

## GENERAL BROADCASTING TERMS AND CONDITIONS OF THE LINEAR AUDIOVISUAL MEDIA SERVICE OF ATV ZRT. AS THE MEDIA SERVICE PROVIDER

**(Effective from 01.01.2024)**

These General Terms and Conditions (the “GTC”) set out the general terms of contract, being part of the contracts by and between Első Magyar Magán televíziós Zrt. (1102 Budapest, Kőrösi Csoma Sándor u. 31., hereinafter referred to as “ATV Zrt.”) as the contracting party (acting in its own name as the MEDIA SERVICE PROVIDER of the ATV and ATV Spirit television channels) and the BROADCASTERS as the contracting parties regarding the broadcasting of the ATV SD/HD technical format/programme signal and the ATV Spirit SD/HD technical format/programme signal media services.

### 1. DEFINITIONS

1.1. CHANNEL:	ATV and/or ATV Spirit;
1.2. DRM:	(Digital Rights Management) System aimed to protect intellectual property, which meets the standards adopted by the industry and prevents the transmission and modification of the programme/programme items and contents of the CHANNEL and ensures that the CHANNEL can only be accessed by eligible subscribers;
1.3. DTT:	Digital terrestrial platform operated by Antenna Hungária Zrt. (AH);
1.4. INDIVIDUAL SUBSCRIBER:	Any natural person holding a valid subscription for any programme or programme package with the BROADCASTER or any small and medium enterprise holding a valid subscription for any programme or programme package with the BROADCASTER which is using the broadcasting service other than for business, economic or transmission, broadcasting or the provision or resale of such services, not including hotel and/or institutional Subscribers (Subscriber);
1.5. EPG:	Electronic Program Guide;
1.6. PARTIES	The BROADCASTER and the MEDIA SERVICE PROVIDER;
1.7. FTA TV:	(FREE TO AIR TV) CHANNEL available for free (without a subscription with the BROADCASTER), not including CHANNELS available from DTT without a subscription;
1.8. GEO-BLOCKED:	Technique that seeks to prevent the availability of the CHANNEL outside the territory of Hungary;
1.9. TRADITIONAL BROADCASTING SYSTEM	AKTV (analogue cable), DVB-C (digital cable), IPTV (Internet protocol-based, digital closed network), DVB-S (satellite) broadcasting systems, and the DTT platform;

1.10. HOTEL:	commercial accommodation that has entered into an agreement with the BROADCASTER for accessing the CHANNEL, on the basis of which the CHANNEL can be received in its rooms;
1.11. INSTITUTIONAL SUBSCRIBER:	Any (non-natural person) Subscriber that is using the broadcasting services in the framework of its business/economic activity, however, this is not a broadcasting/transmission service, nor a resale thereof ((including simulstreaming), see Annex 4;
1.12. SUPPLEMENTARY MEDIA SERVICE:	The CHANNEL text and EPG service produced by the BROADCASTER;
1.13. MEDIA ADMINISTRATION RULES:	According to the jurisdiction of the CHANNEL, the media legislation of Hungary and other legal and administrative rules concerning the CHANNEL, including the EU rules and self-regulation;
1.14. MEDIA SERVICE PROVIDER:	ATV Zrt., being the business association exercising the editor's oversight and responsible editor of the CHANNEL, which determines the programming policy of the CHANNEL;
1.15. MEDIA SERVICE:	Another indication of the CHANNEL;
1.16. AGREEMENT:	Agreement between the MEDIA SERVICE PROVIDER and the BROADCASTER on the dissemination of the CHANNEL, which includes a) the Broadcasting Contract and the present GTC and their annexes; and/or b) the contract concluded based on Clause 3.8. of the present GTC and the present GTC, as well as their annexes;
1.17. MEDIA ACT:	Act CLXXXV of 2010 on Media Services and on the Mass Media;
1.18. BROADCAST:	A series of the audiovisual programmes of the CHANNEL, including commercial communications, edited under the editorial oversight and control of the MEDIA SERVICE PROVIDER, which is published publicly and continuously; 'broadcast' also includes the individual programmes;
1.19. BROADCASTING AND UNAUTHORIZED TRANSMISSION OF SIGNALS:	Electronic communications services irrespective of the type of transmission system used, where the analogue or digital signals produced by the Media Service Provider are transmitted to the receiver equipment of Subscribers, irrespective of the type of transmission system and technology employed. Broadcasting includes, in particular, free-to-air broadcasting, broadcasting by satellite systems, broadcasting via hybrid transmission networks comprising optical fibre cables and coaxial cables, furthermore, transmission using an Internet protocol through any transmission system, if the nature and the conditions of service are identical to those of broadcasting, or it is a suitable substitute for broadcasting and any other form Broadcasting also includes the type of broadcasting that is made available to subscribers for a fee, including if it is offered in a package together with other electronic communications services The

	<p>transmission of signals through transmission systems suitable for the connection of less than ten receiver equipment shall not be considered broadcasting.</p> <p>It shall not be considered as broadcasting, but as unauthorized transmission of signals, if the BROADCASTER transmits the signals of the CHANNEL(S) to a Co-provider or any other broadcaster, in relation to which the MEDIA SERVICE PROVIDER has not given its prior written consent to the transmission of the signals of the CHANNEL(S); and/or for which a Co-provider or a broadcaster has not been registered by the NMHH for the provision of broadcasting subscription services; and/or which Co-provider or broadcaster has not concluded a licence agreement with the MEDIA SERVICE PROVIDER for the distribution of the CHANNEL(S) and/or for which Co-provider or broadcaster the MEDIA SERVICE PROVIDER has not confirmed the existence of the licence agreement in writing to the BROADCASTER, it shall be considered as an unauthorised transmission of signals. It shall also constitute an unauthorised transmission if the BROADCASTER uses the broadcasting signal which it has received on the basis of an authorisation granted by the MEDIA SERVICE PROVIDER by using the network of a broadcaster with which the MEDIA SERVICE PROVIDER has no agreement for the use of the signal and by providing the subscribers of that broadcaster with reception of the broadcasting signal. The Parties agree that unauthorised transmission of the signal shall constitute a serious breach of contract and shall be considered as conduct for which the BROADCASTER shall be liable to pay a penalty. The daily penalty for the period of unauthorised transmission shall be equal to 1/30th of the amount of the Broadcasting Fee invoiced for the month preceding the month in question.</p>
<p>1.20. BROADCASTING CONTRACT:</p>	<p>Individual agreement between the MEDIA SERVICE PROVIDER and the BROADCASTER on the broadcasting of the CHANNEL/Channels, which primarily includes the business, commercial and custom terms of broadcasting and/or the conditions different from those contained in the GTC, including the CHANNELS the BROADCASTER undertakes to broadcast, their position on the programme package, the broadcasting fee(s) agreed by the Parties and the duration of the contract;</p>
<p>1.21. BROADCASTER:</p>	<p>One of the parties to the AGREEMENT, registered as a BROADCASTER by NMHH, which provides the broadcasting service on its own network;</p>
<p>1.22. NMHH:</p>	<p>National Media and Telecommunications Authority;</p>
<p>1.23. nPVR</p>	<p>"NPVR (Network Personal Video Recorder)": An additional service provided as a convenience to the BROADCASTER's existing terrestrial, cable, IPTV or satellite Subscribers, whereby the BROADCASTER records, at the initiative of the Subscribers, programmes broadcast on the CHANNEL(S) on a central storage facility made available by the BROADCASTER</p>

		to the Subscribers on an exclusive basis, at the initiative of the Subscribers, store a copy of the programmes recorded by the BROADCASTER in order to allow the Subscribers to view them at a time of their choice.
1.24.	PAY/PREMIUM TV:	Media service that is available to the Subscriber specifically against an extra subscription for the service (without coupling with another media service) and is typically not financed from advertising revenue;
1.25.	PENETRATION:	Percentage of the Subscribers of the programme or programme package including the CHANNEL at the BROADCASTER, projected on the Subscribers of traditional broadcasting system(s), not including premium/pay TV; also called 'coverage';
1.26.	PROGRAMME PROGRAMME PACKAGE:	or A group of linear audiovisual and radio media services (packed by the BROADCASTER) made available by the BROADCASTER to the Subscribers under the same conditions, being the sales unit of the broadcasting service, for which the BROADCASTER charges a fee to the Subscribers;
1.27.	PROGRAMME FEE OF BROADCASTING FEE:	Licence fee paid/payable by the BROADCASTER to the MEDIA SERVICE PROVIDER as consideration for licensing the broadcasting of the CHANNEL on traditional BROADCASTING systems by the BROADCASTER. The terms 'programme fee' and 'broadcasting fee' are used as synonyms;
1.28.	CIVIL CODE:	Act V of 2013 on the Civil Code;
1.29.	TERRITORY:	The territory of Hungary or, with respect to the digital online services, the EU and EEA countries, also taking into account the EU regulations on the cross-border portability and accessibility of online services and the conditions contained therein;
1.30.	AREA OF TRANSMISSION:	a) in the case of media services provided through transmission or broadcasting via satellites, accessible without the payment of a subscription fee, the number of the population residing in a geographically identifiable territory in which the level of the effective signals of the program transmission service within the framework of broadcasting and the calculated level of interference protection reach the lowest limit stipulated in the recommendations of the International Telecommunication Union, b) in case of media services provided through another transmission diffusion system accessible without the payment of a subscription fee, the product of the number of households connected to the transmission system and the number of persons living in a single household on average as defined by the Központi Statisztikai Hivatal (Central Statistics Office); or in the case of media services accessible in return for the payment of a subscription fee, the product of the number of households subscribed to the given media service or the number of households subscribed to the broadcasting service containing the given media service the number of persons

	living in a single household on average as defined by the Központi Statisztikai Hivatal.
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## 2. INTRODUCTORY PROVISIONS

2.1. The MEDIA SERVICE PROVIDER publishes the framework conditions developed in relation to the broadcast of the CHANNEL in the present GTC, which it may modify unilaterally.

2.2. Should the MEDIA SERVICE PROVIDER intend to amend the present GTC, it commits to publish the amended GTC on the atv.hu website 30 days before the entry into force thereof.

2.3. By sending its offer concerning broadcasting under Clause 3.2 to the Broadcaster of transmitting the Channel to the Subscribers, the Broadcaster shall be considered to have come to know and accepted the present GTC, having regard to that the present GTC is available on the atv.hu website of the Media Service Provider at all times and the relevant provisions of the Media Act are also available to all, provided, that the GTC may, owing to the special nature of broadcasting, contain conditions in accordance with the current practice that may even substantially depart from the laws and usual contractual practice in the scope and extent permitted by Section 6:78 of Act V of 2013 on the Civil Code, to which, in particular, to Clause 3.8, the Media Service Provider calls the Broadcaster's attention in a separate clause.

## 3. PROCEDURE FOR THE CONCLUSION OF CONTRACTS

3.1. The MEDIA SERVICE PROVIDER shall be exclusively entitled to consent to the transmission and broadcasting of the content of the CHANNEL in any manner and by any means. Any use without such a consent is unlawful and contrary to copyright law. The MEDIA SERVICE PROVIDER may at its discretion take action against any unlawful use or act in accordance with Clause 3.8 of the GTC.

3.2. Based on the fair and reasonable written offer of the BROADCASTER complying with the provisions of the present GTC and provided that the offer meets the requirements of the Media Act, other legislation and the present GTC, the MEDIA SERVICE PROVIDER enters in to Broadcasting Contract with the BROADCASTER for an indefinite or definite period or issues the consent in response to the offer of the BROADCASTER, which creates an AGREEMENT between the Parties. The MEDIA SERVICE PROVIDER regulates the broadcasting of the CHANNEL in the Broadcasting Contract concluded with the BROADCASTER in writing and the GTC.

3.3. The offer of the BROADCASTER shall contain the following:

- Name, company registration number, registration number, tax number, bank account number, representatives and contact persons of the BROADCASTER;
- Method of broadcasting and transmission systems;
- Definition of the area of transmission;
- Definition of the subscription package;
- Number of subscribers;
- Designation of head-end(s);
- Term of the Distribution Contract;
- Method of receipt of the CHANNEL's programme signal;
- Penetration undertaking;
- Whether it wants to broadcast HD format broadcast;
- Statement of the BROADCASTER that it is holding all the official and other licences required for Broadcasting, it has fully complied with/fully complies with its reporting and publication obligations, and has already notified its intention to be registered to the NMHH; its broadcasting activities fully

- comply with the legislation in force; the broadcasting system it operates is suitable for broadcasting the Programme in a way that it allows transmission of the Programme to the Subscribers at a high level in accordance with all relevant legislation, standards and the provisions of the present GTC;
- The name of the cable association, of which the BROADCASTER is a member or, in case it is not a member of any association, then the indication thereof;
  - Statement of the Broadcaster that it acknowledges the provisions of the present GTC as binding;
  - Other recommended conditions.

In the event that the application does not contain the above data, information and statements, THE MEDIA SERVICE PROVIDER may invite the BROADCASTERS to supply the deficiencies and the Broadcaster shall comply with such request within fifteen (15) days.

3.4. The BROADCASTER shall send its written offer complying with the above to the contact person appointed by the MEDIA SERVICE PROVIDER. The Parties unanimously agree that electronic mail (e-mail) and fax as the forms of communication shall be accepted as official communication for the offer and the confirmation.

Contact person appointed by the Media Service Provider or receiving offers:

Name: Csilla Lukács, broadcasting director  
Address: 1102 Budapest, Kőrösi Csoma Sándor u. 31.  
Telephone: (06-1) 877-0870  
E-mail: [lukacs.csilla@atv.hu](mailto:lukacs.csilla@atv.hu)

3.5. The MEDIA SERVICE PROVIDER WILL CONFIRM THE OFFER OF THE BROADCASTER given in accordance with this GTC within 30 days of the receipt thereof, or in case deficiencies need to be supplied, within 30 days of the receipt of the latter, if the offer meets the requirements of the Media Act, other legislation and the present GTC, and the Parties enter into a Broadcasting Contract.

3.6. THE MEDIA SERVICE PROVIDER IS entitled to reject the Broadcaster's offer if fulfilling the conditions contained in the offer is impossible due to technical or economic reasons and the parties are unable to agree on these conditions during the procedure aimed to conclude a contract.

3.7. THE BROADCASTER SHALL BE RESPONSIBLE TO REPORT THE BROADCASTING OF THE PROGRAMME TO THE NKHH in accordance with the relevant regulations.

3.8. If the Broadcaster:

- does not make an offer to the Media Service Provider as above but transmits the programme of the Channel to the Subscribers; or
- makes an offer to the MEDIA SERVICE PROVIDER AS ABOVE BUT THE MEDIA SERVICE PROVIDER does not accept it AND the BROADCASTER transmits the programme of the CHANNEL to the Subscribers;
- makes an offer AND it is accepted by the Parties, but the separate Broadcasting Contract is not signed AND the BROADCASTER transmits the programme of the CHANNEL to the Subscribers;

it shall be considered in such a way that the contract has been concluded between the Parties with content specified in the present GTC, the Broadcaster has accepted the provisions set out in the present GTC as binding and transmits the Channel to the Subscribers based on the present GTC and within the framework of the provisions included herein for the Broadcasting Fee defined in Annex 4 hereof, and the Broadcaster has the rights and the obligations under the present GTC, considering that the present GTC is accessible on the atv.hu website of the Media Service Provider at all times and the relevant provisions of the Media Act is accessible to anyone.

#### **4. RIGHTS AND OBLIGATIONS OF THE BROADCASTER**

4.1. By entering into the agreement, the MEDIA SERVICE PROVIDER permits the BROADCASTER to broadcast, in its own name and at its own cost and risk, the CHANNEL(S) specified in the Broadcasting Agreement in accordance with the conditions set out in the Broadcasting Agreement and the present GTC simultaneously with the transmission of the programme signal thereof and without any modification therein, on its traditional BROADCASTING systems to the Subscribers in the programme package defined in the Broadcasting Agreement and against the payment of the programme fee specified in the Broadcasting Agreement. The license is not exclusive and is/may be granted by the MEDIA SERVICE PROVIDER to other third parties and BROADCASTERS at its discretion. The license applies only to the territory and only to the traditional BROADCASTING systems that are owned or operated under any other legal titled (lease, right of use, wholesale right from co-service provider) by the BROADCASTER and the BROADCASTER can be considered the BROADCASTER according to the law and, as such, it determines the conditions of the BROADCASTING service and enters into Subscription Contracts with the Subscribers. The BROADCASTER is entitled to broadcast the channel in the programme package (according to the relevant Annex), any violation of which is a serious breach.

4.2. The BROADCASTER shall provide an independent separate channel for broadcasting the CHANNEL. The BROADCASTER shall inform the MEDIA SERVICE PROVIDER of changing the channel position in writing at least 15 days before the change. If the new channel position is unacceptable to the MEDIA SERVICE PROVIDER, it will notify the BROADCASTER accordingly and the BROADCASTER shall specify new channel position. The BROADCASTER shall not broadcast the channel or programme of any other media service provider on the allocated channel position of the CHANNEL during periods outside the transmission time. In the digital (traditional) broadcasting systems, the BROADCASTER undertakes that no other media service is broadcast on the capacity slot in which the CHANNEL is broadcast in a way that another programme appears on the Subscriber's receiver outside the transmission time of the CHANNEL on the channel position set by the BROADCASTER or any third party. Any violation of this provision is serious breach by the BROADCASTER.

4.3. The right defined in the previous Clause also creates an obligation for the BROADCASTER to broadcast the CHANNEL. The broadcasting licence is personal to the BROADCASTER, non-transferable and is not on-transferable, and on wholesale activities are permitted.

4.4. The technical format of the programme signal of the CHANNEL (of the same content and either SD or HD or both HD and SD) is included in Annex 2, and the BROACASTER is entitled to broadcast either HD or SD only, or both, according to the Broadcasting Agreement. This provision shall not be construed in a way that the MEDIA SERVICE PROVIDER is obliged to generate HD technical format signal for all CHANNELS and the CHANNEL with the HD programme signal is not necessarily the fully native HD content.

4.5. If the Broadcasting Agreement expressly so provides, the BROADCASTER is entitled to broadcast the CHANNELS, or those that are permitted, to hotel and institutional Subscribers against payment of the broadcasting fee established/calculated for hotel and institutional subscribers based on Annex 4 hereof.

4.6. The content of the programme package including the CHANNEL and the Subscription Fee thereof can be unilaterally determined by the BROADCASTER at its own discretion independent of the MEDIA SERVICE PROVIDER within the framework of current legislation. However, this should not be interpreted in a way that the BROADCASTER is not obliged to broadcast the CHANNEL in the programme package set out in the Broadcasting Agreement. The BROADCASTER may broadcast or broadcasts the CHANNEL in programme packages for higher Subscription Fees where the CHANNEL is part of the package with the lowest fee.

4.7. The Parties agree that if supplementary media services are also operated linked to the CHANNEL (e.g.: text/DVB subtitling), the MEDIA SERVICE PROVIDER consents to the broadcasting thereof and the BROADCASTER undertakes to broadcast them. However, operating the supplementary media service by the MEDIA SERVICE PROVIDER cannot be considered as commitment by the MEDIA SERVICE PROVIDER. An exception is the obligation under which the MEDIA SERVICE PROVIDER is obliged to make its programmes accessible partly in the original language based on the current Hungarian media legislation. The MEDIA SERVICE PROVIDER is obliged to fulfil the obligations under the Media Act in this respect and with regard to the broadcasting of programme elements accessible by persons with disabilities. The MEDIA SERVICE PROVIDER is able to fulfil these obligations based on the Agreement made with the BROADCASTERS. It includes that certain programme elements/programme stream broadcast on the CHANNEL according to the Media Act are also available with subtitling and/or the original soundtrack. Therefore, the provision of text on the MEDIA SERVICE PROVIDER's part, respectively, the broadcast thereof on the BROADCASTING SYSTEMS of the BROADCASTER are obligations. In the event that the NMHH convicts the MEDIA SERVICE PROVIDER and imposes a penalty or other sanction on it due to any failure in providing subtitling or broadcasting the original soundtrack or the promotion of accessibility as a result of any reason or omission falling in the responsibility or interest/control of the BROADCASTER, the BROADCASTER shall accept responsibility and pay all damages for any prejudice imposed on the MEDIA SERVICE PROVIDER, including the penalty.

4.8. The Parties record that the BROADCASTER provides the EPG service on digital BROADCASTING SYSTEMS.

4.9. The BROADCASTER shall not record, reproduce or store (with any tool or technique), shorten/truncate or expand the programme or programme elements of the CHANNEL, shall not interfere with the programme signal in any manner, nor shall use or utilise it for advertising or promotional or any other purpose without interfering with the programme signal without the prior written consent of the MEDIA SERVICE PROVIDER. The BROADCASTER shall allow those of its Subscribers to receive the programme signal of the CHANNEL simultaneously with the transmission thereof and unmodified who/that have a valid Subscription Contract with the BROADCASTER for the CHANNEL (or the programme package including it) (which is not put on hold or suspended), further, that the CHANNEL appears on the display of the Subscriber's television set with unchanged content and form according to the transmitted signal. Compression, encoding, encryption or similar technical operations necessary for transmitting the programme signal on BROADCASTING SYSTEMS shall not be considered by the Parties as modification of the CHANNEL or change of the CHANNEL. However, the BROADCASTER shall be entitled to such operations only insofar as and to the extent required for making the programme signal of the CHANNEL suitable for being transmitted to the Subscribers on digital BROADCASTING systems. The operations shall not cause any deterioration to the quality of the programme broadcast signal, especially in the case of the HD technical format signal. The Parties also record that interactive applications and features operated on the BROADCASTING SYSTEMS that appear on the display of the Subscriber's television set (e.g. EPG, red button service, etc.) are not considered as editing or changing the CHANNEL.

4.10. The BROADCASTER shall take all technical measures in its scope of interest that is expectable from it to ensure that the CHANNEL is accessible through the broadcasting systems only to individual Subscribers holding a valid subscription for the programme package including the CHANNEL.

4.11. The BROADCASTER undertakes to continually apply a DRM system complying with the international standards on its digital traditional BROADCASTING SYSTEMS during the term of the AGREEMENT (or an equivalent other system that can be technically used on the given platform) and the geo-block technique, as well as take all expectable measures in its interest to prevent any unauthorized decoding or digital copying of the programmes of the CHANNEL and any further



broadcasting, unauthorised transmission of signals or other unauthorized use of the CHANNEL. The lack of using DRM/geo-block is considered a material breach and the legal consequences thereof apply. Failure to use DRM/geo-block is a serious breach of contract with legal consequences. The Parties agree that, in the event that an expert appointed by either Party determines that unauthorised use has occurred on the BROADCASTER's SYSTEMS, the BROADCASTER shall pay to the MEDIA SERVICE PROVIDER a lump sum compensation equal to 10% of the average annual PROGRAMME FEE.

4.12. The BROADCASTER shall operate a continuous 24-hour technical duty while receiving the CHANNEL in order to detect and engineering/technical errors arising in the BROADCASTER's interest and inform the MEDIA SERVICE PROVIDER of the contact data thereof immediately within 24 hours. The BROADCASTER undertakes to clear any errors arising (notified and/or detected) in the BROADCASTING SYSTEM(S) operated by it within 48 hours or, in case it takes more time, it shall notify the MEDIA SERVICE PROVIDER's contact person in technical matters, indicating the duration of clearing the errors. Failure to give notice or clearing the error beyond 72 hours shall be failures of the BROADCASTER subject to penalty payment obligation. The daily amount of the penalty equals 1/30 of the Broadcasting Fee invoiced in the month preceding the given month. The BROADCASTER may not forward engineering/technical complaints to the MEDIA SERVICE PROVIDER or its customer service.

The MEDIA SERVICE PROVIDER's liability and costs for the quality of the broadcast signal shall be limited to the place of transmission of the signal, from which point, including for any failure in the transmission chain/system - programme loss, degradation of signal quality, etc., the responsibility and costs shall be borne by the BROADCASTER towards both the Subscriber and the MEDIA SERVICE PROVIDER or third parties. The BROADCASTER is entitled to provide the technical hotline also with the use of a subcontractor/contributor and shall be liable for the conduct of the subcontractor in accordance with the provisions of the Civil Code concerning contributors.

The BROADCASTER shall notify the MEDIA SERVICE PROVIDER in writing at least 15 days in advance of any maintenance work on the BROADCASTING SYSTEM, in so far as they concern the reception of the CHANNEL, including the signal quality. The BROADCASTER shall endeavour to carry out the maintenance between 01:00 and 05:00 o'clock at night.

4.13 The BROADCASTER shall notify the MEDIA SERVICE PROVIDER of the introduction of the change at least 30 days before the deadline for the notification of the change to Subscribers under Act C of 2003 on Electronic Communications (Eht.), if

- changes (decreases or increases) the reception area;
- a system sale, system expansion (takeover);
- change in the means of transmission (change from one technology to another or a different technology);
- if the structure of the programme package is changed, its programme packages are changed;
- if the position of the CHANNEL(S) EPG is changed.

The BROADCASTER shall not be entitled to modify the position of the CHANNEL(S) EPG with respect to the position existing on the date of signature of the contract, except with the prior written consent of the MEDIA SERVICE PROVIDER.

## **5. RIGHTS AND OBLIGATIONS OF THE MEDIA SERVICE PROVIDER**

5.1. Acting within its own competence and discretion in determining the programme/programming policy of the CHANNEL within the framework of the legislation/media administration rules applicable in the jurisdiction of the CHANNEL, the MEDIA SERVICE PROVIDER shall be exclusive responsible for

the programme of the CHANNEL, the compilation, editing and content of the programme and programme elements of the CHANNEL.

5.2. The MEDIA SERVICE PROVIDER is entitled to audit the authenticity and accuracy of the data service concerning the Subscribers of the CHANNEL between 09:00 and 16:00 o'clock on any working day once a year, giving at least 15 days' prior written notice to MEDIA SERVICE PROVIDER. The audit may be carried out by the MEDIA SERVICE PROVIDER at its own cost, using its employees and/or agent. During the audit, the MEDIA SERVICE PROVIDER (or its agent) may inspect the relevant registers of the BROADCASTER, obtain information about the data and request information on certain areas of service of the BROADCASTING SYSTEMS by head-ends, business units or other breakdowns. The conclusions of the inspection shall be recorded in minutes. The Parties record that the audit may only be conducted to verify the data service of the BROADCASTER and in the context thereof. The audit shall not in any case be considered as a (company) audit of the BROADCASTER from a financial and accounting point of view. During the audit, the MEDIA SERVICE PROVIDER (its agent) is not entitled to obtain information of the BROADCASTER unrelated to the number of Subscribers of the CHANNEL. In case the MEDIA SERVICE PROVIDER carries out the audit through an agent, the MEDIA SERVICE PROVIDER shall be responsible for the agent in accordance with the provisions of the Civil Code on responsibility for contributors.

5.3. If the audit verifies at least 3% underpayment in any accounting or payment period combined, the BROADCASTER shall pay the MEDIA SERVICE PROVIDER the overdue fees and default interest, as well as with the proven and justified expenses of the audit/inspection. If the audit establishes overpayment, the amount thereof will be settled by the Parties by means of a corrective invoice.

#### 5.4. EPG

5.4.1. The MEDIA SERVICE PROVIDER agrees to provide programme information associated with the programme of the CHANNEL for the EPG service operated by the BROADCASTER (or the company engaged by it) on the digital BROADCASTING SYSTEMS of the BROADCASTER in a way that it provides password-protected access to the service operated by it or information by e-mail, provided, that it reserves the right to change the programme. Access and download shall be free for the BROADCASTER (its agent).

The EPG shall include at least the following programme information:

- o title of the programme;
- o start time (year, month, day, hour, minute) of the programme;
- o programme (genre, length);
- o (as required) classification categories protecting minors according to the particular jurisdiction;
- o where the programme is part of a series, this circumstance;
- o short description on the topic or contents of the programme element;
- o other relevant information about the programme, if available (e.g. name of the leading characters of the film).

Owing to the nature of audiovisual media service, there may be delays in the start times and variations in the length.

The MEDIA SERVICE PROVIDER shall enter the programme change in the EPG system.

5.4.2. The BROADCASTER shall be responsible for any programme information appearing in the EPG or any other platforms of the BROADCASTER.

5.4.3. The MEDIA SERVICE PROVIDER is operating personalized technical hotline during working hours (09:00 -16:00 o'clock) every day of the week to detect engineering/technical errors occurring at the MEDIA SERVICE PROVIDER and receive and clear notifications of errors falling in the MEDIA SERVICE PROVIDER's. Outside these hours, the hotline is available electronically as described in the Broadcasting Agreement and/or its relevant Annex. The MEDIA SERVICE PROVIDER may provide the hotline also by means of the contributor and its responsibility shall be governed by the provisions of the Civil Code concerning liability for contributors.

5.5. The MEDIA SERVICE PROVIDER is entitled to change (rebrand) the identifier/distinctive sign (word and figurative trademark) of the CHANNEL at any time but shall notify the BROADCASTER thereof in writing and send the new sign/trademark at least 15 days before the change. There is no such obligation if only a visual character/element of the trademark of the CHANNEL changes.

5.6. The MEDIA SERVICE PROVIDER is also entitled to change the name of the CHANNEL. In this case, it will if possible, notify the BROADCASTER thereof in writing 30 days prior to the change. In case the name of the CHANNEL is changed, the MEDIA SERVICE PROVIDER undertakes to inform the public about the name change by means of sufficient promotion. Neither changing the trademark nor changing the name of the CHANNEL shall provide grounds for the BROADCASTER to terminate or even renegotiate the AGREEMENT for these reasons.

5.7. The Parties agree that if any of them becomes aware that the CHANNEL is unlawfully available uncoded without the consent of MEDIA SERVICE PROVIDER, except for the delayed broadcast operated on the atv.hu website or programmes published in the social media maintained by the Media Service Provider, such Party shall immediately notify the other Party thereof. The MEDIA SERVICE PROVIDER also undertakes to take immediate action to stop the unlawful uncoded access and inform the BROADCASTER thereof.

5.8. The MEDIA SERVICE PROVIDER may at any time refuse to authorise the transfer of a signal if the request for such authorisation by the BROADCASTER is not justified under the rules of these GTC.

## **6. DISTRIBUTION OF THE CHANNEL**

6.1. The MEDIA SERVICE PROVIDER transmits the programme signal of the CHANNEL digitally to the BROADCASTER in accordance with the specification and via the transmission method (satellite, optical cable or on the Budapest Internet Exchange (BIX) network system, satellite or point-to-point EoIP connection) defined in the relevant Annex of the AGREEMENT (Broadcasting Contract). Where the MEDIA SERVICE PROVIDER transmits the programme signal of the CHANNEL using a subcontractor or contributor, it shall be liable for the subcontractor or contributor as for its own actions.

6.2. In case the programme signal of the CHANNEL is transmitted via optic cable, the place of the transmission/receipt and place of performance of the programme signal is the ATV CAR machine room (1102 Budapest, Kőrösi Csoma Sándor u. 31.), respectively, in the case of transmission via BIX, the relevant room in the BIX centre (Budapest, Victor Hugo utca 18-22.). In the case of transmission/receipt or performance via satellite, the place of performance is the surface of the antenna in the head-ends of the BROADCASTER. In the case of delivery via a point-to-point EoIP connection, the corresponding IP address of the BROADCASTER. The MEDIA SERVICE PROVIDER shall ensure that the quality of the programme signal of the CHANNEL meets the relevant legislation, the relevant industry regulations and standards and the requirements set out in Annex 2 at the place of performance. All liability and costs from the point of delivery/acceptance of the broadcast signal shall be borne by the BROADCASTER.

6.3. In case the programme signal of the CHANNEL is transmitted via satellite, the SMART card and CAM module, necessary for receiving the programme signal of the CHANNEL, are provided by the MEDIA SERVICE PROVIDER against the payment of a usage fee of 20,000 (twenty thousand) HUF + VAT per module and 5,000 (five thousand) HUF + VAT per card, provided, that such assets shall remain property of the MEDIA SERVICE PROVIDER. The validity and validation of the SMART card shall be the responsibility and obligation of the MEDIA SERVICE PROVIDER at all times. In case of a point-to-point EoIP connection, a one-time configuration fee of HUF 25.000 + VAT, plus a monthly administration fee of HUF 3.000,-.

6.4. In case an error of the SMART card provided by the MEDIA SERVICE PROVIDER necessitates replacement, the MEDIA SERVICE PROVIDER shall provide the new active card at the appropriate place and time agreed with the BROADCASTER as soon as possible and against payment of a fee of 5,000 (five thousand) HUF + VAT per card.

6.5. The BROADCASTER shall return the CAM module(s) and the SMART card(s) to the MEDIA SERVICE PROVIDER for within 5 working days of the termination of the AGREEMENT for any reason in intact and working condition, save for any changes resulting from intended use. Failing this, the BROADCASTER shall be liable for any damage caused by the failure, including any damage caused by injuries. The MEDIA SERVICE PROVIDER will invoice an amount of 5,000, (five thousand) HUF + VAT for each non-returned card, respectively, 20,000 (twenty thousand) HUF + VAT for each non-returned CAM module to the BROADCASTER.

6.6. During the term of the AGREEMENT, the MEDIA SERVICE PROVIDER may change over to another satellite and/or other transmission or encoding system in respect of the transmission of the programme signal of the CHANNEL by written notice to the BROADCASTER at least 60 days before changing the signal coding in the case of a change of satellites and shall provide the service, that is, the transmission of the programme signal in parallel on the old and the new satellite or transmission system for a period of 30 days. An exception to this is technical changes occurring during development, during which the transmission parameters remain unchanged.

6.7. The BROADCASTER acknowledges that the programme signal of the CHANNEL transmitted by the MEDIA SERVICE PROVIDER may interrupt due to equipment maintenance or for other reasons. As a result, the BROADCASTER may not enforce any claim or demand against the MEDIA SERVICE PROVIDER due to any possible programme failure and it does not constitute a breach of the AGREEMENT.

6.8. The Parties agree to fully cooperate in the course of developments (e.g. tests) serving their common goals.

#### 6.9. SIGNAL TRANSMISSION

6.9.1 The Parties agree that the BROADCASTER shall be granted a non-exclusive right to transmit, within the framework of its technical service provided under a separate network contract, the signals of the CHANNEL(S) to the broadcasters (hereinafter referred to as "Co-providers" in this clause 6.9 and its sub-clauses) for the purpose of providing the broadcasting service to subscribers, in relation to which the MEDIA SERVICE PROVIDER has given its prior written consent to the transmission of the CHANNEL(S)'s signals. The Parties stipulate and the BROADCASTER acknowledges that this service does not constitute in any way a wholesale resale of the programmes of the CHANNELS, but merely a technical signal transmission, which triggers the satellite transmission of the satellite signals for the Co-providers. The Co-provider contracts with the subscribers, the Co-provider determines the conditions of the broadcasting service provided to the subscriber, in this respect the Co-provider is considered as a broadcaster subject to Act CLXXXV of 2010 on Media Services and Mass Communications ("Mttv") and accordingly the Co-provider is liable in particular, but not exclusively,

for the obligations of the transmission of the PROGRAMMES as defined above under Articles 188-189. § (for the avoidance of doubt, the Parties stipulate that neither the MEDIA SERVICE PROVIDER nor the BROADCASTER shall bear any responsibility). The BROADCASTER undertakes to transmit the signals of the CHANNEL(S) to the Co-providers and to take into account and apply the technical parameters necessary for the successful reception and transmission of the signals of the CHANNEL(S) by the Co-providers.

6.9.2 The BROADCASTER undertakes to enter into a network contract for the transmission of the programme signals only with a Co-provider which is registered by the NMHH for the provision of broadcasting subscription services and which has concluded a usage contract with the MEDIA SERVICE PROVIDER for the distribution of the CHANNEL(S) and the MEDIA SERVICE PROVIDER has confirmed the existence of the usage contract in writing to the BROADCASTER. If the BROADCASTER nevertheless transfers the programme signals to an Co-provider who does not have a valid licence agreement with the MEDIA SERVICE PROVIDER or if the MEDIA SERVICE PROVIDER has not confirmed the existence of such an agreement in writing, this shall constitute a serious breach of contract and shall be considered to be a breach of the obligation to pay compensation on the part of the BROADCASTER. The lump sum compensation shall amount to 1 % of the average of the annual PROGRAMME FEE per unauthorised Co-supplier, payable by the BROADCASTER to the MEDIA SERVICE PROVIDER by bank transfer within 8 days of the date of receipt of the MEDIA SERVICE PROVIDER's request to this effect.

6.9.3 Either the BROADCASTER or a separate transmission company may only transmit the signal(s) to third parties with the prior written consent of the MEDIA SERVICE PROVIDER. The BROADCASTER transmitting the signal and the separate transmitting company shall report to the MEDIA SERVICE PROVIDER on a quarterly basis on the companies to whom it transmits the signal(s).

## **7. PROGRAMME AND BROADCASTING FEE**

7.1. The BROADCASTER shall pay a programme fee to the MEDIA SERVICE PROVIDER for licensing the broadcasting of the CHANNEL in accordance with the AGREEMENT without any set-off, deduction or enforcing any other claim. The programme fee(s) has(have) been determined in a way that they already include the value of the transmission services to transmit the CHANNELS to the Subscriber, as may be provided by the BROADCASTER. The BROADCASTER shall not charge and expressly waives to charge any fee, cost or consideration/counter-value of any kind for its transmission service of any kind.

7.2. The programme fee determined as a result of the negotiations of the Parties and the terms of payment thereof are set out in the Broadcasting Contract or, in the absence thereof, the present clauses and Annex 4 of the present GTC. The contractual conditions mutually agreed by the Parties may be amended only in writing, in which case the amendment of the contract shall also cover the amendment of the programme fee. The EPG position agreed at the time of conclusion of the contract and the BROADCASTER's penetration commitment shall form part of the contract and the Parties shall (also) set the PROGRAMME FEE with reference to them, and any change to them may result in an increase in the PROGRAMME FEE. Each year, the licence fee varies in line with the annual average consumer price index published by the Hungarian Central Statistical Office (KSH), compared to the consumer price index valid on 31 December of the year preceding the publication of the consumer price index.

7.3. The BROADCASTER shall send a Subscriber Report, separate for each CHANNEL and head-end, platform, as well as device and, separately, broken down by commercial/sales-business model/system, if applicable, electronically by the 10th day of the month following the given month. The model Subscriber Report is Annex 3 of the AGREEMENT. If the BROADCASTER fails to submit the Subscriber Report in time and the BROADCASTER also fails to remedy the same within 5 days of notice of the MEDIA SERVICE PROVIDER, the MEDIA SERVICE PROVIDER may issue the invoice based on the

Subscriber Report on the previous month, reserving the right to make subsequent adjustment. The BROADCASTER shall be responsible for the content of the Subscriber Report and its authenticity.

If it is found by any means that there is a discrepancy between the number of Subscribers reported for a given period and the actual number of Subscribers, such that the BROADCASTER has reported less than the actual number of Subscribers, the BROADCASTER shall pay the Programme Fee for the difference in the number of Subscribers and the default interest as defined in the Civil Code in force at the time to the MEDIA SERVICE PROVIDER.

In the event of any discrepancy between the number of Subscribers reported for a given period and the actual number of Subscribers, which may show that the BROADCASTER has reported more Subscribers than the actual number of Subscribers, the BROADCASTER shall bear the resulting damage, given that the BROADCASTER is responsible for the content of the Subscriber Report.

7.4. It is the obligation and responsibility of the BROADCASTER to obtain all licences concerning any simultaneous on-transmission of the given CHANNEL (i.e. uses under Sections 28(2) and (3) of the Copyright Act) and other licensed uses stipulated in the agreement where the BROADCASTER, rather than the MEDIA SERVICE PROVIDER, is obliged to obtain the licence and to pay the royalty to the collective rights managers (including voluntary, mandatory, extended, independent or other collective rights managers) payable in return for such licensed uses.

If the licence granted to the BROADCASTER covers hotel broadcasting/other use considered as public performance, the BROADCASTER shall contract with the end-use in respect of those contents included in the programme stream where the MEDIA SERVICE PROVIDER does not have a public performance right, in a way that the organisation providing the public performance to the audience (guests, spectators, public) shall obtain any required licence to that effect from any of the above collective rights managers or other rightholders and pay the related royalties. The MEDIA SERVICE PROVIDER does not assume any responsibility in this respect.

7.5. The BROADCASTER may not reduce the Programme Fee with any royalties and costs paid to the rights managers, nor shall it be entitled to pass through or have reimbursed any costs of this kind.

7.6. The Parties agree that, in order to promote the CHANNEL or the programme package including it, the BROADCASTER may request the MEDIA SERVICE PROVIDER in writing to consent to making the CHANNEL accessible to all its Subscribers in the framework of so-called "*uncoded days*" marketing campaigns. The MEDIA SERVICE PROVIDER will approve this for up to 30 days a year, provided, that this will not affect the obligation of the BROADCASTER to pay the broadcasting fee. The MEDIA SERVICE PROVIDER may provide this right to other (third-party) BROADCASTERS as well.

7.7. The MEDIA SERVICE PROVIDER shall issue an invoice on the Broadcasting Fee to the BROADCASTER based on the subscriber report sent in accordance with Clause 7. by the 15th day of the month following the given month (or, if the 15th day of the month following the given month is not a working day, the first working day thereafter) with a 15-day payment deadline from the date of issue. The invoice is based on the number of existing Subscribers on the first day of the given month plus the number of existing Subscribers on the last day of the given month divided by two.

7.8. Based on Section 58 of Act CXXVII of 2007, the parties agree on accounting for a fixed period and consider the payment due date as the date of performance under point b) of Section 58(1a).

7.9. The BROADCASTER may object to the invoice within 8 calendar days of the receipt thereof. All invoices not objected to within 8 calendar days shall be considered as accepted and the BROADCASTER acknowledges that MEDIA SERVICE PROVIDER does not accept any complaint beyond that deadline.

7.10. The BROADCASTER SHALL PAY THE BROADCASTING Fee to the Media Service Provider by transfer when the invoice becomes due.

7.11. If the BROADCASTER has made a Penetration undertaking but is unable to meet it during the term of the Broadcasting Agreement, the Media Service Provider may apply the Broadcasting Fee by using the Penetration included in the Penetration undertaking in any month(s) when the Broadcaster fails to meet the given Penetration, regardless of the actual Penetration, and issue the invoice accordingly.

7.12. In case of late payment exceeding 8 days and the BROADCASTER fails to pay its debt within 5 days of the receipt of a payment reminder to that effect, the Media Service Provider may unilaterally and without further notice suspend the licence for the broadcasting of the Channel granted in the Broadcasting Agreement or obtained based on the present GTC (technically prevent or make impossible access to the broadcasting of the CHANNEL) until 24 o'clock on the working days following the payment of the debt. During the period of suspension, the BROADCASTER SHALL not be entitled to broadcast the CHANNEL. During the suspension, the Media Service Provider shall be entitled to a daily penalty, the amount of which equals 1/30 of the Broadcasting Fee invoiced in the month preceding the suspension. The suspension shall be without prejudice to the Media Service Provider's right to terminate the Broadcasting Agreement or the contract established based on Clause 3.8 of the present GTC.

In the event of late payment, the BROADCASTER shall pay interest on overdue payments in accordance with the Civil Code and shall reimburse the MEDIA SERVICE PROVIDER for all costs related to the enforcement of the claim.

7.13. The MEDIA SERVICE PROVIDER may request caution money from the BRADCASTER and may use it in case the BRADCASTER fails to meet its payment obligations (if the demand for payment is unsuccessful) or in the event of any other breach. The BROADCASTER shall pay any caution money used to the MEDIA SERVICE PROVIDER. Any caution money that has not been used shall be refunded to the BORADCASTER upon the termination or cancellation of the Broadcasting Agreement, except the MEDIA SERVICE PROVIDER has a claim against the BROADCASTER under any legal title, in which case, the total amount of the claim can be deducted from the caution money. The amount of the caution money depends on the average monthly amount of the broadcasting fee from time to time and may amount to up to three months' broadcasting fee.

In the event of a delay of more than two months, the BROADCASTER shall continue to pay the fee in advance to the MEDIA SERVICE PROVIDER on the basis of the invoice issued for the previous month's fee.

## **8. TERM AND TERMINATION OF THE AGREEMENT**

8.1. The AGREEMENT shall enter into force on the date stipulated in the Broadcasting Agreement and be in force until the date set out therein or, in the absence of a Broadcasting Agreement or unless the Broadcasting Agreement provides otherwise, for an indefinite period. The Agreement may be terminated or cancelled only in the cases provided for in the Agreement (the present GTC and the Broadcasting Agreement).

The AGREEMENT ceases or may be terminated:

- 8.1.1. upon the expiry of its fixed term or the termination of the CHANNEL(S);
- 8.1.2. In the case of indefinite duration, by 180 days' ordinary notice by either Party;
- 8.1.3. with the mutual agreement of the Parties;

- 8.1.4. in the case of a material breach of either Party, by immediate effect notice of the other Party if the Party in breach fails to remedy the breach, if it is capable of being remedied, within 8 days of a written notice to that effect;
- 8.1.5. in the case of frustration, including if either party loses or terminates its right or activities for performance for any reason;
- 8.1.6. in the case of force majeure, if its duration exceeds 30 days;
- 8.1.7. for any other reasons set out in the Agreement.

8.2. If the reason for termination exists with respect to only certain CHANNEL(S), the Parties shall agree in the legal consequences thereof in the Broadcasting Agreement.

8.3. The following shall constitute a material breach

8.3.1. By the MEDIA SERVICE PROVIDER:

- (i) Its failure to transmit the programme of the programme signal of the CHANNEL, for a reason attributable to it, continuously for a period exceeding 3 days or on 3 occasions within one week, each time for not less than 3 hours a day;
- (ii) any other conduct, which is considered as a breach under the AGREEMENT (the GTC and the Broadcasting Agreement).

8.3.2. By the BROADCASTER, including but not limited to:

- (i) violation of any provision concerning the BROADCASTER's accounting obligation, including any failure breach of (i) any provision relating to the broadcasters clearing obligation, including any failure or delay to deliver the accounting report on more than 2 occasions a year or with a delay of more than 15 days, if the failure/delay is not remedied by the deadline defined in the relevant written notice;
- (ii) any violation of any provision related to the payment obligation of the BROADCASTER, especially if the BROADCASTER fails to remedy the breach within 8 days after the written notice of the MEDIA SERVICE PROVIDER and does not pay its debt within such time limit;
- (iii) exceeding the licences granted under the AGREEMENT or the exercise of any non-granted licences and/or authorisation of the Subscriber or any other person to that effect;
- (iv) making the CHANNEL available outside the Territory covered by the traditional broadcasting system (not including, in respect of digital services, availability outside the Territory under the EU regulations on the cross-border portability and accessibility of digital services and contents);
- (v) any conduct of the BROADCASTER qualified as a material breach in the AGREEMENT.

8.3.3. For both Parties:

- (i) Failure to keep confidentiality.

8.4. If the court orders bankruptcy or liquidation proceedings against either Party by a final judgement, the other Party may terminate the AGREEMENT with immediate effect by referring to that fact.

8.5. The Parties agree that if the AGREEMENT is made for a fixed term and terminates before the term stipulated therein for any reason attributable to the BROADCASTER, the MEDIA SERVICE PROVIDER shall be entitled to a penalty, the amount of which equals the amount of the discounts granted by the MEDIA SERVICE PROVIDER to the BROADCASTER from the Broadcasting Fee for the period during the entry into force and the termination of the AGREEMENT owing to the contracting for fixed term and which shall be payable in one sum within 8 days of the termination.



8.6. The Parties agree that all legal statements related to the and termination or cancellation of the AGREEMENT shall be made in writing, including the reasons, and sent to the other Party by registered mail with notice of receipt.

8.7. If the AGREEMENT terminates for any reason, the Parties shall settle accounts with each other within 30 days of the date of termination according to the relevant provisions of the AGREEMENT and the Civil Code *mutatis mutandis*, having regard to the purpose of the provisions of the AGREEMENT.

8.8. The Parties record that it shall not be construed as a breach or a reason for terminating the AGREEMENT if the MEDIA SERVICE PROVIDER transfers the licence for the CHANNEL, including this contract with regard to the given Channel, to any business association settled in any European Union Member State or if any such third party enters the agreement subject to the terms and conditions set out in the relevant provisions of the Broadcasting Contract, but the new media service provider shall be considered as the contractual successor of the MEDIA SERVICE PROVIDER in respect of the Broadcasting Contract and the Agreement.

8.9. The MEDIA SERVICE PROVIDER shall be entitled to unilaterally suspend the CHANNEL(S) following notice sent to the BROADCASTER three (3) days in advance, that is, to disable the signal, in the event that the BROADCASTER commits a material breach or fails to pay the fees on time. In case the material breach is remedied, the MEDIA SERVICE PROVIDER will resume transmitting the signal to the BROADCASTER within 24 hours after becoming aware of that the breach has been remedied. The BROADCASTER shall invariably pay the fee for the full duration of the suspension regardless of the disabling of the signal and the suspension of the service.

8.10. The Broadcaster may not bring any claim for damages/compensation/costs or any other claim against the Media Service Provider for the suspension of broadcasting the Programme by the Media Service Provider for the reasons set out in Clause 8.1 and 8.3 above, that is, the Media Service Provider precludes liability to the extent it can be validly precluded pursuant to the provisions of Act V of 2013 on the Civil Code. The Broadcaster shall accept responsibility for the claims of the Subscribers and the Media Service Provider precludes liability in that respect to the extent it can be validly precluded pursuant to the provisions of Act V of 2013 on the Civil Code.

8.11. If, the MEDIA SERVICE PROVIDER initiates litigious or non-litigious proceedings due to a breach of the BROADCASTER but does not exercise the right to terminate the agreement and/or suspend access to the programme signal, the BROADCASTER shall not be unilaterally entitled to terminate or limit the broadcasting service. Any action of the BROADCASTER contrary to the previous provision shall be considered as an abuse of right and the MEDIA SERVICE PROVIDER shall be entitled to full financial and non-financial damages.

8.12. The Parties record that if the fixed term of the Broadcasting Contract made for a fixed term has expired but the Parties continue to perform under the same conditions, the Broadcasting Contract shall be considered to have turned into indefinite and may be terminated in accordance with Clause 8.1.2.

## **9. LEGAL STATEMENTS OF THE PARTIES**

9.1. The MEDIA SERVICE PROVIDER represents and warrants that

9.1.1. The MEDIA SERVICE PROVIDER is holding all the contractual relationships and official and other permits relevant under this contract that are necessary for granting the licences under and subject to the terms and conditions of the AGREEMENT, other than those detailed as above

and falling within the scope of interest of the BROADCASTER or any other third party. Has fully complied with its reporting and disclosure obligations required by the law and its business fully complies with the applicable media administration legal requirements governing the CHANNEL and of the country having jurisdiction over it in force from time to time.

9.1.2. The programme signal transmitted to the BROADCASTER by it or its subcontractor or contributor meets all legal, standards and the requirements stipulated by the Parties,

9.1.3. The conclusion and contractual performance of the AGREEMENT does not prejudice and/or threaten the right or legitimate interest of any other third party.

9.2. The BROADCASTER represents that:

9.2.1. It is holding all the official and other permits required for broadcasting under the AGREEMENT, has fully complied with its reporting and disclosure obligations and its activity related to broadcasting fully complies with the legal requirements in force from time to time;

9.2.2. The conclusion and contractual performance of the AGREEMENT does not prejudice and/or threaten the right or legitimate interest of any other third party.

## **10. MARKETING**

10.1. The BROADCASTER agrees to act without prejudice to the reputation of the MEDIA SERVICE PROVIDER/CHANNEL and in accordance with the guidance of the MEDIA SERVICE PROVIDER during any marketing and advertising activities concerning the MEDIA SERVICE PROVIDER and the CHANNEL and, in doing so, it shall have the layout of all advertising and the design of all marketing campaigns showing/displaying the MEDIA SERVICE PROVIDER/CHANNEL have approved by the MEDIA SERVICE PROVIDER in advance in writing. Only advertising and marketing campaigns pre-approved in writing may be made public. This provision shall also apply to marketing and advertising activities of the MEDIA SERVICE PROVIDER concerning the BROADCASTER.

10.2. The Parties agree that any press release under this AGREEMENT that concerns the other Party may only be made with the prior approval of the other Party.

10.3. Any violation of the above provisions is a material breach.

## **11. TRADEMARK RIGHTS**

11.1. The MEDIA SERVICE PROVIDER consents to the BROADCASTER using the relevant trademark(s) of the CHANNEL from time to time, as shown in Annex 1, for accessing, broadcasting, introducing and advertising the CHANNEL in the framework of the broadcasting services of the BROADCASTER in a manner and by using the medium agreed with the MEDIA SERVICE PROVIDER without any alteration and only to the extent and in the way absolutely necessary for this purpose. Any use of the CHANNEL on the BROADCASTER's websites other than for broadcasting is governed by this Clause 10 and its sub-clauses.

11.2. The MEDIA SERVICE PROVIDER warrants that it is entitled to grant the licence covered in this chapter but reserves all other rights that it has not explicitly agreed to.

11.3. The BROADCASTER also consents to the MEDIA SERVICE PROVIDER using the relevant trademarks and word marks of the BROADCASTER according to the relevant Annex in all advertising of the MEDIA SERVICE PROVIDER that promote the broadcasting or distribution of the CHANNEL, without making any alteration in them. However, the MEDIA SERVICE PROVIDER is entitled to do so only for the purposes and in the course of promoting and advertising the availability of the CHANNEL (i.e., which are the BROADCASTERS and the platforms where the CHANNEL is available). For any advertising and

marketing campaign beyond that, the MEDIA SERVICE PROVIDER shall submit the layout thereof to the BROADCASTER before publication for approval, and only such material may be made public.

11.4. The BROADCASTER may change its trademark at its discretion at any time *mutatis mutandis*. The BROADCASTER shall notify the MEDIA SERVICE PROVIDER of changing the trademark in writing by sending the new trademark.

## **12. SYSTEM EXPANSION, SALE, OTHER ACQUISITION**

12.1. In case of new head-end stations or systems being established by the BROADCASTER (for purchase, lease, operation, use or otherwise), or a merger or acquisition (sale of systems, acquisition of ownership in another company) with another broadcaster, the BROADCASTER shall notify the MEDIA SERVICE PROVIDER in writing, no later than 15 (fifteen) days after the new head-end or system is established, and shall distribute the CHANNEL(S) on such new system(s) in the same manner as the terms of the BROADCASTING CONTRACT or AGREEMENT. The MEDIA SERVICE PROVIDER acknowledges this notification and agrees to these legal transactions only if it agrees with the receiving BROADCASTER on the amount of the fee for the subscribers transferred, taking into account the provisions of clause 8.5 of these GTC. If the BROADCASTER fails to comply with its obligation to provide information as set out above and in any period following the establishment of a new head-end or system, the subscriber reports for the head-end/system concerned are not sent with the actual subscriber numbers or not at all and the relevant fee is not paid, the BROADCASTER shall, for each failure to report, be liable to pay, per Subscriber, the monthly fee for each Subscriber failed to report, until the reporting is made, in accordance with the provisions of Section 4. shall pay to the MEDIA SERVICE PROVIDER, by way of penalty, the amount corresponding to the programme fee set out in point II of Annex 4 to this Agreement for each Subscriber, within 8 days of receipt of the MEDIA SERVICE PROVIDER's request to that effect. The MEDIA SERVICE PROVIDER shall also be entitled to claim damages in excess of the liquidated damages.

12.2 Unless there is a legal succession, the seller BROADCASTER and the buyer BROADCASTER are jointly and severally liable to the MEDIA SERVICE PROVIDER for the payment of the broadcasting fee.

## **13. DAMAGES, FORCE MAJEURE**

13.1. The liability of the Parties shall be governed by the applicable provisions of the Civil Code.

13.2. The Parties undertake no indemnity for any technical fault or interruption of programme or suspension or media service or broadcasting if such occurrence is considered as force majeure. Force majeure means any natural or human impact, the consequences of which cannot be avoided at the current level of technology, meaning, they arise for any reason outside the control of the Party concerned. It includes (but is not limited to): earthquake, lightning, storm, flood, natural disaster, natural event, war, revolution, terrorism, general strikes, as well as utility, satellite or telecommunications network failure, regulatory actions, amendment of relevant legislation that prevents or restricts the performance of the AGREEMENT.

## **14. CONFIDENTIALITY**

14.1. The Parties shall keep and treat strictly confidential as business secret the content of the AGREEMENT and all facts, data, technical, legal, business or economic information and document acquired by the Parties during or in relation to the performance of the AGREEMENT that relate to the rights and obligations of them and the other Party and disclose the same to any third party or to the public only with the prior written consent of the other party, except if under a legal obligation. If either Party is obliged to release or disclose the business secret of the other Party based on legal obligations,

it shall notify the other Party thereof in writing in advance and fully cooperate with the other Party. The Parties shall be responsible for the conduct of their employees and members, other persons in a relationship aimed at work, agents and any other persons acting on their behalf as if for their own conduct, including the confidentiality obligation under this Clause. The Parties shall remain subject to the confidentiality obligation without any time limit. The affiliates of the Parties and the professional advisers of the Parties are not considered as third parties for the purposes of this Clause.

14.2. The Parties shall remain under the duty of confidentiality indefinitely after the termination of the AGREEMENT for any reason and may enforce the penalty under the AGREEMENT and the civil law and criminal law consequences due to any breach of the confidentiality obligations.

## **15. MISCELLANEOUS PROVISIONS**

15.1. The Parties agree that neither Party may assign or transfer the AGREEMENT or its rights and obligations arising from the AGREEMENT to third parties without the prior written consent of the other Party, except for the Clause 8.8 and excluding cases expressly stipulated in the Broadcasting Contract.

15.2. The Parties shall immediately notify each other in writing of any change in their corporate data (including the legal form, ownership and management).

15.3. The Parties agree that the AGREEMENT may only be amended in writing by the mutual consent and will of the Parties. The Parties agree that any legal declarations regarding the AGREEMENT shall be made in writing (by e-mail or registered mail) to the address of the general contact persons shown in the relevant annex of the Broadcasting Contract. The Parties agree that the BROADCASTER shall respond on the substance to any request of the MEDIA SERVICE PROVIDER concerning the AGREEMENT sent to the contact persons named by the BROADCASTER in writing (by e-mail or registered mail) within 5 (five) working days. Any failure of the BROADCASTER to reply shall be considered as a conduct subject to penalty payment obligation. The daily amount of the penalty equals 1/30 of the Broadcasting Fee invoiced in the month preceding the given month.

15.4. The Parties may designate other contact persons and contact details but, in this case, the Party concerned shall notify the other Party of the change regarding the contact person or the contact details without delay by unilateral written declaration to the other Party. The Party obliged to give notice shall bear any damages resulting from the failure or delay to give notice of the change.

15.5. For the purposes of the AGREEMENT, a declaration shall be considered received or delivered:

- In the case of personal delivery, when received by the other Party confirmed by its signature, or the other Party refused receipt in a provable manner;
- If sent by post, when received by the addressed Party;
- If sent electronically, when it becomes accessible to the other Party during working hours on working days, otherwise at 9:00 the next business day.

15.6. The Parties record that if the present GTC and the Broadcasting Contract contain contradictory provisions, the provisions of Broadcasting Contract shall prevail.

15.7. The Parties agree that exclusively the present AGREEMENT constitutes their contractual will. Accordingly, all prior legal declarations and agreements on this subject, whether oral or written, shall become null and void or terminate upon the entry into force of the AGREEMENT. The Parties also expressly agree that no condition relating to the rights or obligations of the Parties that are not set out in this AGREEMENT shall become part of the present AGREEMENT. It is expressly understood that no usage the Parties may have previously agreed to apply in their previous business relationship, nor prior practices developed by the Parties *inter se* shall become part of this AGREEMENT, unless the Parties

have so agreed in writing. Furthermore, no usage widely known and generally applied by parties to similar contracts in the sector associated with the AGREEMENT shall become part of the AGREEMENT.

15.8. The Parties record that the AGREEMENT and their relationship between themselves shall be governed by Hungarian law and that matters not regulated in the AGREEMENT shall be governed by the provisions of Act V of 2013 on the Civil Code, the Media Act, Act LXXVI of 1999 on Copyright and other applicable legislation.

15.9. Any data processing related to the contract and the performance thereof shall be carried out in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (hereinafter referred to as "GDPR") and the data processing policy of the MEDIA SERVICE PROVIDER (<http://www.atv.hu/adatvedelmi-szabalyzat>), which shall be considered accepted by the BROADCASTER by coming to know the present GTC.

Annexes:

Annex 1: Trademarks and essential characteristics of the channels, licence names

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**Annex 1**

**Trademarks and essential characteristics of the channels, licence names**

<b>CHANNEL</b>	<b>PROFILE</b>	<b>PROGRAMME TIME</b>	<b>HD</b>
<b>ATV</b>	General	Not less than 20 hours	Yes
<b>ATV Spirit</b>	General	Not less than 20 hours	Yes

**ATV logo:**



**ATV Spirit logo:**



## Annex 2

### Transfer point of the programme signal of the channels

#### BIX connection parameters for SD and HD channels

- Connection address: BIX, Budapest, Victor Hugo utca 18-22., 4th floor, **VIVAnet** Galaxis server room, **HMX RACK1**

#### Video:

SD: MPEG2 encoding 5-6 Mbps, MPTS signal

HD: MPEG4 encoding, 12-15 Mbps, MPTS signal

#### Protocol:

UDP protocol

#### Interface type:

1000BaseLH optical connection, mono mode fiber termination

#### Audio and teletext parameters:

For ATV SD/HD and ATV Spirit SD/HD channels, one stereo audio track is transmitted;

For ATV SD/HD channel, teletext is provided as part of the teletext service.

#### Satellite signal distribution parameters:

##### ATV HD Reception parameter

Satellite: Amos3

Frequency: 10806MHz

Polarisation: vertical

Symbol speed: 30MS/s

FEC: 3/4

Modulation: DVB-S2, 8PSK

TS ID: 5

Codec: h.264 HD

Service ID: 1505

PMT PID: 500

Video PID: 501 (1-9MBit/s)

Audio PID: 810 hun

TXT PID: 820

#### Point-to-point EoIP connection parameters for SD and HD channels

#### Connection address:

IP address provided by the broadcaster

#### Video:

SD: MPEG2 encoding 5-6 Mbps, SPTS signal

HD: MPEG4 encoding, 12-15 Mbps, SPTS signal

#### Protocol:

UDP, RTP or SRT protocol

Audio and teletext parameters:

For ATV SD/HD and ATV Spirit SD/HD channels, one stereo audio track is transmitted;

For ATV SD/HD channel, teletext is provided as part of the teletext service.





#### **Annex 4:**

##### **Broadcasting fee**

##### **Broadcasting fee payable for the distribution of the linear audiovisual media services of ATV and ATV Spirit**

#### **I. General provisions**

This Annex is an integral part of the General Terms and Conditions (GTC) of ATV Zrt. concerning the SD-format linear audiovisual media services currently named ATV and ATV Spirit.

Capitalized terms in this Annex shall have the meaning defined in Clause 1 of the GTC (DEFINITIONS).

The present Annex 4 is valid until withdrawal or amended.

#### **II. Broadcasting fees**

##### Broadcasting fee of the CHANNELS after INDIVIDUAL SUBSCRIBERS:

Simultaneous dissemination of ATV and ATV Spirit	HUF 150 per month per subscriber
ATV	HUF 130 per month per subscriber
ATV Spirit	HUF 50 per month per subscriber

##### Broadcasting fee of the CHANNELS after INSTITUTIONAL SUBSCRIBERS:

*For hotel subscribers:* Number of all reception points X BROADCASTING FEE FOR INDIVIDUAL SUBSCRIBERS / month / Subscriber X 0.7

*For hotel subscribers:* Number of all reception points X BROADCASTING FEE FOR INDIVIDUAL SUBSCRIBERS / month / Subscriber X 0.3

The Broadcasting Fee does not include VAT. Every invoice issued on the Broadcasting Fee will show the amount of the VAT in separate box, which shall be paid together with the Broadcasting Fee by the date shown in the invoice.

Each year, the licence fee varies in line with the annual average consumer price index published by the Hungarian Central Statistical Office (KSH), compared to the consumer price index valid on 31 December of the year preceding the publication of the consumer price index.

A discount may be granted on the Broadcasting Fee if penetration, EPG position, etc. is committed and other existing circumstances are taken into account.

Payment of the Broadcasting Fee does not entitle the BROADCASTER for use departing from the Broadcasting Contract or the AGREEMENT, so it explicitly does not authorize for the provision of Multiscreen or NPVR service, any non-linear distribution of the CHANNEL in advanced technical quality not approved by the GTC or any other distribution that cannot be considered as linear media services, including, in particular, the distribution of any functions and services allowing the time-shifting any programme broadcast on the CHANNEL (e.g. time-shifted-viewing, catch-up, archive-TV, restart function, reversed EPG, programme replay, etc.).

#### **III. Discounts**

The MEDIA SERVICE PROVIDER may give discounts to the BROADCASTER from the full amount of the Broadcasting Fee defined in Clause II above in general or based on the commitments of the BROADCASTER undertaken in the Broadcasting Contract, provided, that such discounts shall be valid until revoked

**Annex 5:**

**Contact persons**

**For the MEDIA SERVICE PROVIDER:**

**Person authorized to make legal declarations:**

Tamás Kovács, chief operating officer

Tel: 06-1-877-0812;

E-mail: [tkovacs@atv.hu](mailto:tkovacs@atv.hu)

**In matters affecting transmission and trading:**

Csilla Lukács, broadcasting director

Tel.: 06-1-877-0870;

E-mail: [lukacs.csilla@atv.hu](mailto:lukacs.csilla@atv.hu)

**In finance issues:**

Diana Tarcsi broadcasting manager

Tel.: 06-1-877-0883;

E-mail: [tarcsi.diana@atv.hu](mailto:tarcsi.diana@atv.hu)

**In technical issues**

Dániel Joób, technical manager

Tel.: 06-1-877-0898;

E-mail: [joob.daniel@atv.hu](mailto:joob.daniel@atv.hu)

## **Annex 6:**

### **Rules for the audit of the media service provider in relation to subscribers**

This Annex is an integral part of the current " **GENERAL BROADCASTING TERMS AND CONDITIONS OF THE LINEAR AUDIOVISUAL MEDIA SERVICE OF ATV ZRT. AS THE MEDIA SERVICE PROVIDER** " (GTC).

#### **1. Purpose and principles of the audit**

The BROADCASTER must keep up-to-date, accurate and authentic records of subscriber data and enable the data (in particular the number of subscribers) to be verified by the MEDIA SERVICE PROVIDER or its intermediary in an appropriate manner, during normal working hours, during the term of the BROADCASTING CONTRACT or the AGREEMENT and within 6 months of its expiry.

The purpose of the verification is to establish beyond reasonable doubt that the Subscriber Data reported by the BROADCASTER to the MEDIA SERVICE PROVIDER for the period under review is accurate. Accordingly, in the process of the investigation, the BROADCASTER shall provide all the data detailed below which will make it possible to achieve the above objective.

Refusal or prevention of an audit, failure to carry out an audit due to inadequate data recording or provision of data shall constitute a serious breach of contract by the BROADCASTER and shall be subject to the penalties provided for in the GTC.

The MEDIA SERVICE PROVIDER shall be entitled to employ an intermediary to carry out the check, for whom he shall be liable as if he had acted as such.

In order to ensure that the actual subscriber number can be established with certainty, the BROADCASTER is obliged to record, store and retain the following data relating to its service for a period of 5 years:

- the Subscribers (with separate records for Individual Subscribers and Institutional Subscribers, including the reception locations for Institutional Subscribers);
- the programme packages and their prices;
- changes to the programme packages and the subscriber charges affected by the change;
- the free discounts (VIP status) and movements granted to a specific group of subscribers during the course of the service.

The audit shall be carried out solely for the purposes set out above and shall not include an examination of the general or other activities of the BROADCASTER or be considered an audit in the accounting sense. Annual accounts, balance sheets, profit and loss accounts and general ledger extracts may not be audited by the MEDIA SERVICE PROVIDER.

In the process of the audit, the parties are obliged to cooperate to the fullest extent possible, taking into account the principles of good faith and fairness, and to comply with the provisions and objectives of Act CXII of 2011 on the Right to Information Self-Determination and Freedom of Information and other related legislation. The part of individual subscriber contracts concerning personal data shall not be subject to scrutiny, unless the subscriber has given his/her explicit consent.

The auditors are not entitled to obtain information on the subscribers of CHANNEL(S) that is not related to the above data, in particular, they are not entitled to observe and control the number of subscribers of other channels and programmes distributed by the BROADCASTER, as well as the economic activity of the BROADCASTER.

The MEDIA SERVICE PROVIDER is entitled to carry out the audit procedure up to 1 time per 12 calendar months in the case of a BROADCASTING CONTRACT for a period of 1 year, and up to 1 time per 12 calendar months in the case of a BROADCASTING CONTRACT or AGREEMENT for a period of more than 1 year.

The cost of the audit shall be borne by the MEDIA SERVICE PROVIDER, with the exceptions set out in point 2.6. The equipment, software, etc. necessary for the audit shall be provided by the MEDIA SERVICE PROVIDER at its own expense.

At any time during the audit, the BROADCASTER shall have the right to request, at its own expense, the presence of an observer appointed or invited by its professional representative body, and the observer shall be entitled to be present throughout the audit and to give his opinion on the audit. The observer's views shall be recorded in the report.

## **2. The audit process**

### **2.1. Notification**

The MEDIA SERVICE PROVIDER has the right and the obligation to notify the BROADCASTER in writing of its intention to carry out an audit at least 15 working days in advance.

The notification shall include the proposed date and duration of the audit and, where appropriate, the name of the intermediary used by the MEDIA SERVICE PROVIDER.

The BROADCASTER may, within 8 days of receipt of the notification, indicate any objection to the proposed date of the audit or to the person or firm used by the MEDIA SERVICE PROVIDER. The BROADCASTER shall state the reasons for its objection. The BROADCASTER may only refuse to accept a contractor engaged by the MEDIA SERVICE PROVIDER on the grounds of a well-founded professional and/or business conflict of interest. If the BROADCASTER's objection is well-founded, the parties shall negotiate in good faith and agree on the person of the collaborator within 15 days. If no agreement is reached between the parties within this period, the MEDIA SERVICE PROVIDER shall be entitled to appoint a new collaborator, to which the BROADCASTER shall not object.

The audit may not begin earlier than 15 working days after receipt of the MEDIA SERVICE PROVIDER's notification by the BROADCASTER. The BROADCASTER may, for objective reasons, change the starting date up to 1 time and up to 5 days later. A different starting date may be fixed by direct written agreement between the MEDIA SERVICE PROVIDER and the BROADCASTER.

### **2.2. On-site audit**

On a date agreed in advance by the parties, the MEDIA SERVICE PROVIDER or its agent shall start the audit at the premises of the BROADCASTER's head office/customer service during working hours and the audit shall be carried out there.

The BROADCASTER's representative shall be available or shall ensure the availability of his staff who have access to or can provide the necessary data for the successful conduct of the audit. This person shall, in principle, be the legal representative of the BROADCASTER, unless the legal representative gives written authorisation to any authorised representative before the audit begins. The BROADCASTER's legal representative or authorised representative shall cooperate with the purpose of the audit, formally answer the auditors' questions and ensure the availability of the necessary documents, immediately on the spot and at the latest within 1 working day of being marked by the

MEDIA SERVICE PROVIDER. The MEDIA SERVICE PROVIDER shall start and, if possible, carry out the audit of the requested documents within 1 working day of their availability.

Provided that the conditions for access to data described above are fully met, the Parties shall endeavour to complete the duration of the on-site investigation within a maximum of 5 working days after the provision of all necessary data. However, depending on the complexity of the head-end stations and data records of the system under test, the duration of the on-site visit may require more working days, which and the reasons for which the investigators shall inform the BROADCASTER's representative on the site.

### **2.3. Data needs**

The scope of the data to be checked during the audit includes:

- Which software package the CHANNEL(S) is distributed in;
- Analysis of the subscriber numbers in the database, customer records, billing system and/or paper records for the date under review, broken down by Individual and Institutional Subscriber and by area and/or headend included in the service;
- Examination of the methodology used to register subscribers in terms of consistency and traceability.

If the BROADCASTER uses a closed and quality-assured (accredited, quality-certified) registration system, and this registration system provides credible data for the ex-post subscriber count verification, the primary purpose of the verification will be to check whether the system is actually closed and has not been circumvented. A closed, accredited system may be an ISO-certified registration system or one where the contract registration and billing processes are inextricably linked and cannot be bypassed or untraceably modified.

If there is no registration system with the parameters set out in the previous point, or if there is a suspicion of circumvention of the closed system, or if the data extracted from the system do not provide credible proof of the number of subscribers, the BROADCASTER shall provide access to the following data on the spot or allow the MEDIA SERVICE PROVIDER to access them:

- Computer database and software data;
- In which programme package is CHANNEL(S) available, per month (GTC, NMHH);
- Price of the programme package for the period under review (GTC);
- Subscriber numbers during the period under review (opening and closing per month; separate Individual and Institutional Subscriber);
- List of subscribers by ID for the year in question, broken down by month;
- Number of subscriber contracts, taking into account data protection aspects;
- Identification of service areas by head-end and/or municipality.

If the above data sources are not available or cannot be used to establish a credible Subscriber number, the MEDIA SERVICE PROVIDER is also entitled to inspect the additional records:

- SUBSCRIBER's revenues related to its broadcasting service, including:
  - Records of group direct debit orders;
  - Payments made through the cashbook;
  - Recording of payments by cheque;
  - Copies of subscriber contracts, lists and related amendment documents required for the sample quantification.

### **2.4. Report**

The parties shall draw up a report on the audit and the facts and data found, which shall be signed by the representatives of both parties and shall conclude the on-site audit. One copy of the report shall be kept by the BROADCASTER and one copy by the MEDIA SERVICE PROVIDER or his agent. The findings of the report shall be binding on both the BROADCASTER and the MEDIA SERVICE PROVIDER.

Where an intermediary is used, the intermediary shall be entitled to submit the report only to the MEDIA SERVICE PROVIDER and shall provide information on the audit only to the MEDIA SERVICE PROVIDER.

### **2.5. Investigation report**

On the basis of the report of the audit, the MEDIA SERVICE PROVIDER or his agent shall draw up an investigation report on the results of the audit, which the MEDIA SERVICE PROVIDER shall send/transmit to the BROADCASTER no later than 30 working days after the last day of the on-site inspection. If this is not done within this time limit, it shall be considered that the audit has established that the data examined are in full agreement.

Within 15 days of receipt of the investigation report, the BROADCASTER may object in writing to the content of the audit findings. In this case, he may request a further audit at his own expense or by an audit firm. However, BROADCASTER must start this examination within 10 days of the date of the copy of the investigation report and must provide the auditor with the same data sources as for the original audit. If no objection is raised by the BROADCASTER within 15 days of receipt of the investigation report, the investigation report and therefore the result of the inspection shall be deemed to have been accepted. The costs of the additional inspection shall be borne by the BROADCASTER.

### **2.6. Findings**

If it is found by the audit that there is a discrepancy between the number of Subscribers reported for a given period and the actual number of Subscribers, such that the BROADCASTER has reported less than the actual number of Subscribers, the BROADCASTER shall pay the Programme Fee for the difference in the number of Subscribers and the default interest as defined in the Civil Code in force at the time to the MEDIA SERVICE PROVIDER.

If the audit reveals a discrepancy of more than 5% between the number of Subscribers reported and the actual number of Subscribers for the given period, the MEDIA SERVICE PROVIDER may charge the reasonable and justified costs of the audit to the BROADCASTER and may terminate the BROADCASTER'S CONTRACT or the AGREEMENT with immediate effect.

If it is found by the audit that there is a discrepancy between the number of Subscribers reported for a given period and the actual number of Subscribers, which may show that the BROADCASTER has reported more Subscribers than the actual number of Subscribers, the BROADCASTER shall bear the resulting damage, given that the BROADCASTER is responsible for the content of the Subscriber Report.

The Parties define the term " discrepancy " as follows:

DISCREPANCY = The difference between the total number of Subscribers reported to the MEDIA SERVICE PROVIDER during the interval under review and the total number of Subscribers as recorded by the Parties in the minutes and accepted by the BROADCASTER in the report.

### **3. Technical audit**



The audit includes a field audit (technical audit). The purpose of the technical audit is to verify the authenticity of the subscriber bundles recorded in the computerised or paper-based contract register and the subscriber bundles actually found.

To carry out the sample check, a list of the premises/streets or houses in the selected service area must be provided on the basis of a list of the connections.

In the event of a negative result of the technical verification, the MEDIA SERVICE PROVIDER shall notify the BROADCASTER and the parties shall agree on the conditions and time limits for the rectification of the deficiencies found.

#### **4. Confidentiality**

The MEDIA SERVICE PROVIDER or its contractors undertake to use, keep confidential and store all information (including paper, electronic documents, databases and oral information) obtained during the audit only within the scope of the audit of CHANNEL(S) Subscribers and to ensure that no third party other than the MEDIA SERVICE PROVIDER is aware of it.

The Parties shall comply with the provisions and objectives of the GDPR and Act CXII of 2011 on the Right of Informational Self-Determination and Freedom of Information and other related legislation.