed by Sky).
“VAT”	for the purpose of clause 7, value added tax which SSSL is liable to remit in the United Kingdom, and for the purpose of the remainder of this Agreement, value added tax, goods and services tax or any equivalent tax in any jurisdiction which the Distributor is liable to remit in respect of its PPV Events or Subscription Products.

SCHEDULE 2

SERVICES

PART A: PRE-ENCRYPTION OBLIGATIONS FOR NEW DISTRIBUTORS

1. Applicability of Part A

Part A of this Schedule 2 shall only apply where the Distributor does not distribute any Channels on a pay-TV basis in the Territory immediately prior to the Commencement Date, and where Annex A specifically states that this Part A shall apply.

2. CMS integration and initial CA Templates

2.1 SSSL shall, on request, provide reasonable assistance to the Distributor to assist the Distributor to specify its CMS business process requirements (which requirements shall include, without limitation, volumetric forecasts for Subscription Products and PPV Events, the structure of each Subscription Product, territorial blackout requirements, and details of the premises and viewer types to be supported by the CMS) and CA Template requirements to SSSL. Within thirty (30) days' of receipt from the Distributor of complete CMS business process requirements, and complete CA Template requirements, SSSL shall provide CA Template specifications to the Distributor for approval.

2.2 Once the Distributor has approved the CA Template specifications, SSSL shall, within thirty (30) days, provide the Distributor with an indication of the time SSSL estimates it will take to build the necessary CA Templates and to integrate the Distributor's CMS with the SCMS, and information about any known Platform Freezes that may affect such integration and/or the date on which the Distributor can first encrypt the Channels.

2.3 The Distributor shall prepare its CMS for integration with the SCMS in accordance with the Technical Specifications and such other reasonable instructions as SSSL may give it from time to time. The Distributor shall establish (at its own cost) a link between its CMS and the SCMS.

2.4 After completing the steps in Paragraph 2.3, the Distributor shall notify SSSL that its CMS is ready for integration with the SCMS. Such notice shall include:

- (i) the date on which the Distributor intends to first encrypt the Channel(s) (allowing, at a minimum, for the period estimated by SSSL pursuant to Clause 2.2, and taking into account any known Platform Freezes);
- (ii) a list of messages which the Distributor's CMS will be using to interface with the SCMS; and
- (iii) test objectives, together with test scripts and expected results.

The Distributor hereby acknowledges that the period between its notice under this Paragraph 2.4 and the earliest date on which the Channel(s) may be encrypted shall, indicatively, be no less than one hundred and four (104) days.

2.5 After receipt of notice under Paragraph 2.4 of this Schedule 2, SSSL shall work together with the Distributor to carry out such preparation, integration and testing work which is necessary in order that:

- (i) messages correctly pass between the Distributor's CMS and the SCMS;
- (ii) the SCMS can correctly interpret and act on messages received from the Distributor's CMS;
- (iii) the Distributor's CMS can correctly interpret and act on messages received from the SCMS; and
- (iv) the CA Templates work correctly and as intended.

- 2.6 The Distributor acknowledges that if it subsequently wishes to modify any business process requirements or CA Template requirements given to SSSL under Paragraph 2.1, and such modifications give rise to additional work for SSSL, the Distributor may be liable to pay the Charges set out in Paragraph 6 of Schedule 5 for such work, and that such modifications may delay the first encryption of the Channel(s).
- 2.7 The Distributor shall provide SSSL with such co-operation and assistance as SSSL may require in carrying out the preparation, integration and testing work specified in Paragraph 2.5, and shall ensure that any third party providing CMS services to the Distributor also provides such co-operation and assistance to SSSL. Where necessary in order for appropriate testing to be carried out, SSSL shall provide the Distributor with access to the Platform Datastream, at least one (1) Set Top Box and at least one (1) Access Card.
- 2.8 SSSL shall use reasonable endeavours to work with the Distributor to conclude the preparation, integration and testing work specified in Paragraph 2.5 prior to the date on which the Distributor intends to first encrypt the Channel(s) (as specified in the notice given pursuant to Paragraph 2.4). Notwithstanding the foregoing, the Distributor hereby acknowledges that SSSL has wider platform responsibilities than the provision of the CA Services to the Distributor and that such work may not be completed by the date on which the Distributor intends to first encrypt the Channel(s). The Distributor shall not process live messages via the CMS-SCMS interface prior to SSSL and any third party CMS provider confirming that all necessary preparation, integration and testing work has been completed to each of their satisfaction. The Distributor acknowledges that SSSL will not enable encryption to be first applied to any Channel until two weeks after SSSL and the Distributor confirm that all necessary preparation, integration and testing work has been completed to each of their satisfaction and SSSL are in receipt of scheduling and conditional access event information pursuant to Paragraphs 5.4 and 5.5 of this Schedule 2.
- 2.9 SSSL shall monitor the integration of the SCMS and the Distributor's CMS for the three (3) days following the first encryption of the Channels. Such monitoring shall include checking that the link between the Distributor's CMS and the SCMS is operating correctly, and checking for any data anomalies or unexpected software operations. SSSL shall advise the Distributor of any such issues and shall work with the Distributor to rectify the same.
- 2.10 SSSL shall use reasonable endeavours to build, develop and test the required CA Templates in accordance with the specifications provided by the Distributor pursuant to Clause 2.1 within time for the date that the Distributor intends to first encrypt the Channel(s) (as specified in the notice given pursuant to Paragraph 2.4 and taking into account necessary testing pursuant to this Paragraph 2). Notwithstanding the foregoing, the Distributor hereby acknowledges that SSSL has wider platform responsibilities than the provision of the CA Services to the Distributor and that such work may not be completed by the date on which the Distributor intends to first encrypt the Channel(s). SSSL shall not release any CA Template to the Distributor prior to SSSL being satisfied that all necessary CA Template testing work has been completed to its satisfaction.
- 2.11 For the avoidance of doubt, nothing in this Agreement shall prevent the Distributor launching the Channel(s) at any time on digital satellite in the Territory on an unencrypted basis.

3. Charges

- 3.1 Subject to Paragraph 3.2 the Distributor shall pay the Charges set out at Paragraph 1 of Schedule 5 in respect of the Services provided pursuant to this Part A, except that the Distributor shall in addition be liable for the Charges specified in Paragraph 2 of Schedule 5 for each CA Template built by SSSL in excess of the first three (3) CA Templates. SSSL shall not be required to commence the provision of Services under this Part A until it has received payment of such Charges from the Distributor.
- 3.2 SSSL will notify the Distributor in the event that its CMS business process requirements and/or CA Template requirements are exceptional in comparison to other distributor's

requirements, in which case the Charge in Paragraph 1 of Schedule 5 shall not apply. Such notice shall be given to the Distributor within thirty (30) days of receipt of the Distributors CMS business process requirements and CA Template requirements under Paragraph 2.1, together with a proposal for the basis upon which SSSL proposes to charge the Distributor for the provision of Services under this Part A of Schedule 2. Such proposal may include a fixed charge or a charge variable according the time taken to carry out the Services, but in the latter case the man/day charge shall not exceed the Charge set out in Paragraph 6 of Schedule 5.

PART B: SUBSCRIPTION CA SERVICES

4. Applicability of Part B

- 4.1 Part B of this Schedule 2 shall only apply in respect of Channels listed in Annex A as being Channels to which this Part applies.
- 4.2 SSSL shall only be obliged to provide the Services described in this Part B in respect of viewers in Residential Premises or Commercial Premises where such premises type(s) are specifically stated in Annex A. In addition, SSSL shall only provide the Services described in this Part B in respect of SMATV Systems and/or Hybrid SMATV Systems where Annex A expressly states that the provision of such Services in respect of SMATV Systems and/or Hybrid SMATV Systems is supported.

5. Subscription CA Services

- 5.1 On receiving a request to view the Channel(s) from a prospective Subscriber within the Territory, the Distributor shall ensure that its CMS shall (in accordance with the Technical Specifications):
 - (i) validate the prospective Subscriber's Reception Address and Set Top Box number (in the manner reasonably required by SSSL from time to time);
 - (ii) identify any prospective Subscriber as a viewer in Commercial Premises or Residential Premises in accordance with the classification used by SSSL and notified to the Distributor from time to time; and
 - (iii) pass the request to entitle the prospective Subscriber with the relevant Channels to the SCMS together with the prospective Subscriber's Reception Address, Set Top Box number and identification as a viewer in Commercial Premises or Residential Premises.
- 5.2 Upon receipt of a request under Paragraph 5.1(iii), SSSL shall either:
 - (i) issue an Access Card entitled to view the relevant Channels (subject to Access Card activation) to the Subscriber's Reception Address (where there is not already an Access Card associated with such Reception Address); or
 - (ii) enable the viewing of the Channels via an existing Access Card associated with the Subscriber's Reception Address.
- 5.3 SSSL shall make available to the Distributor one or more CA Templates (being those CA Templates built pursuant to Paragraph 2.10 of this Schedule 2 or under a different, prior, agreement between the parties), which shall enable viewing of the Channel by Subscribers who have been entitled on instruction sent from the Distributor's CMS to the SCMS.
- 5.4 The Distributor shall provide or procure the provision of scheduling information and conditional access event information (by way of scheduling the CA Template(s) and the CA Parameters) for the Channels in accordance with the Technical Specifications. SSSL shall ensure that such information results in the Channel(s) being encrypted where required by the relevant schedules. SSSL shall be entitled to pass the scheduling information and conditional access event information provided by the Distributor to third parties to the extent necessary for the performance by SSSL of its obligations under this Agreement.

- 5.5 The scheduling and conditional access event information provided by the Distributor pursuant to Paragraph 5.4 shall be provided on a continuous basis such that, at all times, SSSL has all such information in respect of (at least) the next fourteen (14) day period.
- 5.6 SSSL shall incorporate any data necessary for the performance of the Services into the CA Datastream and shall procure that the CA Datastream is incorporated into the Platform Datastream. SSSL shall make the Platform Datastream available to the Distributor at SSSL's network router, located at SSSL's premises. The Distributor shall be responsible for transmitting or procuring the transmission of the Platform Datastream from SSSL's network router via an Approved Adaptation Hub, where the Platform Datastream shall attach to the broadcast stream for the Channel(s).
- 5.7 The Distributor shall, at its own cost, transmit or procure the transmission of the Platform Datastream on each satellite transponder which carries a satellite broadcast intended for reception by Set Top Boxes of any of the Channels listed in Annex A to which this Part B applies. If the Distributor has procured satellite transponder capacity directly from Sky in respect of such Channels, it shall be deemed to have complied with the foregoing requirement in respect of any such satellite transponder. The Distributor shall not and shall not permit any third party to interfere with, alter, add data to or remove data from the Platform Datastream or delay its transmission.
- 5.8 SSSL shall make the Platform Datastream available to all customers of SSSL's conditional access services and shall require such customers to transmit or procure the transmission of the Platform Datastream on a basis equivalent to that required of the Distributor by Paragraph 5.7.
- 5.9 SSSL may impose terms and conditions on Subscribers in respect of the use of any Access Card issued pursuant to this Agreement. For the avoidance of doubt, such terms and conditions shall not include the payment of any charges to SSSL for any of the Channels.
- 5.10 The Distributor may impose terms and conditions on Subscribers in respect of their receipt of the Channels. The Distributor shall be responsible for all matters in relation to billing for its Subscription Products.
- 5.11 The Distributor acknowledges that:
- (i) certain events scheduled by the Distributor for broadcast on the Channel are likely to result in more than 1500 requests in any one or more clock hour to subscribe to the Channel by prospective Subscribers in the run up to such events ("Subscription-Driving Events");
 - (ii) such Subscription-Driving Events may therefore result in calls to Sky's contact centre;
 - (iii) SSSL therefore requires sufficient notice of such Subscription-Driving Events in order to take steps to mitigate any potential impact on Sky's contact centre; and
 - (iii) Sky incurs a cost for handling calls to its contact centre and preparing its contact centre to handle calls in relation to Subscription-Driving Events.
- 5.12 The Distributor shall provide SSSL with at least six (6) weeks' notice of each event that it expects to be a Subscription-Driving Event.
- 5.13 The Distributor shall pay the Charges set out in Paragraph 10 of Schedule 5 for each Subscription-Driving Event in respect of which the Distributor has provided SSSL with at least six (6) weeks' notice. The Distributor shall pay the Charges set out in Paragraph 11 of Schedule 5 for each Subscription-Driving Event in respect of which the Distributor has not provided SSSL with at least six (6) weeks' notice.
- 5.14 SSSL shall not impose charges under Paragraph 10 or Paragraph 11 of Schedule 5 in respect of any calls to Sky's contact centre in relation to a Subscription-Driving Event that result from: (i) an act or omission of SSSL resulting in a technical fault on the Sky digital satellite

platform; or (ii) an act or omission of SSSL resulting in SSSL failing to correctly entitle an Access Card for the Channel.

5.15 For each Subscription-Driving Event SSSL reserves the right to impose the Charges set out in Paragraph 12 of Schedule 5.

5.16 SSSL shall, upon request, provide reasonable evidence for any Charges invoiced under Paragraph 10, Paragraph 11 or Paragraph 12 of Schedule 5 (Further Charges).

5A HD Channel Swap

5A.1 Subject to the Distributor and the Broadcaster of the Channel exercising any opt out(s) available pursuant to the Listing Methodology, where the Distributor distributes an HD Simulcast in a different pay-TV package to its SD counterpart (including where the channel broadcast in standard definition format is broadcast on a non-pay TV basis), the Distributor shall ensure that its CMS shall inform the SCMS:

- (i) whenever a prospective subscriber becomes entitled to view an HD Simulcast (as defined in the Listing Methodology) distributed by the Distributor; and
- (ii) whenever an existing subscriber becomes disentitled to view an HD Simulcast distributed by the Distributor,

in accordance with the Technical Specifications and the document issued to the Distributor by SSSL and entitled "Technical & Operational Overview – HD Channel Swap (Phase 2)" dated 25 July 2013 as amended by SSSL from time to time.

6. Periodic Replacement Cards

6.1 Subject to Paragraph 6.2, when replacing Access Cards in use on the platform, SSSL shall issue Periodic Replacement Cards to the Distributor's Subscribers at no charge to the Distributor.

6.2 SSSL shall not be required to issue Periodic Replacement Cards to the Distributor's Subscribers where those Subscribers only subscribe to Channel(s) in respect of which encryption has been removed (pursuant to Paragraph 16 below) for a continuous period of three (3) months or more.

PART C: PPV CA SERVICES

7. Applicability of Part C

7.1 Part C of this Schedule 2 shall only apply in respect of Channels listed in Annex A as being Channels to which this Part applies.

7.2 SSSL shall only be obliged to provide the Services described in this Part C in respect of viewers in Residential Premises or Commercial Premises where such viewer type(s) are specifically stated in Annex A. In addition, SSSL shall only provide the Services described in this Part C in respect of SMATV Systems and/or Hybrid SMATV Systems where Annex A expressly states that the provision of such Services in respect of SMATV Systems and/or Hybrid SMATV Systems is supported.

8. PPV CA Services

8.1 On receiving a request to purchase PPV Event(s) from a prospective PPV Customer within the Territory who is not registered on the Distributor's CMS, the Distributor shall first register such prospective PPV Customer by ensuring that its CMS shall (in accordance with the Technical Specifications):

- (i) validate the prospective PPV Customer's Reception Address and Set Top Box number (in the manner reasonably required by SSSL from time to time);

- (ii) identify any prospective PPV Customer as a viewer in Commercial Premises or Residential Premises in accordance with the classification used by SSSL and notified to the Distributor from time to time; and
 - (iii) pass a request to entitle the prospective PPV Customer to be entitled to view the Distributor's PPV Events to the SCMS together with the prospective Subscriber's Reception Address, Set Top Box number and identification as a viewer in Commercial Premises or Residential Premises.
- 8.2 Upon receipt of a request under Paragraph 8.1(iii), SSSL shall either:
 - (i) issue an Access Card capable of being authorised to view the Distributor's PPV Events (subject to Access Card activation) to the prospective PPV Customer's Reception Address (where there is not already an Access Card associated with such Reception Address); or
 - (ii) authorise the relevant prospective PPV Customer's Access Card such that it is capable of being authorised to view the Distributor's PPV Events (where there is an existing Access Card associated with such Reception Address).
- 8.3 Upon completion by SSSL of the actions in Paragraph 8.2, prospective PPV Customers shall be able to order PPV Events by OPPV.
- 8.4 Where the Distributor also wishes for a PPV Customer to be enabled to order PPV Events by IPPV, it shall procure that its CMS shall send a relevant instruction to the SCMS which shall include the monthly level of credit to be extended to that PPV Customer. Upon receipt of such instruction, SSSL shall entitle that PPV Customer's Access Card such that they may order PPV Events by IPPV such that the credit level is not exceeded between each successful Callback (with such Callbacks being attempted on a monthly basis). The Distributor would only generally be expected to change the credit limit upon cancellation, suspension or reinstatement of a PPV Customer.
- 8.5 The Distributor acknowledges that SSSL's ability to enable the PPV Customer to request and order PPV Events via IPPV will be dependant on:
 - (i) the modem in the PPV Customer's Set Top Box being connected to a telephone line or broadband router and being fully operational; and
 - (ii) the PPV Customer having sufficient credit available on their Access Card in relation to the IPPV Services managed by the Distributor's CMS.
- 8.6 SSSL shall make available to the Distributor one or more CA Templates (being those CA Templates built pursuant to Paragraph 2.10 of this Schedule 2 or under a different, prior, agreement between the parties), which shall enable viewing of the Channel by PPV Customers who have been entitled on instruction sent from the Distributor's CMS to the SCMS.
- 8.7 The Distributor shall provide or procure the provision of scheduling information and conditional access event information (by way of scheduling the CA Template(s) and the CA Parameters) for the Channels in accordance with the Technical Specifications. SSSL shall ensure that such information results in the Channel(s) being encrypted where required by the relevant schedules. When the scheduling provided by the Distributor to SSSL has an appropriate CA Template associated with it, SSSL shall ensure that the CA Datastream shall enable viewing of PPV Events by PPV Customers entitled to view the PPV Event. SSSL shall be entitled to pass the scheduling information and conditional access event information provided by the Distributor to third parties to the extent necessary for the performance by SSSL of its obligations under this Agreement.
- 8.8 The scheduling and conditional access event information provided by the Distributor pursuant to Paragraph 8.7 shall be provided on a continuous basis such that, at all times, SSSL has all such information in respect of (at least) the next fourteen (14) day period.

- 8.9 SSSL shall incorporate any data necessary for the performance of the Services into the CA Datastream and shall procure that the CA Datastream is incorporated into the Platform Datastream. SSSL shall make the Platform Datastream available to the Distributor at SSSL's network router, located at SSSL's premises. The Distributor shall be responsible for transmitting or procuring the transmission of the Platform Datastream from SSSL's network router via an Approved Adaptation Hub, where the Platform Datastream shall attach to the broadcast stream for the Channel(s).
- 8.10 The Distributor shall, at its own cost, transmit or procure the transmission of the Platform Datastream on each satellite transponder which carries a satellite broadcast of any of the Channels listed in Annex A to which this Part C applies. If the Distributor has procured satellite transponder capacity directly from Sky in respect of such Channel(s), it shall be deemed to have complied with the foregoing requirement in respect of any such satellite transponder. The Distributor shall not and shall not permit any third party to interfere with, alter, add data to or remove data from the Platform Datastream or delay its transmission.
- 8.11 SSSL shall make the Platform Datastream available to all customers of SSSL's conditional access services and shall require such customers to transmit or procure the transmission of the Platform Datastream on a basis equivalent to that required of the Distributor by Paragraph 8.10.
- 8.12 SSSL may impose terms and conditions on PPV Customers in respect of the use of any Access Card issued pursuant to this Agreement. For the avoidance of doubt, such terms and conditions shall not include the payment of any charges to SSSL for any of the Channels.
- 8.13 The Distributor may impose terms and conditions on PPV Customers in respect of their entitlement to view PPV Events. The Distributor shall be responsible for all matters in relation to billing for its PPV Events.
- 8.14 SSSL shall ensure that the SCMS shall download records in relation to purchases of the Distributor's PPV Events to the Distributor's CMS not less than once each calendar month. This download shall include PPV Event purchases recorded as received by SCMS since the previous download.
- 8.15 The Distributor acknowledges that PPV Events scheduled by the Distributor may result in calls to Sky's contact centre and that SSSL therefore requires sufficient notice of PPV Events in order to take steps to mitigate any potential impact on Sky's contact centre. The Distributor further acknowledges that Sky incurs a cost for handling calls to its contact centre and preparing its contact centre to handle calls in relation to PPV Events.
- 8.16 The Distributor shall provide SSSL with at least six (6) weeks' notice of each PPV Event that is expected to attract over 10,000 purchases by PPV Customers on the Sky digital satellite platform. Where the Distributor provides less than six (6) weeks' notice, SSSL reserves the right not to provide PPV CA Services in respect of the PPV Event.
- 8.17 The Distributor shall pay the Charges set out in Paragraph 7 of Schedule 5 for each PPV Event that attracts over 10,000 purchases by PPV Customers and in respect of which the Distributor has provided SSSL with at least six (6) weeks' notice. The Distributor shall pay the Charges set out in Paragraph 8 of Schedule 5 for each PPV Event that attracts over 10,000 purchases by PPV Customers and in respect of which the Distributor has not provided SSSL with at least six (6) weeks' notice.
- 8.18 SSSL shall not impose charges under Paragraph 7 or Paragraph 8 of Schedule 5 in respect of any calls to Sky's contact centre in relation to a PPV Event that result from: (i) an act or omission of SSSL resulting in a technical fault on the Sky digital satellite platform; or (ii) an act or omission of SSSL resulting in SSSL failing to correctly entitle an Access Card for the PPV Event.
- 8.19 For each PPV Event that that attracts over 10,000 purchases by PPV Customers, SSSL reserves the right to impose the Charges set out in Paragraph 9 of Schedule 5.

- 8.20 SSSL shall, upon request, provide reasonable evidence for any Charges invoiced under Paragraph 7, Paragraph 8 or Paragraph 9 of Schedule 5 (Further Charges).

9. Periodic replacement cards

- 9.1 This Paragraph 9 shall not apply where a PPV Customer is also an active Subscriber to any Channels made available by the Distributor on a Subscription basis (in which case Paragraph 6 of this Schedule 2 shall apply).

- 9.2 SSSL shall give notice in writing to the Distributor informing the Distributor that it intends to issue Periodic Replacement Cards in respect of the Distributor's PPV Customers ("Swap Out Notice"). For Inactive PPV Customers for whom the Distributor does not wish SSSL to issue Periodic Replacement Cards, the Distributor shall, within two (2) months of the date of the Swap Out Notice:

- (i) permanently revoke the ability of such Inactive PPV Customers to purchase the Distributor's future PPV Events using their existing Access Cards; and
- (ii) de-register all Inactive PPV Customers in respect of the Distributor's PPV Channels.

For the avoidance of doubt, the Distributor shall carry out both (i) and (ii) above and not one or the other. For the further avoidance of doubt, carrying out such actions will result in the Distributor ceasing to be the Registered Parent (as that term is defined from time to time in the Technical Specifications) in respect of such Inactive PPV Customers.

- 9.3 SSSL shall, in the same time cycle as it issues Periodic Replacement Cards to PPV customers of third parties, also issue Periodic Replacement Cards to the Distributor's PPV Customers ("Card Changeover").

- 9.4 SSSL shall not issue Periodic Replacement Cards to the Distributor's PPV Customers under this Paragraph 9 if encryption has been removed from the Channel(s) pursuant to Paragraph 16 below for a continuous period of no less than three (3) months.

- 9.5 The Distributor shall pay the Charges set out in Paragraph 3 of Schedule 5 in respect of any Periodic Replacement Cards issued by SSSL pursuant to this Paragraph 9 of Schedule 2 to PPV Customers for which the Distributor is the Registered Parent (as that term is defined from time to time in the Technical Specifications).

- 9.6 Following completion of the Card Changeover process,

- 9.6.1 in the event that:

- (i) the Distributor's CMS requests the SCMS to re-entitle any one or more prospective PPV Customers which it had previously de-registered in accordance with Paragraph 9.2 above; and
- (ii) SSSL has reason to believe that such request is not the result of a genuine contact from the prospective PPV Customer attempting to purchase a PPV Event(s),

SSSL shall not be obliged to issue a new Access Card to any such prospective PPV Customer unless the Distributor is able to provide evidence which satisfies SSSL that the request results from a genuine contact from the prospective PPV Customer attempting to purchase the Distributor's PPV Event(s);

- 9.6.2 in the event that the Distributor's CMS requests the SCMS to re-entitle any one or more prospective PPV Customers which it had previously de-registered in accordance with Paragraph 9.2 above, and the SCMS consequently issues a new Access Card to such prospective PPV Customer, but the prospective PPV Customer does not purchase a PPV Event within 60 days of receipt of such Access Card, the Distributor shall pay to SSSL £12.50 for such Access Card (i.e. as if the card were a Periodic Replacement Card issued as part of the Card Changeover process).

10. FECM Datastream

- 10.1 SSSL shall procure that Sky transmits the FECM Datastream on the Sky EPG transponder. The Distributor shall use all reasonable endeavours to minimise the capacity required to transmit the FECM Datastream. The Distributor shall ensure that the FECM Datastream does not contain forward entitlement control messages for more than eighteen (18) programmes for each twenty four (24) hours of programmes broadcast on each Channel made available to PPV Customers.
- 10.2 The Distributor shall pay the Charges set out in Paragraph 4 of Schedule 5 in respect of the use of the FECM Datastream for first twenty (20) Channels that the Distributor distributes as PPV Channels. If the Distributor distributes more than twenty (20) Channels as PPV Channels, SSSL shall notify the Distributor of the relevant additional charge.

PART D: POST-ENCRYPTION OBLIGATIONS FOR ALL SUBSCRIPTION CHANNELS AND PPV CHANNELS

11. Applicability of Part D

Part D of this Schedule 2 shall apply in respect of all Channels listed in Annex A.

12. SCMS-CMS interface modifications, CMS business requirement modifications and CA Template builds and modifications

- 12.1 The Distributor may request modifications to its CMS business process requirements (including, without limitation, where the Distributor wishes to change its CMS service provider). The implementation of such modifications shall be carried out at a time and in a manner agreed with SSSL. SSSL shall on request provide reasonable assistance to the Distributor to assist the Distributor to specify modifications to its CMS business process requirements (which modifications shall include, without limitation, modifications to volumetric forecasts for Subscription Products and PPV Events, the structure of each Subscription Product, territorial blackout requirements, and details of the premises and viewer types to be supported by the CMS).
- 12.2 Once the parties have agreed what changes will be implemented under Paragraph 12.1, SSSL shall, within thirty (30) days, provide the Distributor with an indication of the time SSSL estimates it will take to implement such changes and what testing will be required.
- 12.3 The Distributor shall provide SSSL with such co-operation and assistance as SSSL may require in carrying out the agreed changes to the SCMS-CMS interface and/or CMS business process requirements, and shall ensure that any third party providing CMS services to the Distributor also provides such co-operation and assistance to SSSL. The Distributor shall not process live messages via the CMS-SCMS interface after such changes until SSSL and any third party CMS provider have confirmed that all necessary preparation, integration and testing work has been completed to each of their satisfaction.
- 12.4 The Distributor may request modification of an existing CA Template or the build of a new CA Template. The implementation of such modifications or new CA Template builds shall be carried out at a time and in a manner agreed with SSSL. SSSL shall, on request, provide reasonable assistance to the Distributor to assist the Distributor to specify its modified or new CA Template requirements to SSSL. Within thirty (30) days' of receipt from the Distributor of complete modified or new CA Template requirements, SSSL shall provide CA Template specifications to the Distributor for approval.
- 12.5 Once the Distributor has approved the CA Template specifications, SSSL shall, within thirty (30) days, provide the Distributor with an indication of the time SSSL estimates it will take to build or modify the relevant CA Templates and what testing will be required. The Distributor hereby acknowledges that the period for such build/modification shall, indicatively, be no less than one hundred and four (104) days before being available for live use. SSSL shall not release any CA Template to the Distributor prior to SSSL being satisfied that all necessary CA Template testing work has been completed to its satisfaction.

- 12.6 With respect to any changes to the SCMS-CMS interface, the Distributor shall pay the Charges specified in Paragraph 6 of Schedule 5 or such other charge as may be agreed between the parties. With respect to the material modification of existing CA Templates or the build of new CA Templates, the Distributor shall pay the Charges specified in Paragraph 2 of Schedule 5.

13. Discrepancies and reconciliations

- 13.1 The Distributor shall ensure that its CMS shall undertake no less frequently than annual reconciliations of its Subscriber and/or PPV Customer data with the SCMS and shall take such steps as SSSL may reasonably direct in order to retain and/or improve the integrity of both the SCMS data and the Distributor's Subscriber and/or PPV Customer data. The parties agree that they will share relevant data with each other to allow both parties to understand the integrity of both the SCMS data and the Distributor's Subscriber and/or PPV Customer data.
- 13.2 If any mail is returned to the Distributor undelivered from a Reception Address, the Distributor shall notify SSSL and re-validate the relevant Reception Address in accordance with procedures reasonably specified by SSSL from time to time.
- 13.3 In the event that the Distributor's CMS identifies a prospective Subscriber or PPV Customer (as the case may be) as being a viewer in Commercial Premises or Residential Premises and such categorisation does not accord with the categorisation of that prospective Subscriber on the SCMS or SSSL has reason to doubt the identification of prospective Subscriber, as a viewer in Commercial Premises or Residential Premises, SSSL shall not be required to entitle the prospective Subscriber with the Channel until the discrepancy has been resolved in accordance with SSSL's procedures (as amended from time to time).
- 13.4 In the event that a discrepancy of the type referred to in Paragraph 13.3 is identified (whether before or after entitlement), the Distributor shall provide SSSL with all reasonable assistance as SSSL may reasonably require in order to assist SSSL in resolving that discrepancy.

14. Intermediate Replacement Cards

- 14.1 The Distributor shall establish and record the reason for all requests for Intermediate Replacement Cards. The Distributor shall maintain a record of the number of Intermediate Replacement Cards issued to each Subscriber or PPV Customer and shall inform SSSL if more than two (2) Intermediate Replacement Cards are requested by any Subscriber or PPV Customer during the life cycle of a population of Access Cards.
- 14.2 Before requesting the SCMS to issue an Intermediate Replacement Card, the Distributor shall validate the relevant Subscriber's or PPV Customer's Reception Address (in the manner required by SSSL from time to time). After such validation, SSSL shall procure that the SCMS shall issue an Intermediate Replacement Card to the relevant Subscriber or PPV Customer, except that SSSL may refuse such request if the Subscriber or PPV Customer has requested an Intermediate Replacement Cards on two (2) or more previous occasions.
- 14.3 Where an Intermediate Replacement Cards is requested because an existing Access Card has been damaged, the Distributor shall request that the relevant Subscriber or PPV Customer returns each damaged Access Card in the envelope provided with the Intermediate Replacement Card to SSSL. SSSL shall be entitled to make the same request when issuing Intermediate Replacement Cards.
- 14.4 The Distributor shall pay the Charges set out in Paragraph 3 of Schedule 5 where the number of Intermediate Replacement Cards issued by SSSL pursuant to this Paragraph 14 of Schedule 2 in a calendar month exceeds 0.5% of the total number of Access Cards held by the Distributor's Subscribers and PPV Customers in that calendar month.

15. FTV CA Services

- 15.1 SSSL shall make a CA Template available to the Distributor which, when scheduled by the Distributor, shall enable viewing of the Channels via all active Access Cards ("FTV CA Template").
- 15.2 The Distributor shall be liable for Charges specified in the Published Price list in respect of FTV CA Services if the Distributor schedules the FTV CA Template, and broadcasts anything other than Promotional Slates using the FTV CA Template, for a period exceeding the Permitted FTV Period. The Permitted FTV Period shall be three (3) hours in each twenty four (24) hour period, plus two (2) Extended FTV Periods in each year of the Agreement (and for the purpose of this Paragraph 15 a year of the Agreement shall mean each period of 12 months, with the first year starting on the Commencement Date). "Promotional Slates" shall mean either a static image or a repeating sequence of static images (which may include transition effects) changing no more frequently than every two (2) seconds and which are:
- (i) not used to launch interactive applications, save for interactive applications the sole purpose of which is to enable viewers to purchase Subscriptions and/or PPV Events; and
 - (ii) are broadcast solely to promote viewing or subscription of the Channels (and not any other service).
- 15.3 The Distributor shall notify SSSL when it intends to first exceed or has in fact first exceeded the Permitted FTV Period. Once the Permitted FTV Period has been first exceeded, the full "per annum" Charge shall be payable by the Distributor in respect of FTV CA Services provided by SSSL in that year of the Agreement.
- 15.4 SSSL shall not be obliged to provide any data to the Distributor in respect of the number or identity of any Access Cards which are enabled to view the Channel(s) during the scheduling of the FTV CA Template.

16. Removal and restoration of encryption

- 16.1 The Distributor may, by service of notice(s) on SSSL, ask SSSL to manually remove encryption from any Channel and, at the Distributor's option, to restore encryption at a later time. The Distributor's notice shall specify:
- (i) the Channel(s) in respect of which the encryption is to be removed and restored; and
 - (ii) the proposed date and time at which encryption is to be removed and/or the proposed date and time (being a time no sooner than twenty four (24) hours after the time at which encryption is to be removed) at which encryption is to be restored.
- 16.2 SSSL shall comply with requests received pursuant to Paragraph 16.1 provided that:
- (i) the Distributor has given SSSL no less than two (2) weeks' notice;
 - (ii) the time(s) at which the Distributor wishes to remove and/or restore encryption fall (a) between a Monday and a Thursday and during normal business hours; (b) not during a Platform Freeze and; (c) not on a date which falls within a period in which SSSL and/or Sky intend to carry out material changes to the EPG or other related platform arrangements. SSSL shall inform the Distributor as soon as reasonably practicable following receipt of a request made pursuant to Paragraph 16.1 where Paragraph 16.2(ii)(c) applies;
 - (iii) SSSL has not previously removed and restored encryption on the Distributor's Channel(s) in the period of twelve (12) months preceding the Distributor's notice.
- 16.3 Where the criteria specified in Paragraph 16.2 does not apply, SSSL may comply with a request received pursuant to Paragraph 16.1 in its discretion.

- 16.4 The Distributor acknowledges that, for the period of time in which encryption is removed from a Channel, it will be available to any viewer with a relevant digital satellite receiver inside and outside the Territory.
- 16.5 If a Channel remains unencrypted for a continuous period of three (3) months or more, SSSL may terminate this Agreement with respect to such Channel by service of notice in writing on the Distributor having effect forthwith.
- 16.6 The Distributor shall pay the Charges set out in Paragraph 5 of Schedule 5 in respect of the removal and/or the removal and restoration of encryption pursuant to Paragraph 16 of Schedule 2.

17. CMS and SCMS downtime

- 17.1 In scheduling SCMS downtime, SSSL shall take into account the anticipated level of platform activity generated by the Distributor and all Third Parties and shall use reasonable endeavours to schedule such downtime in a manner that takes into account the impact of such downtime on the Distributor and all Third Parties. SSSL shall provide not less than twenty four (24) hours' notice in writing to the CMS technical point of contact of any scheduled SCMS downtime.
- 17.2 The Distributor shall notify the SCMS technical point of contact as soon as reasonably practicable of any unplanned disruption to the connection between the Distributor's CMS and the SCMS (for example, due to CMS system failure or telecommunications disruption).
- 17.3 The Distributor shall provide not less than twenty four (24) hours' notice in writing to the SCMS technical point of contact of any scheduled periods during which the connection between the Distributor's CMS and the SCMS is not to be maintained for any reason (e.g. planned CMS maintenance).

PART E: REGIONALISATION SERVICES

18. Applicability of Part E

Part E of this Schedule 2 shall only apply in respect of Channels listed in Annex A as being Channels to which this Part applies.

19. Regionalisation and viewer types

- 19.1 The EPG version displayed before an active Access Card has been inserted into a Set Top Box shall be referred to in this Agreement as the "Default Bouquet".
- 19.2 When an active Access Card has been inserted into a relevant Set Top Box, the version of the EPG channel line up displayed is determined according to:
- (i) the region in the Territory in which the Reception Address for the relevant Access Card is located (and each such EPG version shall be referred to in this Agreement as a "Sub-Bouquet", with the relevant regions being determined by SSSL from time to time); and
 - (ii) whether the Access Card is associated with Residential Premises or Commercial Premises (and in this Agreement each group of EPG versions shall be referred to as a "Bouquet", where the "Standard Bouquet" is displayed in respect of Access Cards associated with Residential Premises, and the "Commercial Bouquet" is displayed in respect of Access Cards associated with Commercial Premises).
- 19.3 Subject to Paragraph 19.7, SSSL shall apply regionalisation to the Channels in the manner set out in Annex A.
- 19.4 The Distributor may request changes to the boundaries of any region. SSSL shall consider such requests in good faith and shall inform the Distributor of its decision without undue delay.

- 19.5 Nothing in this Agreement shall restrict the ability of SSSL to determine or vary the precise boundaries of any region, except that no such variation shall result in material changes to the regionalisation set out in Annex A without the Distributor's consent.
- 19.6 The Distributor shall pay the Charges published in SSSL's Published Price List, which may be varied by SSSL in accordance with Clause 7, in respect of its use of Regionalisation Services.
- 19.7 Subject to the Distributor and the broadcaster of the Channel exercising any opt out(s) available pursuant to the Listing Methodology, where a standard definition television channel has an HD Simulcast (as defined in the Listing Methodology), Sky shall swap the channel number of the channels in accordance with this Paragraph 19.7 such that the HD Simulcast is listed at the higher EPG position. Accordingly, in the event that:
- 19.7.1 the Channel is broadcast in standard definition format and an HD Simulcast of the Channel is listed below the Channel in the EPG, then if both channels are broadcast by the same broadcaster or two broadcasters within the same wholly owned corporate group:
- (i) unless Paragraph 19.7.1(ii) below applies, the channel number of the Channel shall be swapped with the channel number of the HD Simulcast in the version of the EPG line up made available to viewers in Residential Premises and Commercial Premises with high definition Set Top Boxes; or
 - (ii) if such HD Simulcast is distributed on a pay-TV basis in a different pay-TV package to the Channel (including where the Channel is broadcast on a non-pay TV basis), the channel number of the Channel (as specified in Annex A) shall be swapped with the channel number of the HD Simulcast in the version of the EPG line up made available to viewers in Residential Premises and Commercial Premises with high definition Set Top Boxes who are entitled to view such HD Simulcast; and
 - (iii) with effect from 1 May 2018 (or such later date as notified by Sky in writing) in either of the circumstances outlined at (i) and (ii) above, the Secondary Channel (as defined in the Listing Methodology) shall be moved to the appropriate number range for Secondary Channels (as described in the Listing Methodology);
- 19.7.2 the Channel is an HD Simulcast of another channel broadcast in standard definition format and the Channel is listed in the EPG below such other channel, then if both channels are broadcast by the same broadcaster or two broadcasters within the same wholly owned corporate group:
- (i) unless Paragraph 19.7.2(ii) below applies, the channel number of the Channel shall be swapped with the channel number of the channel broadcast in standard definition format in the version of the EPG line up made available to viewers in Residential Premises and Commercial Premises with high definition Set Top Boxes; or
 - (ii) if the Channel is distributed on a pay-TV basis in a different pay-TV package to the channel broadcast in standard definition format (including where the channel broadcast in standard definition format is broadcast on a non-pay TV basis), the channel number of the Channel (as specified in Annex A) shall be swapped with the channel number of the channel broadcast in standard definition format in the version of the EPG line up made available to viewers in Residential Premises and Commercial Premises with high definition Set Top Boxes who are entitled to view the Channel; and

- (iii) with effect from 1 May 2018 (or such later date as notified by Sky in writing) in either of the circumstances outlined at (i) and (ii) above, the Secondary Channel (as defined in the Listing Methodology) shall be moved to the appropriate number range for Secondary Channels (as described in the Listing Methodology).

PART F: SERVICE CHANGES

20. Applicability of Part C

Part F of this Schedule 2 shall apply in respect of all Channels listed in Annex A.

21. Service changes

- 21.1 The Distributor may request that SSSL implement operational changes (including without limitation, the encryption of new channel(s) using existing CA Templates) not set out in this Schedule 2.
- 21.2 Such changes will be undertaken as agreed between the parties. The Distributor shall pay the Charges set out in Paragraph 6 of Schedule 5 in respect of such changes, or such other Charges as are notified by SSSL prior to undertaking the relevant work.

SCHEDULE 3

SPECIFICATIONS

PART A - TECHNICAL SPECIFICATIONS

The following documents, as amended from time to time:

1. The Distributors Reference Guide to CA Services, comprising:
Introduction to the Distributors Reference Guide to CA Services.
Sky Contacts.
Distributor's Technical Set Up.
Sky Fault Handling Procedures.
2. Subscriber Management Architecture Specifications, comprising:
Subscriber Management Architecture, Architecture Overview.
Subscriber Management Architecture, CMS-SCMS Interface Specification and Additional Information.
3. Broadcasters Reference Guide to EPG Services, comprising:
Introduction to the Broadcasters' Reference Guide to EPG Services.
Broadcast Adaptation Requirements.
Broadcaster's Technical Set Up.
Sky TV Guide Content Specification.
Winter/Summer Changeover Guidelines.
Digital Broadcaster's Flat File Interface Specification.
Operational Guide.
Broadcaster's Connectivity Guidelines and Specification.
BFS Remote Access.
Sky Fault Handling Procedures.
Sky Contacts.
EPG Metadata Augmentation.
4. Generic Automation Synchronisation, Interface Specification (where applicable).

PART B - BROADCAST REQUIREMENTS

The following documents, as amended from time to time:

1. ISO/IEC IS 13818-1/-2/-3: "Information technology - Generic coding of moving pictures and associated audio - Part 1: Systems; Part 2: Video and Part 3: Audio".

Video encoded bit-streams shall comply with the Main Profile Main Level restrictions as described in ISO/IEC 13818-2 [2], Section 8.2
2. ETSI EN 300 421 "Digital broadcasting systems for television, sound and data services, framing structure, channel coding and modulation for 11/12GHz satellite services".
3. ETSI TR 101 154 Digital Video Broadcasting (DVB); Implementation guidelines for the use of MPEG-2 Systems, Video and Audio in satellite, cable and terrestrial broadcasting applications.

The audio shall be encoded in any one of the modes specified in Section 6.1 of ETSI TR 101 154. For MPEG-2 encoded bit-streams with total bit-rates greater than 448kbit/s for Layer 1 or 384kbit/s for Layer II, an extension bit-stream shall be used. The bit-rate of that extension may be in the range 0 to 384kbit/s.

4. ETSI EN 300 468, "Digital broadcasting systems for television, sound and data services, specification for Service Information (SI) in Digital Video Broadcasting (DVB) Systems"
5. ETSI EN 300 472, "Digital Video Broadcasting (DVB); Specification for conveying ITU-R System B Teletext in DVB bitstreams"

And, additionally, in respect of Channels which are broadcast in High Definition Format, the following documents, as amended from time to time:

6. Sky High Definition and 3D Television, Broadcast Guidelines (as applicable to Channels which are broadcast in High Definition Format).
7. ISO/IEC 14496-10: "Information Technology - Generic Coding of moving pictures and associated audio - Part 10: Advanced Video Coding". / ITU-T Rec.H.264.
8. ISO/IEC 13818-1: 2000/Amendment 3:(2004) "Transport of AVC video data over ITU-T Recommendation H.222.0 | ISO/IEC 13818-1 streams.

And, additionally, in respect of Channels which are broadcast in 3D Format, the following documents, as amended from time to time:

9. Sky High Definition and 3D Television, Broadcast Guidelines (as applicable to Channels which are broadcast in 3D Format).

SCHEDULE 4

SERVICE FAILURES AND SERVICE CREDITS

1. Service Failures in respect of Subscription CA Services and/or PPV CA Services

A Service Failure in respect of the Subscription CA Services and/or PPV CA Services shall have occurred if, due to an act or omission of SSSL:

- (i) twenty five per cent (25%) or more of the Access Cards which should be entitled to view a Subscription Product or PPV Event are not so entitled;
- (ii) five thousand (5,000) or more Access Cards which should not be entitled to view a Subscription Product or PPV Event are so entitled or such Access Cards are otherwise able to decrypt and display any Channel;
- (iii) any relevant Channel which should be entitled as part of a Subscription Product or PPV Event ceases to be encrypted entirely, such that it is broadcast free to air; or
- (iv) any Channel (or variant of a Channel) which should be entitled as part of a Subscription Product or PPV Event becomes available via all active Access Cards when it should only be available via an sub-set of such Access Cards,

and, in each case, the fault persists for no less than three (3) consecutive minutes.

2. Service Failures in respect of Regionalisation Services

A Service Failure in respect of the Regionalisation Services shall have occurred if, due to an act or omission of SSSL:

- (i) the incorrect variant of the Channel appears in the EPG version available via twenty five per cent (25%) or more of the Set Top Boxes in which Access Cards are inserted; or
- (ii) no version of the Channel appears in the EPG version available via twenty five per cent (25%) or more of the Set Top Boxes in which Access Cards are inserted where such EPG version should, in accordance with Annex A, include the Channel,

and, in each case, the fault persists for no less than ten (10) consecutive minutes.

3. Service Credits

Service Credits awarded by SSSL to the Distributor in accordance with Clause 4 for Service Failures in respect of the Subscription CA Services and/or PPV CA Services shall be calculated on the basis set out below:

- (i) in respect of the Subscription CA Services:
Number of minutes during which the Service Failure persists x Charges payable for the Subscription CA Services provided in respect of the affected Subscribers for the month during which the Service Failure commenced x 0.00002283105; and
- (ii) in respect of the PPV CA Services:
Number of minutes during which the Service Failure persists, divided by the total duration of the affected PPV Event (in minutes) x Charges payable for the PPV CA Services provided in respect of the affected PPV Event during which the Service Failure occurred; and
- (iii) in respect of the Regionalisation Services:
Number of minutes during which the Service Failure persists x annual Charges payable in respect of the Regionalisation Services in respect of the affected Channel at the time of commencement of the Service Failure x 0.00000190258.

SCHEDULE 5

FURTHER CHARGES

1. CMS integration and initial CA Templates (Paragraph 3 of Schedule 2): £50,000 or such other amount as may be notified by SSSL pursuant to Paragraph 3.2 of Schedule 2.
2. New CA Templates and material modifications to existing CA Templates (Paragraphs 3.1 and 12.4 of Schedule 2): £2,000 per CA Template.
3. Replacement Cards (Paragraphs 9.5 and 14.4 of Schedule 2): £12.50 per Access Card.
4. Use of the FECM Datastream (Paragraph 10.2 of Schedule 2): £25,000 per annum for up to twenty (20) PPV Channels.
5. Removal (and, at the Distributor's option, restoration) of encryption: £1,000 where provided pursuant to Paragraph 16.2 of Schedule 2, and £2,000 where provided at SSSL's discretion pursuant to Paragraph 16.3 of Schedule 2.
6. Any other work (including under Paragraphs 12 and 21 of Schedule 2): £800 per man/day, or as otherwise notified by SSSL prior to undertaking the relevant work.
7. Sky contact centre costs associated with handling calls for a PPV Event scheduled by the Distributor: five pounds (£5) for each telephone call handled by the Sky contact centre, such Charge only to be payable once five-hundred (500) telephone calls have been received in respect of the PPV Event. For the avoidance of doubt, once five-hundred (500) telephone calls have been received in respect of the PPV Event, the Charge shall be payable in respect of all such calls and not just those in excess of five-hundred (500).
8. Sky contact centre costs associated with handling calls for a PPV Event scheduled by the Distributor: ten pounds (£10) for each telephone call handled by the Sky contact centre, such Charge only to be payable once five-hundred (500) telephone calls have been received in respect of the PPV Event. For the avoidance of doubt, once five-hundred (500) telephone calls have been received in respect of the PPV Event, the Charge shall be payable in respect of all such calls and not just those in excess of five-hundred (500).
9. Sky contact centre costs associated with preparing the Sky contact centre to handle calls in relation to a PPV Event by the Distributor: No greater than £20,000 for each PPV Event that that attracts over 10,000 purchases by PPV Customers.
10. Sky contact centre costs associated with handling calls for a Subscription-Driving Event scheduled by the Distributor: five pounds (£5) for each telephone call handled by the Sky contact centre, such Charge only to be payable once five-hundred (500) telephone calls have been received in respect of the Subscription-Driving Event. For the avoidance of doubt, once five-hundred (500) telephone calls have been received in respect of the Subscription-Driving Event, the Charge shall be payable in respect of all such calls and not just those in excess of five-hundred (500).
11. Sky contact centre costs associated with handling calls for a Subscription-Driving Event scheduled by the Distributor: ten pounds (£10) for each telephone call handled by the Sky contact centre, such Charge only to be payable once five-hundred (500) telephone calls have been received in respect of the Subscription-Driving Event. For the avoidance of doubt, once five-hundred (500) telephone calls have been received in respect of the Subscription-Driving Event, the Charge shall be payable in respect of all such calls and not just those in excess of five-hundred (500).
12. Sky contact centre costs associated with preparing the Sky contact centre to handle calls in relation to a Subscription-Driving Event by the Distributor: No greater than £20,000 for each Subscription-Driving Event.

ATTACHMENT 1

