

Terms and conditions which should compulsorily form part of Reference Interconnect Offers for interconnection for the addressable platforms

Turner International India Private Limited (“Broadcaster”)

Name of the [DTH/IPTV/HITS] Operator [_____] (“Operator”)

Licence Fee	<p>For each month or part thereof during the Term of the agreement, the Operator shall pay to the Broadcaster the Monthly Licence Fee which shall be the Rate multiplied by the Monthly Average Subscriber Level.</p> <p>The a-la-carte and bouquet “Rate” per Subscriber is set out in Annexure to this RIO. The rates mentioned in the Annexure to this RIO, as referred to above, are exclusive of all taxes and levies.</p> <p>The “Monthly Average Subscriber Level” is equal to the sum of the number of subscribers on the first and last day of the month in question divided by two.</p> <p>For the purpose of calculation of the Monthly License Fee payable to the Broadcaster, “Subscriber” means, for any calendar month, each Set Top Box, which is availing the Channel(s) of the Broadcaster through the Operator.</p> <p><u>Calculation of License Fee:</u></p> <p>I. In case the Operator avails one or more Bouquet(s) of Broadcaster:</p> <p>(a) If the Operator is providing the Bouquet(s) as a whole to its subscribers, the Monthly License Fee for such Bouquet(s) shall be equal to the Bouquet rate as set out in the Annexure multiplied by the number of monthly average number of subscribers availing the Bouquet(s).</p> <p>(b) if the Operator does not offer such opted bouquet(s) as a whole to its subscriber but offers only certain channels comprised in such bouquet or packages the channels comprised in such opted bouquet in a manner resulting in different subscriber base for different channels comprised in such opted bouquet, then the payment to the Broadcaster for such entire opted bouquet by the Operator, shall be calculated on the basis of subscriber base for the channel which has highest subscriber base amongst the channels comprised in the bouquet.</p>
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	<p>II. In case a Operator avails one or more or all channels of the Broadcaster on ala carte rate basis:</p> <p>(a) If the Operator is providing the channels on ala carte basis to its subscribers, the Monthly License Fee for such ala carte channels shall be equal to the ala carte rate as set out in the Annexure multiplied by the number of monthly average number of subscribers availing the channels on ala carte basis.</p> <p>(b) if the Operator does not offer such opted ala carte channel(s) as ala carte to its subscriber but offers the ala carte channel (s) in packages, then the payment to the Broadcaster for each of the ala carte channels, shall be calculated on the basis of subscriber base of the package in which such opted ala carte channel has been placed.</p> <p>III. In case a Operator avails one or more channels on ala carte rate basis and also opts for different Bouquet(s) not comprising of channels opted on ala carte basis of the Broadcaster:</p> <p>(a) For bouquet(s), the monthly license fee shall be calculated on the basis of sub clause I above.</p> <p>(b) For ala carte channels, the monthly license fee shall be calculated on the basis of sub clause II above.</p> <p>Payment of the License Fee shall be subject to deduction of any withholding tax/ TDS in accordance with the provisions of the Indian Income Tax Act, 1961, as amended from time to time.</p>
<p>Payment Terms</p>	<p>The Monthly Licence Fee shall be paid monthly in arrears within fifteen (15) days of receipt of invoice raised on the basis of report of the Operator by the Broadcaster without any deduction except deduction of withholding tax/TDS as provided in this RIO.</p> <p>Within seven days of end of each month, the Operator shall provide opening, closing and average number of subscribers for that month, based on which the Broadcaster) shall raise an invoice on the Operator. In case the Operator fails to send the report within the said period of seven days, the Broadcaster shall have the right to raise a provisional invoice and the Operator shall be under obligation to pay the license fee on the basis of such</p>

	<p>provisional invoice in accordance with the terms of this clause. However the provisional invoice shall be for an amount not more than the monthly license fee payable by the Operator for the immediately preceding month. On receipt of the report from the Operator, the parties would conduct reconciliation between the provisional invoice raised by the Broadcaster and the report sent by the Operator.</p> <p>The Operator shall be required to make payments by the Due Date in accordance with the terms hereof, and any failure to do so on the part of the Operator shall constitute a material breach hereunder. Late payments shall also attract interest calculated from the date payment was due until the date payment is made in full at a pro rata monthly rate of 18 %. The imposition and collection of interest on late payments does not constitute a waiver of the Operator's obligation to pay the License Fee by the Due Date, and the Broadcaster shall retain all of its other rights and remedies under the Agreement.</p> <p>All Licence Fee payments hereunder are exclusive of all applicable indirect taxes including all and any service taxes, VAT, works contract taxes, customs duties, excise duties, entertainment taxes and other such taxes. All such taxes shall be at Operator's cost and will be charged at the prevailing rates by the Broadcaster to the Operator.</p> <p>If payment of the Licence Fee is subject to deduction of any withholding tax/TDS in accordance with the provisions of the Indian Income Tax Act 1961, as amended, the Operator shall provide tax withholding certificates to the Broadcaster within such period as has been specified in the Income Tax Act/ Rules/ Notifications/ Circulars issued thereunder.</p>
<p>Delivery and Security</p>	<p>All the Broadcaster's Channels must be delivered by Operator to subscribers in a securely encrypted manner and without any alteration.</p> <p>The uplink specifications, satellite capacity and infrastructure allocated by Operator in respect of the broadcast signal of the Broadcaster's Channels by Operator to its subscribers shall be no worse than that of the broadcast signal of any other channel within the same genre on its platform.</p>

Anti- Piracy

In order to prevent theft, piracy, unauthorized retransmissions, redistribution or exhibition, copying or duplication of any Channel, in whole or in part, (hereinafter collectively referred to as "Piracy"), the Operator shall, prior to the commencement of the Term of the agreement and at all times during such Term, employ, maintain, and enforce fully effective conditional access delivery and content protection and security systems, and related physical security and operational procedures (hereinafter collectively referred to as the "Security Systems") as may be specified (security specifications), in a non-discriminatory manner in writing, from time to time, by the Broadcaster.

To ensure the Operator's ongoing compliance with the security requirements set out in the Agreement, the Broadcaster may require technical audits ("Technical Audit(s)") conducted by an independent security technology auditor ("Technical Auditor"), approved by the Broadcaster in writing no more than twice per year during the Term, at the Broadcaster's cost and expense. If the results of any Technical Audit are not found to be satisfactory by either the Operator or the Broadcaster, then the Broadcaster shall work with the Operator in resolving this issue in the next fourteen (14) business days. If a solution is not reached at by then, the Broadcaster may, in its sole discretion, suspend the Operator's right to distribute the Channels or take other actions as provided under the Agreement, until such systems, procedures and security measures have been corrected to the Broadcaster's satisfaction. The Operator shall bear the cost and expense of any subsequent Technical Audit to verify that the systems, procedures and security measures have been corrected by the Operator to the Broadcaster's satisfaction.

The Operator shall deploy finger printing mechanisms to detect any piracy, violation of copyright and unauthorized viewing of the Channels, distributed / transmitted through its Platform at least every 10 minutes on 24 x 7 x 365(6) basis.

The Operator shall not authorize, cause or suffer any portion of any of the Channels to be recorded, duplicated, cablecast, exhibited or otherwise used for any purpose other than for distribution by the Operator at the time the Channels are made available. If the Operator becomes aware that any unauthorized third party is

	<p>recording, duplicating, cable casting, exhibiting or otherwise using any or all of the Channels for any other purpose, the Operator shall within ten minutes of so becoming aware of such recording, duplicating, cable casting, exhibiting or otherwise using any or all of the Channels for any other purpose, notify the Broadcaster and the Operator shall also switch off the concerned Set Top Box to prevent such unauthorized use. However, use of a Set Top Box with Personal Video Recorder / Digital Video Recorder facility which has been supplied by the Operator shall not be treated as unauthorized use, as long as such Set Top Box is used in accordance with the terms and conditions of the subscription agreement between the Operator and the subscriber. If so instructed by Information (as defined below) by the Broadcaster), the Operator shall shut off or de-authorize the transmission to any unauthorized subscriber/ subscriber indulging in piracy, within ten minutes from the time it receives such instruction from the Broadcaster. Any communication under this clause shall be considered as valid Information only if (i) the information is sent through e mail in a format as mutually agreed by the parties and (ii) the information is sent by a person(s) who is designated to send such information. However the "information" may even be provided by Broadcaster representatives through other means of communications such as telephonic message, fax etc and the said "information" shall later be confirmed by the Broadcaster through e mail and the Operator shall be under obligation to act upon such information.</p>
<p>Reports</p>	<p>The Operator will maintain at its own expense a subscriber management system ("SMS") which should be fully integrated with the CAS (Conditional Access System).</p> <p>The Operator shall provide to the Broadcaster complete and accurate opening and closing subscriber monthly reports for the Broadcaster's Channels and the tier and/or package containing the Broadcaster's Channels within seven (7) days from the end of each month in the format provided by the Broadcaster.</p> <p>Such reports shall specify all information required to calculate the Monthly Average Subscriber Level (including but not limited to the number of Subscribers for each the Broadcaster's Channel and each package in which a the Broadcaster's Channel is included and the Licence</p>

	<p>Fees payable to the Broadcaster and shall be signed and attested by an officer of the Operator of a rank not less than Head of Department/Chief Financial Officer who shall certify that all information in the Report is true and correct.</p>
<p>Audit</p>	<p>The Broadcaster's representatives shall have the right, not more than twice in a calendar year, to review and / or audit the subscriber management system, conditional access system, other related systems and records of Subscriber Management System of the Operator relating to the Channel(s) provided by the broadcaster for the purpose of verifying the amounts properly payable to the Broadcaster under the Agreement, the information contained in Subscriber Reports and full compliance with the terms and conditions of the Agreement. If such review and or audit reveals that additional fees are payable to the Broadcaster, the Operator shall immediately pay such fees, as increased by the Late Payment Interest Rate. If any fees due for any period exceed the fees reported by the Operator to be due for such period by two (2) percent or more, the Operator shall pay all of the Broadcaster's costs incurred in connection with such review and / or audit, and take any necessary actions to avoid such errors in the future.</p> <p>The Operator shall remain the sole owner and holder of all customer databases compiled by the Operator under the Agreement.</p> <p>The Operator will maintain at its own expense a subscriber management system ("SMS") capable of, at a minimum:</p> <ul style="list-style-type: none"> (i) maintaining a computerized customer database capable of recording adequate details of each Subscriber, including name, address, chosen method of payment and billing; (ii) administering subscriptions of Subscribers by producing and distributing contracts for new Subscribers and setting up and maintaining an infrastructure whereby Subscriber contracts are collected and recorded in the SMS database for ongoing administration; (iii) handling all ongoing administrative functions in relation to Subscribers, including, without limitation, billing and collection of subscription payments, credit control, sales enquiries and handling of complaints;

	<p>(iv) administering payments of any commission fees from time to time payable to the Operator's authorised agents for the sale to Subscribers of programming packages;</p> <p>(v) obtaining and distributing receivers and smartcards, if applicable, to Subscribers, and issue replacement smartcards from time to time in its discretion; and</p> <p>(vi) enable new Subscribers via the SMS over-the-air addressing system and disable defaulting Subscribers from time to time in its discretion.</p>
<p>Term</p>	<p>As mutually agreed between the Broadcaster and the Operator subject to a minimum of One (1) Year from the date of signing of the Agreement unless terminated earlier in accordance with the Agreement.</p> <p>The Term of the Agreement may be extended on terms and conditions to be mutually agreed and recorded in writing between the parties.</p>
<p>Termination</p>	<p>Either Party has a right to terminate this Agreement by a written notice, subject to applicable Law, to the other in the event of:</p> <ol style="list-style-type: none"> 1. Material breach of this Agreement by the other Party which has not been cured within thirty (30) days of being required in writing to do so; 2. The bankruptcy, insolvency or appointment of receiver over the assets of the other Party; 3. The licence or any other material licence necessary for the Operator to operate its service being revoked at anytime other than due to the fault of the Operator. <p>The Broadcaster shall have the right to terminate this Agreement by a written notice to the Operator if</p> <p>(i) The Operator breaches any of the Anti Piracy Requirements and fails to cure such breach within ten (10) days of being required in writing to do so; or</p> <p>(ii) The Broadcaster) discontinues the Broadcaster's Channels with respect to all distributors in the Territory and provides the Operator with at least ninety (90) days</p>

	<p>prior written notice.</p> <p>The Operator shall have the right to terminate this Agreement on written notice to the Broadcaster if the Operator discontinues its business and provides at least ninety (90) days prior written notice.</p>
Jurisdiction	<p>The Governing Law shall be the Indian Law and TDSAT, shall have exclusive jurisdiction in respect of any dispute between the parties, arising out of /in connection with or as a result of the Agreement.</p>

Website Only

ANNEXURE TO SCHEDULE- III

LICENCE FEE RATES

(A) A LA CARTE RATE

Channel (Rs.)	Rate to the Operator per subscriber per television set per month (In Rupees)
HBO HD	35

(B) BOUQUET RATES

BOUQUET - 1

Channels	Rate to the Operator per subscriber per television set per month
1.	

BOUQUET 2

Channels	Rate to the Operator per subscriber per television set per month
1.	

BOUQUET 3

Channels	Rate to the Operator per subscriber per television set per month
1.	

Schedule IV

Specifications for Set-Top-Boxes (STBs), Conditional Access System (CAS) & Subscribers Management System (SMS) for implementation of Digital Addressable Systems

(A) STB Requirements:

1. All the STBs should have embedded Conditional Access.
2. The STB should be capable of decrypting the Conditional Access inserted by the Headend.
3. The STB should be capable of doing Finger printing. The STB should support both Entitlement Control Message (ECM) & Entitlement Management Message (EMM) based fingerprinting.
4. The STB should be individually addressable from the Headend.
5. The STB should be able to take the messaging from the Headend.
6. The messaging character length should be minimal 120 characters.
7. There should be provision for the global messaging, group messaging and the individual STB messaging.
8. The STB should have forced messaging capability.
9. The STB must be BIS compliant.
10. There should be a system in place to secure content between decryption & decompression within the STB.
11. The STBs should be addressable over the air to facilitate Over The Air (OTA) software upgrade.

(B) Fingerprinting Requirements:

1. The finger printing should not be removable by pressing any key on the remote.
2. The Finger printing should be on the top most layer of the video.
3. The Finger printing should be such that it can identify the unique STB number or the unique Viewing Card (VC) number.
4. The Finger printing should appear on all the screens of the STB, such as Menu, EPG etc.

5. The location of the Finger printing should be changeable from the Headend and should be random on the viewing device.
6. The Finger printing should be able to give the numbers of characters as to identify the unique STB and/ or the VC.
7. The Finger printing should be possible on global as well as on the individual STB basis.
8. The Overt finger printing and On-screen display (OSD) messages of the respective broadcasters should be displayed by the MSO/LCO without any alteration with regard to the time, location, duration and frequency.
9. No common interface Customer Premises Equipment (CPE) to be used.
10. The STB should have a provision that OSD is never disabled.

(C) CAS & SMS Requirements:

1. The current version of the conditional access system should not have any history of the hacking.
2. The fingerprinting should not get invalidated by use of any device or software.
3. The STB & VC should be paired from head-end to ensure security.
4. The SMS and CA should be integrated for activation and deactivation process from SMS to be simultaneously done through both the systems. Further, the CA system should be independently capable of generating log of all activations and deactivations.
5. The CA company should be known to have capability of upgrading the CA in case of a known incidence of the hacking.
6. The SMS & CAS should be capable of individually addressing subscribers, on a channel by channel and STB by STB basis.
7. The SMS should be computerized and capable to record the vital information and data concerning the subscribers such as:
 - a. Unique Customer Id
 - b. Subscription Contract no
 - c. Name of the subscriber
 - d. Billing Address
 - e. Installation Address
 - f. Landline no

- g. Mobile No
- h. Email id
- i. Service /Package subscribed to
- j. Unique STB No
- k. Unique VC No

8. The SMS should be able to undertake the:

- a. Viewing and printing historical data in terms of the activations, deactivations etc
- b. Location of each and every set top box/VC unit
- c. The SMS should be capable of giving the reporting at any desired time about:
 - i. The total no subscribers authorized
 - ii. The total no of subscribers on the network
 - iii. The total no of subscribers subscribing to a particular service at any particular date.
 - iv. The details of channels opted by subscriber on a-la carte basis.
 - v. The package wise details of the channels in the package.
 - vi. The package wise subscriber numbers.
 - vii. The ageing of the subscriber on the particular channel or package
 - viii. The history of all the above mentioned data for the period of the last 2 years

9. The SMS and CAS should be able to handle at least one million concurrent subscribers on the system.

10. Both CA & SMS systems should be of reputed organization and should have been currently in use by other pay television services that have an aggregate of at least one million subscribers in the global pay TV market.

11. The CAS system provider should be able to provide monthly log of the activations on a particular channel or on the particular package.

12. The SMS should be able to generate itemized billing such as content cost, rental of the equipments, taxes etc.

13. The CA & SMS system suppliers should have the technical capability in India to be able to maintain the system on 24x7 basis throughout the year.

14. CAS & SMS should have provision to tag and blacklist VC numbers and STB numbers that have been involved in piracy in the past to ensure that the VC or the STB cannot be re-deployed. ”.