

REFERENCE INTERCONNECT OFFER FOR DIRECT TO HOME SERVICES

This Reference Interconnect Offer (“RIO ”), inter alia, provides broad technical and commercial terms and conditions which an Affiliate would need to satisfy to obtain interconnection from Sahara India TV Network SITV for Direct to Home(‘DTH’) Services.

1. Preliminary Requirements

 1. Depending on its category, the Affiliate would need to provide to SITV the documents specified in Annexure ‘A’ below.
 2. The Affiliate shall also provide the specifications of the encryption systems (the “Encryption System”) to encrypt content on the Platform.
 3. The Affiliate shall further provide all other technical specifications of the Subscriber Management Systems and provide other details necessary to satisfy the Subscriber Report and Anti Piracy requirements set forth in this RIO.
- 2.. Affiliate Registration

Along with the request for entering into an interconnection agreement, the Affiliate must provide a certified copy of the valid license certificate/license issued by the Ministry of Information and Broadcasting, India authorising the Affiliate to operate a Direct to Home Network. Any requests made without a copy of a valid license to operate a DTH network shall not be entertained. The Affiliate would further need to undertake that the registration certificate would be renewed before expiry.
3. Agreement

Subject to satisfactory fulfilment of the requirements specified in ‘1 and 2’ above, Affiliate agrees to enter into an Agreement as per this RIO or on mutually agreeable terms and conditions (“Agreement”), which would govern the relationship between SITV and the concerned Affiliate (“Affiliate”).
4. Rights Granted.

The Affiliate shall get the non-exclusive right to carry the Channels (as defined in paragraph 7 below) during the Term via direct-to-home satellite transmission (“DTH”) in KU Band or any other band in which the Affiliate is authorised to transmit by the Central Government on the DTH subscription television platform owned and operated by Affiliate(the “Platform”). Right will be for distribution to residential households only and Affiliate agrees to distribute the Channels in the manner as set forth in the Agreement. All other rights and means of distribution not specifically and expressly granted to Affiliate are expressly excluded and reserved by SITV, including, but not limited to, PPV, VOD, SVOD, transmission via any “headend-in-the-sky” (“HITS”) platform to any cable affiliate, multi system affiliate, cable systems, IPTV systems and the Internet.
5. Term

For a minimum period of 1 year from the start date mentioned in the Agreement with an option to renew for a further period on mutually agreed terms and conditions.

6. Territory Territory for DTH Services shall mean the territory of India only.

7. Channels The term “Channel” means each channel, as set forth below (collectively, the “Channels”):

1. Sahara One

2. FILMY

3. Firangi

Sahara One, FILMY and Firangi

collectively referred to herein as the “SITV Channels”.

8. A-La-Carte and Bouquet Rates of Channels
- The A-La-Carte and Bouquet Rates of Channels shall be as provided in Annexure-B duly filed with the TRAI hereto, which may be modified from time to time in SITV's discretion, subject to applicable regulations.
9. Channel Removal and Replacement; Free-to-Air Distribution
- SITV shall have the right to remove any of the Channels if SITV ceases to have the necessary rights to distribute such Channel in the Territory ("Removed Channel") with(1) reasonable advance written notice in such cases where SITV ceases to have the right to distribute a Channel in the Territory due to circumstances outside its control, including, but not limited to the actions of governmental authorities or regulatory bodies. The terms and conditions pertaining to removal and replacement of Channels shall be as mutually agreed under the terms of the Agreement.
10. Subscribers
- "Subscriber" means, for any calendar month, each residential household, private residential dwelling unit, including a dwelling unit in a residential apartment building, complex or any other multi-unit dwelling, which is owned, leased or rented, which is served by the Platform. Each household or unit in a residential multi-unit dwelling shall be treated as a separate Subscriber.
- In addition, for each additional subscription or connection within a single household or unit (an "Additional Connection"), shall be treated as a separate Subscriber.
- "Average Number of Subscribers" means the average number of Subscribers for a month calculated by dividing (i) the sum of (A) the total number of Subscribers on the first day of such month and (B) the total number of Subscribers on the last day of such month by (ii) two. For purposes of calculating the Average Number of Subscribers, the number of Subscribers in a multi-unit dwelling and which is billed on a bulk single rate basis shall be equal to the number of individual units in such dwelling.
11. License Fee*
- Affiliate shall pay to SITV a fee for each month of the Term ("the License Fee") which shall be calculated in accordance with the formula set forth below:
- Monthly Fee = RPS x Average Number of Subscribers (as defined above)
- "RPS" means the Rate Per Subscriber calculated as per the Channels selected by the Affiliate.

12. Payment Terms

Payment of the License Fee shall be made within 15 days after SITV issues an invoice to the Affiliate (the Due Date) to a bank account specified in the invoice, which invoice amount shall be based on information provided in the Subscriber Report'. Provided, however, that if the Affiliate fails to deliver the necessary information of its Subscriber Report by the Subscriber Report Deadline, the Affiliate will pay to SITV an amount equivalent to the highest Monthly Fee payable during the previous three (3) months. Further the Affiliate shall also remain liable to pay to SITV any additional amounts found payable pursuant to the delayed information from the Subscriber Report upon delivery of the information to SITV.

All payments from Affiliate to SITV, including the License Fee, shall be paid free and clear of and shall not be reduced by any tax, levy or charge (except for Indian withholding taxes as provided below), including but not limited to any service tax. To the extent that Affiliate is required under applicable law to withhold or deduct any taxes from any payment, the amount of such payment shall be increased by the paid or deducted amount so that SITV receives the amount that would otherwise have been payable if such taxes had not been required to be withheld or deducted (except for withholding taxes).

The Affiliate 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 Affiliate shall constitute a material breach of the Agreement. Affiliate, on demand of SITV, agrees to pay interest to SITV on any sums, which remain unpaid more than 10 days following the Due Date or the date on which they are due and payable. Such interest shall accrue from the Due Date and shall be payable at a rate equal to 18 percentage (%) per annum ("Late Payment Interest Rate"). The imposition and collection of interest on late payments does not constitute a waiver of Affiliate's obligations to pay the License Fee by the Due Date, and SITV retains all of its other rights and remedies under this Agreement.

13. Alteration of Service

Affiliate agrees to carry each of the Channels in its entirety, in the order and at the time transmitted by SITV's licensors without any editing, delays, alterations, interruptions, picture squeezing or re-sizing, insertion of graphic or animated overlays, pull-throughs or crawls, deletions or additions, except as authorized in advance in writing by SITV, including for any electronic program guide as referenced below. Affiliate shall not redistribute any portion of any of the Channels except as specifically authorized by SITV. SITV and its licensors reserve the right to alter any or all of the Channels, including the names of the Channels and the programming exhibited on the Channels.

14. Delivery

SITV shall deliver, or cause the delivery of, the Channels to

Affiliate and Affiliate shall be responsible, at its own cost, to further distribute the Channels in encrypted form as provided in this Agreement.

15. Tiering

The Affiliate undertakes to SITV that the Channels shall not be disadvantaged or otherwise treated less favourably by the Affiliate with respect to competing channels on a genre basis while including the Channels in any package or tier.

Further the Affiliate shall keep SITV informed of the packages or tier in which the Channels are made available and any shift of the Channel(s) shall be only after providing 15 days prior written intimation by the Affiliate to SITV.

The Affiliate shall undertake to include the Channels in the basic tier offered by the Affiliate to the Subscriber throughout the Term.

16. Authorized
Transmission/
Security

Affiliate shall transmit each of the Channels through the Platform to subscribers located in the Territory in the manner of transmission and distribution specified in this Agreement with respect to the Platform, and shall scramble the signal for such transmission, in accordance with technical parameters and specifications as mutually agreed between the parties at the time of entering into the Agreement (the "Technical Specifications"). The Parties acknowledge and agree that any changes to the Technical Specifications and any material changes to the Platform's security and encryption technology, including the Encryption System (other than standard software upgrades which are deemed not to be material changes), during the Term will only be made as may be agreed between the Parties in writing from time to time; provided, however, that any such consent shall not be unreasonably withheld or delayed. During the Term, Affiliate's transmitting facilities shall be fully capable of individually addressing Subscribers on a channel-by-channel and decoder-by-decoder basis. Affiliate shall install decoding equipment and all other equipment necessary to receive and distribute the Channels, at its own cost and expense. Affiliate acknowledges and agrees that set-top boxes, and their installed content protection systems, used by subscribers of the Platform shall prohibit the use of digital outputs. Affiliate further agrees to make no use, nor authorize or permit others to make use, of the Channels or the programming on the Channels other than as expressly set forth in this Agreement. SITV shall have the right in its sole discretion to either immediately suspend the transmission of any or all of the Channels by Affiliate, or terminate this Agreement by providing at least 15 days' prior written notice, if Affiliate distributes any or all of the Channels in a manner not authorized or for a purpose not specifically provided for by this Agreement. Affiliate agrees that it shall comply at all times with SITV's Technical Specifications.

Affiliate acknowledges that SITV and its licensors may in certain circumstances not control the appropriate rights to exhibit certain programs on the Channels in the Territory ("Withheld Programs").

Accordingly, Affiliate acknowledges and agrees not to exhibit, and shall block (or “black out”) the transmission of, any Withheld Program upon notification from SITV and shall indemnify SITV for any failure to block such Withheld Program from its transmission.

Affiliate shall use its best efforts to maintain for the Channels first-class signal transmission quality in accordance with the highest international industry standards, subject to SITV delivering the Channels to Affiliate of a quality sufficient to permit Affiliate to reasonably comply with such standards. Affiliate shall maintain a service availability (a service free from viewer discernible problems including, without limitation, video with no audio, audio with no video or significant signal distortion) that meets or exceeds 99.95% reliability per month (which represents service outages incurred by Subscribers not exceeding approximately 22 minutes per month) without any interruption or deviation from the daily transmission schedule, and shall immediately notify SITV of any degradation to any of the Channels’ signals.

17. Security And
Anti-Piracy
Requirements

Affiliate shall not authorize, cause or suffer any portion of any of the Channels to be recorded, duplicated, telecast, exhibited or otherwise used for any purpose other than for distribution by Affiliate at the time the Channels are made available; provided, that nothing in this Agreement will prohibit the Affiliate from making available to its Subscribers set top boxes with PVR or DVR technology. If Affiliate becomes aware that any unauthorized third party is recording, duplicating, telecasting, exhibiting or otherwise using any or all of the Channels for any other purpose, Affiliate shall immediately so notify SITV and Affiliate shall take all steps necessary to prevent such unauthorized use. Affiliate shall not authorize or permit the exhibition of any or all of the Channels or any portion of the Channels at any place where admission for exhibition of such Channels is charged. Affiliate shall not authorize or permit infringement of any copyrighted material exhibited on the Channels, or use the rights granted to it under this Agreement for any unlawful purpose. If so instructed by SITV, Affiliate shall immediately shut off or de-authorize the transmission to any unauthorized party after it receives a request from SITV. In such instances where Affiliate is the only party that is allowed to initiate legal action against an unauthorized party, including, but not limited to, the filing of criminal complaints against such unauthorized party, Affiliate agrees to initiate such legal action. SITV plans to actively combat piracy of the Channels in the Territory and to work closely with Affiliate in such efforts. Affiliate shall, at its own expense, take all necessary steps to comply with obligations set forth in Annexure- “C”.

18. Advertising/
Marketing/
Promotion

Affiliate shall promote all the Channels and the programming exhibited by all of the Channels in the same manner and to the same extent as any other channel, which is distributed by Affiliate;

provided, that Affiliate may carry out any specific promotion with respect to a certain specific channel(s), if such channel(s) provide Affiliate with financial assistance with respect to such promotion. Notwithstanding the above, Affiliate agrees that it shall provide the Channels with the same opportunity to carry out specific promotions. Moreover, Affiliate agrees that the Channels will be treated similarly, in terms of size and prominence (taking into consideration the context) to other channels in any advertising material where the Channel Marks (as defined below) appear with the logos and names of all other channels. Nevertheless, in promoting the Channels, Affiliate shall use only promotional material provided or pre-approved by SITV in strict adherence to SITV's instructions, in the form provided by SITV (or, if created by or on behalf of Affiliate, in the identical form presented to SITV for SITV's prior written approval) and only for the purpose of promoting the Channels. SITV shall make available to Affiliate promotional and marketing materials in accordance with SITV's then current practices. SITV may, from time to time, undertake marketing tests and public polls or other research in connection with the Channels. Affiliate shall cooperate with SITV in such research by making available information reasonably requested by SITV. SITV and Affiliate agree to discuss joint marketing efforts and the coordination of marketing and promotion for the Channels and the Platform.

SITV will also be treated similarly to other programmers in respect of opportunities for participation in events and promotions that Affiliate undertakes for the promotion of channels, subject to and considering commercial agreements for each such event and promotion and the context of each such event and promotion.

In addition, if Affiliate has or creates an electronic programming guide or other navigational tools for the Platform ("EPG"), or a printed programming guide for distribution to its subscribers (a copy of which shall be sent to SITV simultaneously with mailings to subscribers), then the programming schedule of each of the Channels shall be prominently featured in them in the order of their channel/frequency position (and Affiliate shall use its best efforts to ensure that Subscribers are advised of any changes in the programming schedules of the Channels). SITV shall provide to Affiliate information in a format that is reasonably requested by Affiliate for this purpose.

For purposes of this Agreement, "Channel Marks" shall mean all Intellectual Property (as defined below) owned or used by SITV or its affiliates or licensors from time to time in connection with the Channels, including, without limitation, the trade names and marks specified by SITV or otherwise notified in writing by SITV from time to time.

19. Subscriber

Within 15 days after each month of the Term (the "Subscriber Report

Reports and
Subscriber
Management

Deadline”), Affiliate shall provide a monthly report (“Subscriber Report”) to SITV that sets out the number of households receiving each of the Channels, the total number of subscribers at the beginning and end of each month, and such other information as SITV may require for determining the License Fee. Affiliate shall also include in its Subscriber Report, comprehensive details of all incidents of piracy and signal theft involving the Platform, the names of perpetrators involved in such incidents, and any actions, including but not limited to the filing of police reports and lawsuits, taken against such perpetrators since the prior Subscriber Report or meeting. The obligation of Affiliate to provide to SITV the Subscriber Reports shall survive termination of this Agreement until SITV receives the Subscriber Reports for each relevant month for which any License Fee is payable.

Affiliate shall supply to SITV within 90 days after the end of each Year a statement attested to by Affiliate’s Chief Executive Officer and Chief Financial Officer (or their equivalent) certifying as to the completeness and accuracy of all information contained in all Subscriber Reports relating to such Year. SITV’s authorized representatives (from an independent nationally recognised firm of Accountants and who are bound by the confidentiality terms as set out in this Agreement (the “Auditors”) shall have the right, to review or audit the books and records of Affiliate every once in a calendar year, relating to the Channels for the purpose of verifying the amounts properly payable to SITV under this Agreement, the information contained in Subscriber Reports and Anti Piracy obligations as set out in this Agreement. If such review or audit reveals that additional fees are payable to SITV, Affiliate 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 Affiliate to be due for such period by five (5) percent or more, Affiliate shall pay all of SITV’s costs incurred in connection with such review or audit, and take any necessary actions to avoid such errors in the future. Further in such a case where there is a discrepancy of 5% or more in the License Fee during a review or audit, the audit shall be permitted to be carried out once in every quarter in the immediately succeeding calendar year.

Affiliate will maintain throughout the Term and for twelve (12) months thereafter (or such longer period as required by law) (the “Records”) sufficient records to enable SITV to verify the Subscriber Reports supplied by Affiliate pursuant to this Section, the payments due to SITV hereunder and Affiliate’s compliance with its anti-piracy obligations as set out in this Agreement.

Affiliate agrees that it shall maintain the customer databases compiled by Affiliate under this Agreement, and that it shall provide SITV with reasonable access to such databases. Affiliate will maintain at its own expense a subscriber management service (“SMS”) capable of, at a minimum:

- (i) Maintaining a computerised 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, returned 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;
- (iv) Administering payments of any commission fees from time to time payable to authorised Affiliate agents for the sale to Subscribers of programming packages;
- (v) Obtaining and distributing receivers and smartcards, if applicable, to Subscribers, and issue replacement smartcards from time to time in its discretion; and
- (vi) Enable new Subscribers via the SMS over-the-air addressing system and disable defaulting Subscribers from time to time in its discretion.

20. Integrated Receiver Decoders

Affiliate may be required to purchase from the concerned vendors the IRDs according to required Technical Specifications or, depending on availability, SITV may provide to Affiliate such IRD's wherein refundable security deposit before the delivery has to be paid. The IRD's provided by SITV shall at all times remain the property of the respective Channel owners.

21. Termination and Suspension

- A) SITV may terminate the Agreement at any time, by giving a notice as may be prescribed in the Applicable Regulations, if (i) SITV, or its respective successors or assigns, cease to operate or do business in the Territory for any reason; (ii) if Affiliate breaches any of its representations or warranties or its material obligations under this Agreement (including non payment of the License Fee within the timelines herein); (iii) if Affiliate becomes insolvent or winding up proceedings are initiated against the Affiliate or if the business or property of the Affiliate is subject to management of a receiver appointed by any court for whatsoever reason.
- B) Affiliate may terminate this Agreement if SITV breaches any of its material obligations under this Agreement and fails to cure such breach within 30 days after SITV receives written notice from Affiliate. In addition, Affiliate may cease to distribute a Channel if it receives written notice from the Ministry of Information & Broadcasting of India for such period of time as mandated (which such period may be subsequently reduced).
- C) In each circumstance where notice is sent to a defaulting party in accordance with this Section, representatives of each Party may immediately meet to resolve the issue.

22. Effect of Termination
- a) Upon expiry or termination of this Agreement for any reason, each party shall return to the other party all documents, Confidential Information, and other material belonging to the other party in its possession.
- b) Termination or expiry of this Agreement will not affect the obligations, rights and liabilities of the parties that are expressly or impliedly to survive termination or expiry.
23. Regulatory Intervention
- In the event that there is any change to any applicable statutes, enactments, acts of legislation or parliament, laws, ordinances, rules, by-laws or regulations of any government or statutory authority in India including but not limited to the Ministry of Information and Broadcasting and The Telecom Regulatory Authority or any final un-appeal able order of any competent court or tribunal, which would have a material effect on the either of the Parties, then the affected Party may request that the Parties consult as soon as reasonably practicable with a view to negotiating in good faith an amendment to this Agreement, such amendment to take effect from the date of such change. In the event that the Parties are unable to agree on an amendment within 45 (forty five) days of the date of the request by the affected Party, then either Party may request TDSAT to resolve such dispute.
24. Indemnification
- Each Party shall indemnify, defend and hold harmless the other Party and its parent, officers, directors, employees and agents against and from any and all third party claims, lawsuits, costs, liabilities, judgments, damages and expenses (including but not limited to reasonable attorneys' fees) arising out of any breach by the indemnifying Party of any provision herein.
- Neither Party shall be liable to the other for any indirect, special or consequential loss or damages arising under this Agreement, except that each Party is indemnified with respect to third party claims.
25. Jurisdiction
- This Agreement shall be exclusively governed by the laws of India. In case of any dispute between the Parties, the Parties shall try to resolve such dispute by negotiations between the respective senior management personnel of the Parties.
- The Parties acknowledge that TDSAT shall have exclusive jurisdiction in respect of any dispute between the Parties arising in connection with this Agreement (subject-to any appellate relief that may be sought in any court of competent jurisdiction in Mumbai). In the event any claims fall outside the jurisdiction of TDSAT, they may be referred to any court of competent jurisdiction in Delhi.

* The RIO only provides the broad commercial and technical terms as per The Telecommunication (Broadcasting And Cable Services) Interconnection (Fifth Amendment) Regulation, 2009. The final Agreement shall be subject to mutual negotiation and agreement and shall contain necessary clauses setting out the details of the terms and conditions, which may be modified from time to time, as per applicable regulations. This RIO shall stand modified in accordance with any new applicable regulations effected from time to time by TRAI.

ANNEXURE “A”

A. If the Affiliate is an individual or a sole proprietor:

- (a) Photograph of the proprietor of the Affiliate firm.
- (b) Proof of residence - Passport / Voter's ID Card/ration card/Electricity bill / Income Tax Returns.
- (c) Self attested copy of Passport / Voters ID / PAN Card / Driving license for signature verification.

B. If the Affiliate is a partnership firm:

- (a) Certified true copy of the registered Partnership Deed.
- (b) Separate powers of attorney signed by all partners authorising the signatory to sign this Agreement and any amendment thereto and all related documents on behalf of the Firm.
- (c) Photograph of the signatory.
- (d) Copy of Passport / Voters ID / PAN Card / Driving license for signature verification attested by the authorised signatory.

C. If the Affiliate is a company:

- (a) The Certificate of Incorporation - certified by the Company Secretary / Director.
- (b) Memorandum and Articles of Association of the company.
- (c) Board resolution certified by the Company Secretary/Director authorizing the signatory to sign the Agreement and any amendment and all related documents on behalf of the Company.
- (d) Copy of Passport / Voters ID / PAN Card / Driving license for signature verification attested by the authorised signatory.
- (e) Photograph of the signatory.

D. If the Affiliate is a Hindu Undivided Family “HUF”

- (a) The photograph of the Karta.
- (b) The Proof of Residence - Voters Identity Card or Passports of Karta or Electricity bill / Income Tax returns.
- (c) The names of all coparceners and his/her relation with the Karta.
- (d) Relevant documents, including any Partition Deed, Family Settlement Deed, etc.
- (e) Copy of Passport / Voters ID / PAN Card / Driving Licence for signature verification attested by the Karta.

E. If the Affiliate falls into the ‘Other’ category

- (a) Such documents as required by SITV.

ANNEXURE-“B”

A-La-Carte Rates of the Channels
Applicable to per Subscriber per month

CHANNEL PRICE IN RUPEES

Sahara One	Rs10.25
FILMY	Rs 8.25
Firangi	Rs 7.50
Total	Rs26.00

Rate of bouquet consisting of all the
above channels Rs 18.75

ANNEXURE-“C”

AFFILIATE’S ANTI-PIRACY OBLIGATIONS

1. General

1.1 All Fingerprinting hereunder is compliant with the BIS Specification for Digital Set Top Box (STB) for Direct to Home (DTH): IS 15377:2003.

2. STBs, Smart Cards, Systems and Procedures.

2.1 In order to ensure that each STB is capable of being used for Fingerprinting, Affiliate agrees that the STB supplied to residential Subscribers will conform to the BIS standards as provided in BIS Specification for Digital Set Top Box for Direct to Home (DTH): IS 15377:2003.

2.2 Affiliate represents and agrees that there are adequate systems, processes and controls in place regarding the distribution of STBs and Smart Cards so that they are only sold within the Territory by Affiliate or by its authorised dealers and such sales are only made to bona fide Subscribers residing in the Territory and installations are made by Affiliate or its designees at an address in the Territory. Adequate systems, processes and controls shall include, without limitation, Affiliate:

2.2.1 collecting and maintaining complete up to date records of each and every residential Subscriber’s details, and such Subscriber’s STB and Smart Card including, without limitation, the particulars specified in paragraph 2.4;

2.2.2 requiring all residential Subscribers to submit a utility bill or bank statement as proof of address, including any residential Subscribers who have been previously de-authorised prior to re-authorisation, or otherwise independently verify the address prior to activation of any STB and Smart Card;

2.2.3 investigating any multiple Smart Cards issued under one individual name or address (other than for mirror STB’s), including visiting the premises of such individuals or addresses from time to time;

2.2.4 deploying verification officers on a regular basis to visit and audit the accuracy and veracity of the residential Subscriber databases on a regular basis;

2.2.5 ensuring compliance by dealers including unannounced visits to dealers’ premises from time to time;

2.2.6 requiring that for every change of address on the Affiliate system and therefore re-location of a STB, there is an independent physical verification of the new residential address; and

2.2.7 deauthorising any STB or Smart Card that is found outside of the Territory or in the possession of a person who is not a bona fide residential Subscriber.

2.3 Affiliate agrees that all of its STBs and Smart Cards: (i) are sold and installed together as a pack only in the Territory and only at the premises of Subscribers whose address has been verified in accordance with paragraph 2.2.1; and (ii) employ card-pairing technology that ensures once a Smart Card is activated, it is paired to a particular STB and that the Channels cannot be viewed if such Smart Card is removed and used with any other STB.

2.4 Affiliate agrees that all installations of STBs and Smart Cards are done directly by Affiliate or through its authorised dealers and only within the Territory, and that the installer for every installation physically checks and ensures before installation and activation of a STB and Smart Card that the address where the installation is being done matches with the address as supplied by the residential Subscriber at the time of purchase of the STB and which is the same as detailed in the subscriber management system. In accordance with paragraph 2.2.1, Affiliate's subscriber management system shall contain all of the following information items for each residential Subscriber prior to activation of a Smart Card and STB for such residential Subscriber:

2.4.1 Name;

2.4.2 Installation address;

2.4.3 Billing address (if different);

2.4.4 Telephone number of the installation address, where applicable;

2.4.5 Residential Subscriber's unique subscriber reference or subscription agreement number;

2.4.6 Service/Channels/Packages that have been selected;

2.4.7 Name and unique reference number of the dealer who sold the STB to such residential Subscriber;

2.4.8 Name and unique reference number of the dealer who sold the subscription to such residential Subscriber (if different);

2.4.9 Name and unique reference number of the installer (if different from the dealer);

2.4.10 Smart Card number; and

2.4.11 Unique STB number.

2.5 Affiliate agrees and undertakes that it shall not knowingly or negligently activate, or otherwise reactivate, as the case may be, those Smart Cards, wherein the Channels can be accessed from addresses which are:

2.5.1 not bona fide or do not match the addresses as supplied by the relevant residential Subscribers as detailed in the subscriber management system;

2.5.2 outside of the Territory; or

2.5.3 that of a cable head end or any other distributor of such Channel to residential subscriber.

2.6 In order to ensure that the Smart Card is only activated for bone fide Subscribers, Affiliate further agrees that there are adequate controls to ensure (a) a Smart Card is not activated before installation with its paired STB; and (b) that such Smart Card is activated at the address of the residential Subscriber which matches with the address as supplied by the residential Subscriber at the time of purchase of the STB and which is the same as detailed in the subscriber management system.

2.7 Affiliate agrees that its subscriber management system allows viewing and printing historical data, in terms of total activation, de-activation and re-activation of all residential Subscribers and all other records required under Paragraph 2.4.

2.8 Affiliate shall ensure that on screen display should support a minimum of 200 characters.

3. Fingerprinting

3.1 Affiliate shall ensure that it has systems, processes and controls in place to run Fingerprinting at regular intervals as reasonably requested from time to time (such requests not to unreasonably interfere with Affiliate's business operations).

3.2 Affiliate shall ensure that all STBs should support Fingerprinting and should be compatible for running Fingerprinting.

3.3 Affiliate shall ensure that it shall be able to operate the Fingerprinting across all residential Subscribers or any sub-set of residential Subscribers based on pre-set parameters and such Fingerprinting should, apart from the foregoing, be possible and available on global, group and regional bases at all times.

3.4 Affiliate shall ensure that the Channels' Fingerprinting should pass through without masking or tampering with respect to time, location, duration and frequency.

4. Conditional Access and other systems

4.1 Affiliate agrees that it shall, at its sole cost, be responsible for ensuring the Channels are distributed via a digital, encrypted format signal receivable through its conditional access system ("Conditional Access") only by its bona fide Subscribers to the Channels.

4.2 Affiliate agrees that: (a) both the Conditional Access and Subscriber billing systems shall be of a reputed organization and are currently being used by other pay television services that have, in aggregate, at least 1 million subscribers in the global pay television market outside of the Territory; and (b) both its Conditional Access and subscriber management systems shall be integrated and any activation/de-activation shall be processed simultaneously through both systems.

5. Piracy, piracy reports and prevention

5.1 Each party shall immediately notify the other party if it ascertains or becomes aware that:

5.1.1 Any Smart Card or STB is being located, supplied or sold outside the Territory,

5.1.2 Any of the Channels are being viewed via a Smart Card or STB by a STB party that is not a residential Subscriber,

5.1.3 A Smart Card is being used for viewing the Channels anywhere other than the registered address of a residential Subscriber in the Territory, or

5.1.4 A Smart Card and/or STB is being used by a cable affiliate to distribute any of the Channels, (each, a "Piracy Event").

5.2 If SITV becomes aware of a Piracy Event then, at SITV's reasonable request, Affiliate shall take all reasonable necessary steps to prevent or to stop such unauthorised or illegal use of the Channels or signals thereof.

5.2.1 In the event SITV decides to take legal or other action against any infringing party committing or causing any Piracy Event, Affiliate shall provide all reasonable assistance to SITV to prevent or combat such Piracy Event.

5.2.2 If Affiliate wishes at its cost to take legal or other action of any kind against any party alleged to be infringing a right of SITV, where SITV shall be one of the parties to such action, it shall notify SITV in writing and seek SITV's prior written consent. Where SITV consents to Affiliate taking legal or other action on behalf of SITV, Affiliate Sky shall keep SITV fully informed of the progress of such action. Affiliate shall not settle, attempt to settle or otherwise compromise the rights of SITV or its Affiliates without the prior written consent of SITV.

5.3 If its Conditional Access is hacked or otherwise compromised, Affiliate agrees to change or upgrade, within 180 days of Affiliate becoming aware of such compromise, its Conditional Access and/or Subscriber Management systems to ensure that the Conditional Access cannot be hacked or compromised within the Territory. If Affiliate does not make such change or upgrade within such period of time, SITV shall have the right to suspend or terminate this Agreement. During such period, Affiliate shall use reasonable efforts to implement a temporary fix to protect the Channels.

5.4 Affiliate shall investigate and report to SITV any detected incidents of copying, transmitting, exhibiting or other illegal use of the Channels via a STB and/or Smart Card, or any illegal or unauthorised distribution or use of the STBs or Smart Cards or other equipment that enable access to the Channels.