

SDN LIMITED

MULTIPLEX A

ATTACHMENT TO NOTICE OF VARIATION NUMBER 33 DATED 28 JUNE 2017

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THE SCHEDULE

PART 1

DEFINITIONS AND INTERPRETATION

1. Definitions and interpretation

(1) In this Licence unless the context otherwise requires:-

References to any “**accounting period**” of the Licensee shall be interpreted in accordance with Section 13(6) of the 1996 Act and the Statement of Principles on multiplex revenue;

“**the 1990 Act**” means the Broadcasting Act 1990 (as amended);

“**the 1996 Act**” means the Broadcasting Act 1996 (as amended);

“**the 2008 Order**” means The Television Multiplex Services (Reservation of Digital Capacity) Order 2008, S.I. 2008/1420;

“**700 MHz DTT Clearance Date**” means the date set out in or fixed in accordance with paragraph 37 of Part 12 of the Annex, by which the 700MHz DTT Clearance Programme must be completed;

“**700 MHz DTT Clearance Programme**” means the clearance of DTT services from the frequencies 694 MHz to 790 MHz and the associated reassignment of DTT services within the frequency range 470 MHz to 694 MHz. This policy is set out in Ofcom’s *Decision to make the 700MHz band available for mobile data* statement published on 19 November 2014 and *Maximising the benefits of 700 MHz clearance* statement published on 17 October 2016;

“**Channel 5**” has the same meaning as in Part I of the 1990 Act;

“**Clearance Delivery Plan**” means the plan, including the technical roll-out plan, setting out how the Licensee and holders of other multiplex licences shall manage and coordinate the delivery of the 700 MHz DTT Clearance Programme, which was notified to the Licensee by Ofcom in December 2016, and as amended from time to time as reasonably required, where such amendments are agreed with Ofcom;

“**Code of Practice on Changes to Existing Transmission and Reception Arrangements**” means the code governing the standards and requirements relating to changes and modifications to transmission and reception arrangements for existing

terrestrial television series required as a result of the transmission of the Licensed Service as drawn up by the Independent Television Commission and from time to time revised by Ofcom or any replacement to it as may be published by Ofcom;

“Commencement Date” means the date one year after the date the Licence was granted to the Licensee by the Independent Television Commission;

“Communications Act” means the Communications Act 2003;

References to a **“connected person”** in relation to the Licensee shall be interpreted in accordance with paragraph 3 of Part I of Schedule 2 to the 1990 Act;

“digital sound programme service” has the meaning given to it in Section 12(1)(da) of the 1996 Act;

“digital television programme service” has the meaning given to “digital programme service” in Section 1(4) of the 1996 Act;

“DTT” means digital terrestrial television;

“Frequencies” means the frequencies specified in the Table of Digital Terrestrial Broadcasting Stations for Multiplex Licences referred to in Part 11 of the Annex and a **“Frequency”** means any of the Frequencies;

“Guidance Note on Test Transmissions” means the guidance note issued by the Independent Television Commission as revised from time to time by Ofcom;

“IAB Order” means the Independent Analogue Broadcasters (Reservation of Digital Capacity) Order 1996;

“Independent Analogue Broadcasters” means the holder of the Channel 5 licence and the Welsh Authority and **“Independent Analogue Broadcaster”** means either of these persons;

“Initial Licence Period” means the period of twelve years from and including the Commencement Date or, if shorter, the period from and including the Commencement Date until such date as the Licence is revoked in accordance with these Conditions;

“international obligation of the United Kingdom” has the meaning given to it in Section 405 of the Communications Act;

“Licence Period” means the Initial Licence Period or any Subsequent Licence Period, as the context shall require;

“Licensed Area” means the coverage area achieved when the programmes in the licensed services and the qualifying services included in the Licensed Service are transmitted by wireless telegraphy in accordance with Condition 2(3) of the Schedule;

“the Licensed Service” means the television multiplex service specified in the Annex;

“licensed services” means services licensed by Ofcom under Part I of the 1996 Act;

References to **“multiplex revenue”** in relation to the Licensee shall be interpreted in accordance with Sections 14 and 37 of the 1996 Act and the Statement of Principles drawn up and revised from time to time by Ofcom in consultation with the Secretary of State and the Treasury pursuant to Part II of Schedule 1 to the 1996 Act;

“Ofcom” means the Office of Communications as defined in the Office of Communications Act 2002;

“Prescribed Amount” means:

(a) where:

- (i) the Licence is revoked under Section 11 of the 1996 Act; or
- (ii) the first complete accounting period of the Licensee falling within the Licence Period has not yet ended;

seven percent of the amount which Ofcom estimates would have been the Licensee’s multiplex revenue for that accounting period (as determined in accordance with Section 14 of the 1996 Act); or

(b) in any other case, seven percent of the Licensee’s multiplex revenue for the last complete accounting period of the Licensee so falling (as determined in accordance with Section 14 of the 1996 Act);

“programme” unless otherwise stated, includes an advertisement and anything included in the licensed service;

“programme-related services” shall be interpreted in accordance with Section 12(4)(b) of the 1996 Act;

“Questions” refer to the numbered questions in the Independent Television Commission’s document, “Information Required from Applicants” Annex I to the Independent Television Commission’s Notes of Guidance for Applicants – Television Multiplex Service Licence;

“Relevant Date” means the date which Ofcom determines to be that by which it would need to publish a notice under Section 7(1) of the 1996 Act if it were to grant, as from the date on which the Licence would expire if not renewed, a fresh licence to provide the Licensed Service as from the end of the Initial Licence Period;

“Relevant International Obligations” means international obligations of the United Kingdom that are notified to Ofcom by the Secretary of State for the purposes of securing compliance under Condition 16;

“Relevant Percentage of multiplex revenue” means such percentage of the multiplex revenue in relation to each accounting period of the Licensee during the Licence period as Ofcom may specify pursuant to Section 7(1)(f) of the 1996 Act which percentage may be different for different accounting periods and may be a nil percentage as applied to this Licence by the IAB Order;

“S4C Digital” means the service referred to in Section 57(1)(A)(a) of the 1990 Act;

“Subsequent Licence Period” means the period of twelve years from and including the date on which the Licence is renewed in accordance with Condition 10 or, if shorter, the period from and including the date on which the Licence is renewed until such date as it is revoked in accordance with these Conditions;

“Table of Digital Terrestrial Broadcasting Stations for Multiplex Licences” means the table which sets out details of the digital terrestrial broadcasting stations for multiplex A as published and revised from time to time by Ofcom, or any replacement to this table as may be published by Ofcom;

“Technical Plan” means the technical plan relating to the Licensed Service which accompanied the Licensee’s application for the Licence pursuant to Section 7(4)(b) of the 1996 Act;

“television multiplex service” has the meaning given by Section 241(1) of the Communications Act to a multiplex service within the meaning of Part I of the 1996 Act;

“Television Technical Performance Code” means the code governing technical standards and practice in the provision of the licensed services and qualifying services as drawn up and from time to time revised by Ofcom (and, in the event that such Code has not been drawn up by Ofcom **“Television Technical Performance Code”** shall be interpreted to mean the Technical Performance Code drawn up by the Independent Television Commission);

“Welsh Authority” means “Welsh Fourth Channel Authority”

- (2) The Interpretation Act 1978 shall apply for the purpose of interpreting this Licence as if it was an Act of Parliament.
- (3) Any word or expression used in this Licence shall unless otherwise defined herein and/or the context otherwise requires have the same meaning as it has in the 1990 Act, the 1996 Act or the Communications Act, as the case may be.
- (4) For the purposes of interpreting this Licence, headings and titles shall be disregarded.
- (5) The statutory references in the margins of this Licence are for purposes purely of convenience and shall not affect the interpretation or construction of the Licence or limit the statutory basis for the inclusion of the relevant Condition in the Licence.
- (6) Where an Order is made under the Deregulation and Contracting Out Act 1994 which authorises a person to exercise any functions of Ofcom, the relevant references in the Licence to Ofcom shall include a reference to that person.
- (7) The Schedule and Annex to this Licence form part of it.
- (8) This Licence shall be governed by English law.

PART 2

GENERAL CONDITIONS

2. Provision of television multiplex service by the Licensee

Section 12(2) of the
1996 Act

- (1) The Licensee shall provide the Licensed Service for the Licence Period in the Licensed Area and in accordance with the Conditions set out in the Annex.
- (2) [NOT USED]
- (3) Subject to the conditions set out in the Annex, the Licensee shall ensure that the licensed services and the qualifying services broadcast in the Licensed Service are transmitted from the relevant stations specified in the Table of Digital Terrestrial Broadcasting Stations for Multiplex Licences in accordance with Part 11 of the Annex and on each day of the week.
- (4) [NOT USED]
- (5) Nothing in this Licence shall constitute or imply any warranty, representation or obligation on the part of Ofcom as to the size or location of the areas actually capable of receiving the programmes in the licensed services and the qualifying services broadcast in the licensed services provided by the Licensee pursuant to the Licence or that licensed services and qualifying services provided by the holder of any other licence (including a television multiplex service licence) shall not be capable of reception in the whole or any part of the Licensed Area.
- (6) The Licensee shall not be authorised by or under the Licence to broadcast or procure the broadcasting of anything other than the Licensed Service.
- (7) The Licensee shall use its best endeavours to implement 3db power increases:
 - (i) as soon as is reasonably practicable and in any event by 31 December 2003 and at least 20 of the broadcasting stations listed in Part 5 of the Annex; and
 - (i) as soon as is reasonably practicable and where reasonably practicable at all broadcasting stations listed in Part 5 of the Annex.

3.

Fees

Sections 4(1)(b), 4(1)(c), 4(3) and 4(4) of the 1996 Act

- (1) The Licensee shall pay to Ofcom such fees as Ofcom may determine in accordance with the tariff fixed by it and for the time being in force under Section 4(3) of the 1996 Act, details of which, and of any revision thereof, Ofcom shall from time to time publish in such manner as it considers appropriate.
- (2) Payment of the fees referred to in Condition 3(1) shall be made in such manner and at such times as Ofcom shall specify provided that Ofcom specifically otherwise requires:
 - (a) where the annual amount of the fee is less than the Designated Amount, it shall be payable on the Date of Grant and on each anniversary thereof prior to or during the Licence Period; and
 - (b) where the annual amount of the fee is equal to or more than the Designated Amount, it shall be payable in advance by equal monthly instalments commencing on the Date of Grant and continuing thereafter until the expiry of the Licence Period
 - (c) for the purposes of this Condition 3, the "Designated Amount" means the sum of £25,000 or such other sum as Ofcom may from time to time specify.
- (3) The Licensee shall within 28 days of a request therefore provide Ofcom with such information as it may require for the purposes of determining or revising the tariff referred to in Condition 3(1) above.

4.

Additional Payments

Section 13(1) of the 1996 Act

- (1) The Licensee shall pay to Ofcom in respect of each accounting period of the Licensee falling within the Licence Period an amount representing the Relevant Percentage of multiplex revenue.

Section 13(4) of the 1996 Act

- (2) Ofcom may:

- (a) before the beginning of any accounting period of the Licensee, estimate the amount representing the Relevant Percentage of multiplex revenue for that accounting period (and the Licensee shall pay such estimated amount (the "**Estimated Amount**") by instalments on the penultimate business day of each calendar month throughout that accounting period); and
 - (b) at such times as it shall think fit revise the Estimated Amount and adjust the instalments payable by the Licensee to take account of any such revision.
- Section 13(5) of the 1996 Act
- (3) (a) The Licensee shall pay to Ofcom a sum equal to the amount (if any) by which the amount of the Relevant Percentage of multiplex revenue in respect of any accounting period of his exceeds the Estimated Amount actually paid by him to Ofcom in respect of that period; and
 - (b) Ofcom shall pay or procure the payment to the Licensee of a sum equal to the amount (if any) by which the amount of the Relevant Percentage of multiplex revenue in respect of any accounting period of the Licensee is less than the Estimated Amount actually paid by the Licensee to Ofcom in respect of that period,
- and the sum payable by the Licensee shall be paid within 14 days of the date on which Ofcom shall notify the Licensee of the amount of the Relevant Percentage of multiplex revenue in respect of such accounting period.
- (4) Payments under this Condition 4 shall be made in such manner as Ofcom shall specify.
- Section 16(9) of the 1996 Act
- (5) This Condition 4 shall not have effect:
 - (a) in relation to the Initial Licence Period: or
 - (b) in relation to the Subsequent Licence Period if, pursuant to Section 16(8) of the 1996 Act, Ofcom specify (with the consent of the Secretary of the State) that no relevant percentage of multiplex revenue is payable for that period.

5.

V.A.T.

- Section 4(1)(b) and (d) of the 1996 Act
- (1) The Licensee shall pay any V.A.T. on any supply for V.A.T. purposes by Ofcom under this Licence on presentation of a valid V.A.T. invoice.
 - (2) Without limitation to Condition 5(1) above, all sums payable by the Licensee are exclusive of V.A.T which shall be paid by the Licensee in addition to such sums.
 - (3) In this Condition 5(3) "**V.A.T.**" means value added tax chargeable under or pursuant to the Value Added Tax Act 1994 including any amendment to or replacement of that Act and/or any similar tax.

6. Transmission arrangements, technical standards requirements

- Section 12(1) of the 1996 Act
- (1) The Licensee shall do all he can to ensure that the signals carrying the Licensed Service attain high standards in terms of technical quality and reliability throughout so much of the Licensed Area as is for the time being reasonably practicable. In particular, (but without prejudice to the generality of the foregoing) the Licensee shall do all that he can to ensure that the relevant provisions of the Television Technical Performance Code and the Technical Plan and Parts 11 of the Annex to the Licence are observed in all operations under his direct control and by any third parties involved in the provision of programmes in the licensed services and qualifying services broadcast in the Licensed Service or in the provision and operation of a system for the distribution and transmission of the Licensed Service.
- Section 4(1)(a) of the 1996 Act
- (2) The Licensee shall at all times comply with the Code of Practice on Changes to Existing Transmission and Reception Arrangements drawn up by the Independent Television Commission and from time to time revised by Ofcom, or any replacement to it as may be published by Ofcom, and without prejudice to the generality of the foregoing the Licensee shall:
 - (a) do all that he can to secure that all work required in accordance with the Code of Practice on Changes to Existing Transmission and Reception Arrangements in connection with the equipment used for the transmission of existing terrestrial television services in order to accommodate the transmission of the Licensed Service is carried out in a proper manner before the commencement of transmissions of the Licensed Service from each of the stations specified in Part 11 of the Annex are brought into full operation;

- (b) not commence transmissions of the Licensed Service from any of the stations specified in Part 11 of the Annex until the work referred to in paragraph 2(a) of this Condition in connection with such transmissions from such stations has been completed;
 - (c) shall use his reasonable endeavours promptly and in a proper manner carry out all work required in accordance with the Code of Practice on Changes to Existing Transmission and Reception Arrangements in order to maintain the reception of the television services as listed in Section 264(11) of the Communications Act by viewers affected by the changes to the transmission arrangements for those services described in the said Code; and
 - (d) shall use his reasonable endeavours promptly to and in a proper manner carry out all the work required in accordance with the Code of Practice on Changes to Existing Transmission and Reception Arrangements in order to restore the reception of the television services as listed in Section 264(11) of the Communications Act by viewers affected by interference caused by the transmission of the Licensed Service in the cases identified in the said Code.
- (3) The Licensee shall comply with the **Guidance Note on Test Transmissions**, governing any test transmissions made by the Licensee from any of the stations specified in Part 11 of the Annex before and after the commencement of the Licensed Service from such stations, as drawn up by the Independent Television Commission and from time to time revised by Ofcom.

- (4) Subject to Condition 6(4A), as all final international clearances have not been obtained for the provision of the Licensed Service in accordance with the Annex, the Licensee acknowledges that, if it chooses, pursuant to the Annex, to commence broadcasting from one or more stations in advance of obtaining international clearances, it may (at its own cost and expense) at any time be required by Ofcom to make any change in its transmission arrangements which may be necessary in order to give effect to the international obligations of the United Kingdom (which may, without limitation, include modifying, supplementing or replacing any equipment used in the transmission of the Licensed Service). Without prejudice to any other provision of this Licence, Ofcom shall have no liability for any cost, expense or consequential loss incurred by the Licensee and resulting directly or indirectly from actions required to be taken by the Licensee in order to comply with such international obligations of the United Kingdom.
- (4A) Condition 6(4) does not apply in relation to changes required by the 700MHz DTT Clearance Programme.

7. Availability of capacity on the Frequencies

2008 Order

- (1) Subject to the other provisions of this Condition or as otherwise agreed in writing between Ofcom and the Licensee, in consideration of the making of such payments as are specified in (2) below, the Licensee shall make available the digital capacity specified in Articles 9(2) and 10(2) of the 2008 Order for the holder of the Channel 5 licence and for:
 - (a) the Welsh Authority, or
 - (b) one or more bodies corporate controlled by the Welsh Authority.
- (2) The Payments referred to in Condition (7) (1) above are:
 - (a) payments made by the holder of the Channel 5 licence, and
 - (b) payments made by either:
 - (i) the Welsh Authority, or
 - (ii) the Welsh Authority or one or more bodies corporate controlled by the Welsh Authority

as are from time to time agreed between each of them respectively and the Licensee or (in default of agreement) determined by Ofcom.

Section 12 of the 1996 Act; Section 242 of the Communications Act

- (3) The Licensee shall ensure that, during the Licence Period, at least 90 percent (or such other percentage as Ofcom may from time to time specify pursuant to Section 12(5) of the 1996 Act) of digital capacity on the Frequencies is used or left available to be used for the broadcasting of digital television programme services, digital sound programme services, qualifying services, programme-related services and relevant technical services.
- (4) For the purpose of Condition 7(3), "**qualifying services**" shall be interpreted in accordance with Section 12(4)(a) of the 1996 Act.
- (5) The Licensee shall supply to Ofcom in relation to such periods, in such form and at such times as Ofcom shall require, information as to the percentage of digital capacity available on the Frequencies for the broadcasting of digital television programme services, digital sound programme services, qualifying services, programme-related services, digital television additional services or relevant technical services together with the name of each person providing one or more such services and the percentage of digital capacity available on the Frequencies to him in relation to each such service provided by him.

8.

General Provision of information to Ofcom

Section 4(1)(c) of the 1996 Act

- (1) The Licensee shall furnish to Ofcom in such manner and at such times as Ofcom may reasonably require such documents, accounts, returns, estimates, reports, notices or other information as Ofcom may require for the purpose of exercising the functions assigned to it by or under the 1990 Act, the 1996 Act or the Communications Act and in particular (but without prejudice to the generality of the foregoing):

Sections 5(1)(a) and 143(2) of the 1996 Act

- (a) a declaration as to its corporate structure in such form and at such times as Ofcom shall specify; and

Section 5(2) of the Communications Act

- (b) such information as Ofcom may reasonably require from time to time for the purposes of determining whether the Licensee is on any ground a disqualified person by virtue of any of the provisions in Section 143(5) of the 1996 Act and/or Schedule 2 to the 1990 Act.

- Sections 4(1)(c) and 15 of the 1996 Act
- (c) annual income and expenditure returns and supplementary annexes (including, without limitation, such information as Ofcom shall require from time to time in relation to the shares of multiplex revenue attributable to the Licensee (as determined in accordance with Section 15 of the 1996 Act) in relation to such accounting periods as Ofcom may specify; and
- Sections 4(1)(c) and 19 of the 1996 Act
- (d) statements of his multiplex revenue at monthly intervals and also in respect of each entire accounting period of his in such form as Ofcom shall require;
- Section 4(1)(c) of the 1996 Act
- (e) Such information as Ofcom may require for the purposes of determining whether the Licensee has complied and is complying with Condition 11 including, without limitation, Condition 11(2) and 12(7) and the Conditions set out in the Annex.
- (f) such technical performance data as Ofcom shall from time to time require at such intervals and in such form as Ofcom shall specify;
- Section 5(5) of the 1996 Act (see also Section 78(3) of Part 2 of Schedule 15 to the Communications Act)
- (2) The Licensee shall inform Ofcom forthwith in writing if:
- (a) the Licensee becomes aware that any order is made or any resolution is passed or other action is taken for the dissolution, termination of existence, liquidation (whether compulsory or voluntary), or winding up of the Licensee (otherwise than for the purpose of amalgamation made whilst the Licensee is solvent and previously approved in writing by Ofcom in accordance with Condition 13 below) or a liquidator, trustee, receiver, administrative receiver, administrator, manager or similar officer is appointed in respect of the Licensee, or in respect of all or any part of his assets; or
- (b) the Licensee makes or proposes to enter into any scheme of compromise or arrangement with his creditors, save for the purposes of amalgamation or reconstruction whilst the Licensee is solvent; or
- (c) the Licensee permits an execution to be levied against his assets and/or chattels and allows such execution to remain outstanding for more than 14 days; or

- (d) the Licensee becomes aware that any person having control of the Licensee does or is subject to any of the events specified in Conditions 8(2) (a) to (c) above; or
- (e) anything analogous to or having a substantially similar effect to any of the events specified in Condition 8(2)(a) to (d) above occurs under the laws of any applicable jurisdiction.

Sections 5(5) and 4(1)(c) of the 1996 Act (3) The Licensee shall inform Ofcom if he or any individual having control over him within the meaning of Paragraph 1(3), Part I of Schedule 2 to the 1990 Act is sentenced to a term of imprisonment (including a suspended term) on conviction of a criminal offence.

9. Provision of information to Ofcom relating to a change of control

- Sections 4(1)(c) and 5(2) of the 1996 Act (see also Paragraph 78(3) of Part 2 of Schedule 15 to the Communications Act)
- (1) Where the Licensee is a body corporate, the Licensee shall notify Ofcom:
 - (a) of proposals affecting shareholdings in the Licensee or any body corporate which controls the Licensee, or the directors of the Licensee or the directors of any body corporate which controls the Licensee, and of any proposals to enter into any arrangements of the type referred to in Condition 9(2) below, by giving advance notice of such proposals where they are known to the Licensee as soon as reasonably practicable where such proposals would constitute a change in the persons having control over the Licensee within the meaning of Schedule 2, Part I paragraph 1(3) of the 1990 Act; and
 - (b) of changes, transactions or events affecting shareholdings in the Licensee or any body corporate which controls the Licensee, or the directors of the Licensee or the directors of any body corporate which controls the Licensee (irrespective of whether proposals for them have fallen to be notified) within 28 days of the Licensee becoming aware of any such change, transaction or event and where such change, transaction or event would constitute a change in the persons having control over the Licensee within the meaning of Schedule 2, Part I paragraph 1(3) of the 1990 Act.
 - (2) (a) The Licensee shall notify Ofcom within 28 days if any person:

- Section 4(1)(c) of the 1996 Act and Paragraph 1(3)(c) and (3A) of Part I to Schedule 2 to the 1990 Act
- (i) holding or being beneficially entitled to 50 percent of the equity share capital in the Licensee or in any body corporate which controls the Licensee; or
 - (ii) possessing 50 percent of the voting power in the Licensee or any body corporate which controls the Licensee, enters into any arrangement with any other participant in the Licensee or in any such body corporate which controls the Licensee as to the manner in which any voting power in the body possessed by either of them is to be exercised, or as to the omission by either of them to exercise such voting power.
- (b) For the purposes of Condition 9(2)(a):
- (i) "**arrangement**" includes any agreement or arrangement, whether or not it is, or is intended to be, legally enforceable;
 - (ii) a person shall be treated as holding, or being beneficially entitled to, any equity share capital which is held by a body corporate which he controls or to which such a body corporate is beneficially entitled, and as possessing any voting power possessed by such a body corporate; and
 - (iii) "**participant**", in relation to a body corporate, means a person who holds or is beneficially entitled to shares in that body or who possesses voting power in that body.

10. Renewal of the Licence

- Section 16(3) of the 1996 Act Paragraph 50, Schedule 18 of the Communications Act
- (1) The Licensee may apply to Ofcom for renewal of the Licence not earlier than four years before the end of the Initial Licence Period and, subject to paragraph 50, Schedule 18 of the Communications Act, not later than the day falling three months before the Relevant Date.
- Section 16(6) of the 1996 Act
- (2) If the Licensee makes an application, Ofcom may postpone consideration of it for as long as Ofcom thinks appropriate, having regard to Section 16(10) of the 1996 Act.
- Section 16(4) of the 1996 Act
- (3) If the Licensee makes an application, Ofcom may:

- (a) require the Licensee to furnish:
 - (i) a technical plan which supplements the Technical Plan; and
 - (ii) proposals which supplement any proposals submitted by the Licensee under Section 7(4)(f) of the 1996 Act; and
 - (b) notify the applicant of the requirements which must be met by the supplementary technical plan referred to in Condition 10(3)(a)(i) or the supplementary proposals referred to in Condition 10(3)(a)(ii) and which relate to the matters referred to in Section 7(4)(b)(i) and (ii) and (f) of the 1996 Act.
- Section 16(7) of the 1996 Act
- (4) Ofcom shall only refuse an application for renewal of the Licence by the Licensee made in accordance with the 1996 Act and this Condition if:
 - (a) it appears to Ofcom that the Licensee has failed to comply with any of the Conditions in this Licence; or
 - (b) any supplementary technical plan submitted by the Licensee under Condition 10(3)(a)(i) fails to meet the requirements notified to the Licensee under Condition 10(3)(b); or
 - (c) any of the supplementary proposals submitted by the Licensee under Condition 10(3)(a)(ii) fails to meet the requirements notified to the Licensee under Condition 10(3)(b); or
 - (d) Ofcom is not satisfied that the Licensee would, if the Licence were renewed, provide a service which complied with the Conditions to be included in the Licence, as renewed.
 - (5) On the grant of any such application:
 - (a) Ofcom shall include in the Licence, as renewed, such further Conditions as appear to Ofcom to be appropriate for securing the implementation of any supplementary technical plan and any supplementary proposals submitted under Condition 10(3);
 - (b) subject to Section 16(9) of the 1996 Act, Ofcom may, with the consent of the Secretary of State, and shall, if so required by him:
- Section 16(8) and (9) of the 1996 Act

- (i) specify a percentage of multiplex revenue different from the Relevant Percentage of multiplex revenue as the percentage of multiplex revenue for each accounting period of the Licensee that will be payable by him during the period for which the Licence is to be renewed; and
- (ii) specify a percentage of multiplex revenue as the percentage of multiplex revenue for each accounting period of the Licensee that will be payable by him during the period for which the Licence is to be renewed where no relevant percentage of multiplex revenue was specified under Section 7(1)(f) of the 1996 Act;

and Ofcom may specify under Condition 10(5)(b)(i) or (ii) either of the things mentioned in Section 7(2)(b) of the 1996 Act.

Section 16(10) of the 1996 Act

- (6) Where Ofcom has granted an application of the Licensee for renewal of the Licence, it shall formally renew his Licence from the date on which it would otherwise expire and it shall not so renew his Licence unless it has notified him of the percentage of multiplex revenue specified by it under Condition 10(5) and he has, within such period as Ofcom shall specify in the notification, notified it in writing that he consents to the Licence being renewed on those terms.
- (7) Where the Licence is renewed pursuant to this Condition, it shall continue in full force and effect and Conditions 4 and 17 shall have effect during such period as if references to the Relevant Percentage of multiplex revenue were to the percentage of multiplex revenue specified by Ofcom under Condition 10(5).

11.

Fair and effective competition

Section 316 of the Communications Act

- (1) The Licensee shall:
 - (a) not enter into or maintain any arrangement, or engage in any practice, which is prejudicial to fair and effective competition in the provision of licensed services or of connected services; and

- (b) comply with any code or guidance for the time being approved by Ofcom for the purpose of ensuring fair and effective competition in the provision of licensed services or of connected services; and
- (c) comply with any direction given by Ofcom to the Licensee for that purpose.

For the purposes of this Condition 11(1), "**connected services**" and "**Licensed Service**" have the meanings given to them under Section 316(4) of the Communications Act.

- | | | |
|----------------------------------|-----|--|
| Section 12(1)(f) of the 1996 Act | (2) | In the terms on which the Licensee contracts, or offers to contract, for the broadcasting of digital television programme services, digital sound programme services or digital television additional services, the Licensee shall not show undue discrimination either against or in favour of a particular person providing such a service or a class of such persons. |
| Section 12(1) of the 1996 Act | (3) | The Licensee shall not enter into any agreement with a person providing a digital television programme service, a digital sound programme service or digital television additional services (the " service provider ") which entitles the service provider to use a specified amount of digital capacity on the Frequencies or any of them and contains a restriction of the nature referred to in Condition 11(4), save to the extent that the restriction is reasonably required for the purpose of ensuring the technical quality of the broadcasts or for the purpose of securing compliance with any other Condition in the Licence. |
| Section 12(1) of the 1996 Act | (4) | The restriction referred to in Condition 11(3) is such that it restricts the service provider's freedom to make arrangements with some other person as to the use of any of the digital capacity on the Frequencies or any of them which the service provider is entitled to use. |
| | (5) | Condition 11(3) shall be without prejudice to the Licensee's obligations to satisfy the Conditions set out in the Annex. |

- (6) The Licensee shall do all he reasonably can to facilitate the reception of the Licensed Service on open standard digital television sets and the Licensee shall not discriminate against any person, or a class of such persons, purchasing such a television set. Without prejudice to the generality of the foregoing, the Licensee will give all reasonable technical support for the purpose of the development and/or production of an implementation of the conditional access system used by the Licensee in a form appropriate for connection to an open-standard digital television set provided that the Licensee shall be entitled with the approval of Ofcom (such approval not to be unreasonably withheld) to impose Conditions concerning security of transactions undertaken by using that implementation. For the purposes of this Condition, an open-standard digital television set is a television set which:
- (a) contains an integrated decoder;
 - (b) does not contain an embedded conditional access system; and
 - (c) is fitted with a standardised socket which permits the connection of the conditional access system used by the Licensee for the purpose of the reception of the Licensed Service.
- (7) Without prejudice to the generality of Condition 11(1) and (2), the Licensee shall ensure that in the event it that becomes possible for the digital capacity available to the Licensee to be used for a greater number of digital television programme services than the number of digital programme services set out in Part 1 of the Annex, his choice of provider of any further digital programme services is not constrained by any option or right previously granted to any person to provide such services.
- (8) Condition 11(7) does not apply to the provision of the digital television programme services by the holder of the Channel 5 licence and by:
- (a) the Welsh Authority, or
 - (b) the Welsh Authority and one or more qualifying companies of the Welsh Authority which either is or are controlled by the Welsh Authority
- on digital capacity referred to in Condition 7(1).

(9) Without prejudice to Condition 11(2) and to the fulfilment of the Conditions set out in the Annex to this Licence, the Licensee shall ensure that any allocation of capacity in respect of the Licensed Service or any refusal to allocate such capacity, made by it has complied with the Licensee's principles to ensure the fair, reasonable and non-discriminatory allocation of such capacity, as published within 7 days from 7 October 2005.

2008 Order

(10) Conditions 11(2) and 11(3) are to have effect subject to any applicable provisions of the 2008 Order.

12.

Compliance with Ownership Restrictions

Section 5(1) and (2) of the 1996 Act

- (1) The Licensee shall comply in all respects with the restrictions and requirements imposed on or in relation to him by or under Schedule 2 to the 1990 Act to the extent that they apply to him.
- (2) The Licensee shall comply with any direction of Ofcom requiring him to take, or arrange for the taking of, any steps specified by Ofcom for the purposes of complying with the requirements referred to in Condition 12(1) above.
- (3) The Licensee shall inform Ofcom of any circumstances or events which would give rise to a breach of the Licensee's obligations imposed on him by or under Schedule 2 of the 1990 Act or a contravention of the requirements imposed by or under Schedule 14 to the Communications Act immediately upon becoming aware of such circumstances or events.

13.

Transferability of the Licence

Section 3(6) and (7) of the 1996 Act

The Licence is not transferable except with the prior consent in writing of Ofcom. Without prejudice to the generality of the foregoing, such consent shall not be given unless Ofcom is satisfied that the person or persons to whom it is proposed to transfer the Licence would be in a position to comply with all of the Conditions thereof throughout the remainder of the Licence Period.

14.

Compliance

Sections 4(1)(a) and 4(2)(a) of the 1996 Act

The Licensee shall comply with any direction given to him by Ofcom in respect of any matter, subject or thing which direction is in the opinion of Ofcom appropriate, having regard to any duties which are or may be imposed on it, or on the Licensee,

by or under the 1990 Act, the 1996 Act or the Communications Act or any Relevant International Obligations.

15.

Prohibition on Conveyance of Unlicensed Services

The Licensee shall ensure that:

- (a) all digital television programme services broadcast under this Licence are provided by the holder of a digital television programme licence under Section 18 of the 1996 Act or by the BBC; and
- (b) all digital television additional services broadcast under this Licence are provided by the holder of a licence under Section 25 of the 1996 Act or by the BBC; and
- (c) The only digital sound programme services broadcast under the Licence are services provided by the holder of a national digital sound programme licence (within the meaning of section 60 of the 1996 act) or by the BBC.
- (d) This Condition shall not apply to the provision of a digital television programme service or a digital television additional service by a person established and licensed (if required) to provide such a service in another EEA member state.

16.

Government directions and representations

Sections 335 and 336 of the Communications Act

- (1) The Licensee shall if so directed by Ofcom:
 - (a) include in the Licensed Service, at such times as may be specified to Ofcom by the Secretary of State or any other Minister of the Crown, such announcement as may be specified by a notice given pursuant to Section 336(1) of the Communications Act; or
 - (b) refrain from including in the programmes included in the licensed service any matter or description of matter specified to Ofcom by the Secretary of State by a notice given pursuant to Section 336(5) of the Communications Act.
- (2) The Licensee may when including an announcement in the licensed service in accordance with Condition 16(1)(a) above indicate that the announcement is made in pursuance of a direction by Ofcom.
- (3) Where Ofcom:

(a) has given the Licensee a direction to the effect referred to in Condition 16(1)(b) above; or

(b) in consequence of the revocation by the Secretary of State of the notice giving rise to the issuing of such direction, has revoked that direction, or where such a notice has expired,

the Licensee may include in the Licensed Service an announcement of the giving or revocation of the direction or of the expiration of the notice, as the case may be.

Sections 335 of the Communications Act

(4) The Licensee shall comply with all relevant Conditions of this Licence and any directions given to him by Ofcom pursuant to a direction of the Secretary of State for the purpose of enabling Her Majesty's Government in the United Kingdom to give effect to any international obligations of the United Kingdom.

17.

Power of Ofcom to vary Licence Conditions

(1) Ofcom may by a notice served on the Licensee:

Section 17(3A) of the 1996 Act

(a) vary the Licence Period provided that the Licensee consents to such variation (and without prejudice to Ofcom's powers and duties under Section 17 of the 1996 Act) the Welsh Authority;

Section 12(2) of the 1996 Act

(b) vary any Conditions set out in Parts 1, 2, 3, 4 and 5 of the Annex provided that the Licensee consents to such variation; and

Section 17(3B) of the 1996 Act

(c) vary the Licence in any respect not mentioned in Conditions 17(1)(a) and (b) above provided that the Licensee has been given a reasonable opportunity to make representations to Ofcom concerning the proposed variation,

Section 17(1)(b) of the 1996 Act

provided always that Condition 17(1)(a) above is without prejudice to Ofcom's power under Section 17(1)(b) of the 1996 Act to reduce the Licence Period as set out in Condition 23(1) and that Conditions 17(1)(a) and (c) above shall not authorise the variation of Condition 4 to the extent that that Condition requires the payment by the Licensee to Ofcom of, in respect of each accounting period of the Licensee, an amount representing the Relevant Percentage of multiplex revenue.

Section 12(3) of the
1996 Act Section 9(2)(c)
of the 1996 Act

(2) If the Licensee applies to Ofcom for the variation of Conditions in the Annex which relate to the characteristics of the digital television programme services to be broadcast in the Licensed Service, Ofcom shall permit the variation requested unless it appears to Ofcom that, if the application were granted, the capacity of so much of what is broadcast under the licence as consists of digital television programme services or of such services together with digital sound programme services, to appeal to a variety of tastes and interests would be unacceptably diminished provided that in deciding whether or not to permit such variation, Ofcom may have regard to the digital television programme services broadcast in all the television multiplex services for the time being provided by the Licensee or any connected person in relation to the Licensee.

2008 Order

(3) Conditions 17(1) and 17(2) shall not apply in respect of any variation of the Licence made pursuant to the 2008 Order.

18.

Notices and service

Section 394 of the
Communications Act

(1) Any notification or document (as defined in Section 394(9) of the Communications Act) to be served, given or sent under or in relation to this Licence may be delivered to the party to be served or sent by first-class post to him at his proper address (as defined in Section 394(7) of the Communications Act) or left at that address.

(2) Any such notification or document shall be deemed to have been served:

(a) if so delivered or left, at the time of delivery or leaving; or

(b) if so posted, at 10.00 a.m. on the second business day after it was put into the post.

(3) In proving such service it shall be sufficient to prove that delivery was made or that the envelope containing such notification or document was properly addressed and posted as a pre-paid first-class letter or was left at the proper address, as the case may be.

Section 395 of the
Communications Act

(4) Notices and documents may also be served or given by Ofcom on or to the Licensee and by the Licensee on or to Ofcom in electronic form subject to the requirements set out in Sections 394 and 395 of the Communications Act.

19.

Section 337 of the
Communications Act

Equal opportunities and training

- (1) The Licensee shall make, and from time to time shall review, arrangements for:
 - (a) promoting, in relation to employment with the Licensee:
 - (i) equality of opportunity between men and women and between persons of different racial groups; and
 - (ii) the equalisation of opportunities for disabled persons; and
 - (b) training and retraining persons whom he employs in or in connection with the provision of the Licensed Service or the making of programmes for inclusion in the Licensed Service.
- (2) The Licensee shall take appropriate steps to make those affected by the arrangements to be made in accordance with Condition 19(1) aware of them including publishing the arrangements in such manner as Ofcom may require.
- (3) In particular (but without limiting the generality of the foregoing) the Licensee shall from time to time (and at least annually) publish, in such manner as he considers appropriate, his observations on the current operation and effectiveness of the arrangements required by virtue of this Condition.
- (4) The Licensee shall, in making and reviewing the arrangements made in accordance with Condition 19(1), have regard to any relevant guidance published by Ofcom as revised from time to time.
- (5) This Condition 19 shall apply if the requirements of Sections 337(7) and (8) of the Communications Act are satisfied in the case of the Television Multiplex Service.
- (6) Ofcom will treat the Licensee's obligations under Condition 19(1) to (5) above as discharged where a member of a group of companies to which the Licensee belongs has discharged those obligations in relation to employment with the Licensee.

20.**700MHz DTT Clearance Programme**

The Licensee shall comply with, or procure compliance with, the 700MHz DTT Clearance Programme requirements set out in Parts 9 and 12 of the Annex.

PART 3

**EXCEPTIONS AND LIMITATIONS ON THE
LICENSEE'S OBLIGATIONS**

21.

Force majeure

Section 4(1)(d) of the
1996 Act

The Licensee shall not be in any way responsible for any failure to comply with any Conditions of this Licence directly or indirectly caused by or arising from any circumstances beyond the control of the Licensee including (without limitation) accident or breakdown of any equipment or apparatus (caused otherwise than by the wrongful act neglect or default of the Licensee his servants or agents) war, damage by the Queen's enemies, terrorism, riot, rebellion, civil commotion, interference by strike, lockout, sit-in, picket or other industrial dispute or action.

PART 4

CONDITIONS RELATING TO THE ENFORCEMENT OF THE LICENCE

22.

Interest on late payments

- (1) Any payment due from the Licensee under or in respect of the Licence shall carry interest at three percent per annum over the base rate for the time being of Lloyds TSB Bank plc (or if unavailable then the rate published by another clearing bank as selected by Ofcom) from the date such payment was due until the date of actual payment.
- (2) The Licensee's liability to pay to Ofcom the amounts payable by him under Condition 22(1) above shall accrue from day to day and shall be calculated on the basis of a year of 365 days and for the actual number of days elapsed.

23.

Sanctions for breach of Condition

Section 17 of the 1996 Act (see also paragraph 13 of Part 2 of Schedule 13 to the Communications Act)

- (1) If Ofcom is satisfied that the Licensee has failed to comply with any Condition of the Licence or with any direction given by Ofcom under the Licence and it has given him a reasonable opportunity of making representations to it about the matters complained of, it may serve on the Licensee a notice requiring him to pay to Ofcom, within a specified period, a specified financial penalty, or a notice reducing the Licence Period by a specified period not exceeding two years.
- (2) Subject to Condition 23(4), the amount of any financial penalty imposed pursuant to Condition 23(1) on the holder of a television multiplex licence shall not exceed whichever is the greater of £250,000 (or such other sum as the Secretary of State may by order specify under Section 36 of the 1996 Act) and five percent of the aggregate amount of the share of multiplex revenue attributable to the Licensee for his last complete accounting period (as determined in accordance with Section 15 of the 1996 Act) falling within a period for which the Licence has been in force (the "relevant period").
- (3) Subject to Condition 23(4), where any such penalty is imposed when the Licensee's first complete accounting period falling within the relevant period has not yet ended, the amount referred to in Condition 23(2) shall not exceed five percent of the amount which Ofcom estimates to be the share of multiplex revenue attributable to the Licensee for that accounting period

(as determined in accordance with Section 15 of the 1996 Act).

- (4) Where the financial penalty imposed pursuant to Condition 23(1) relates to a failure to comply with a Condition or direction occurring before the commencement of paragraph 13(3) of Part II, Schedule 13 to the Communications Act and such a penalty has not previously been so imposed on the Licensee during any period for which the Licence has been in force, Conditions 23(2) and (3) shall be read as if the reference to five percent was a reference to three percent.
- (5) Where the Licence is due to expire on a particular date by virtue of a notice served on the Licensee under Condition 23(1), Ofcom may, on the application of the Licensee, by a further notice served on him at any time before that date, revoke that notice if it is satisfied that such revocation is justified by virtue of the conduct of the Licensee in relation to the operation of the Licensed Service since the date of the earlier notice.

24.

Revocation

Section 42 of the 1990 Act and Section 17(6) of the 1996 Act

- (1) (a) If Ofcom is satisfied that the Licensee is failing to comply with any Condition of the Licence or with any direction given by Ofcom under the Licence and that that failure is such that, if not remedied, it would justify the revocation of the Licence, Ofcom shall serve on the Licensee a notice:
 - (i) stating that Ofcom is so satisfied;
 - (ii) specifying the respects in which, in the opinion of Ofcom, the Licensee is failing to comply with any such Condition or direction; and
 - (iii) stating that, unless the Licensee takes, within such period as is specified in the notice, such steps to remedy the failure as are so specified, Ofcom will revoke the Licence.

- (b) If at the end of the period specified in any notice under Condition 24(1)(a) above Ofcom is satisfied that the Licensee has failed to take the steps specified in the notice and that it is necessary in the public interest to revoke the Licence, Ofcom shall serve on the Licensee a notice revoking the Licence.
- (2) Ofcom may revoke the Licence by notice in writing served on the Licensee and taking effect either from the time of service or on a date specified in the notice, in any of the following circumstances:
- (a) if the Licensee ceases to provide the Licensed Service before the end of the Licence Period and Ofcom are satisfied that it is appropriate to revoke the Licence;
 - (b) if the Licensee agrees in writing with Ofcom that the Licence should be revoked;
- Sections 5(1) and 143(2) of the 1996 Act
- (c) if the Licensee becomes a disqualified person in relation to the Licence by virtue of Part II of Schedule 2 to the 1990 Act or otherwise fails to comply with any requirement imposed on or in relation to the holders of multiplex licences by or under that Schedule or Schedule 14 to the Communications Act;
- Section 4(5) of the 1996 Act
- (d) if Ofcom is satisfied that the Licensee:
 - (i) in purporting to comply with any of the Conditions of the Licence has provided information which is false in a material particular or has withheld any material information with the intention of causing Ofcom to be misled; or
 - (ii) in connection with his application for the Licence, provided the Independent Television Commission with information which was false in a material particular or withheld any material information with the intention of causing the Commission to be misled;

- Section 5 of the 1996 Act
- (e) if, where the Licensee is a body, a change in the nature or characteristics of the Licensee or any change in the persons having control over or interests in the Licensee, or any change giving rise to a disqualification under Part II of Schedule 2 to the 1990 Act or a contravention of a requirement imposed by or under Schedule 14 to the Communications Act takes place (whether before or after the Commencement Date), which change is such that, if it fell to Ofcom to determine whether to award the Licence to the Licensee in the new circumstances of the case, it would be induced by the change to refrain from awarding the Licence to the Licensee;
- (f) without prejudice to the generality of Condition 24(2)(e), if, without the prior written consent of Ofcom, the Welsh Authority shall directly or indirectly have an interest of more than 50.1 percent of the shares or possession of more than 50.1 percent of the voting power in the Licensee or any person controlling the Licensee;
- Section 3(3) of the 1996 Act
- (g) if Ofcom ceases to be satisfied that the Licensee is a fit and proper person to hold the Licence;
- Section 3(8) of the 1996 Act
- (h) if the Licensee provides the licensed service in whole or in part whilst failing to comply with any requirement to hold or have held on his behalf a licence under Section 1 of the Wireless Telegraphy Act 1949 (as amended) or if the Licensee ceases to comply with requirements applicable to the Licensed Service imposed by or under Chapter 1 of Part 2 of the Communications Act.
- Section 4(1)(d) of the 1990 Act
- (i) if Ofcom shall revoke the assignment of the Frequencies on which the Licensed Service is for the time being provided for the purpose of:
- (i) fulfilling its functions under the enactments relating to the management of the radio spectrum as defined in Section 405(1) of the Communications Act; or
- (ii) complying with an order made under Section 156(1) of the Communications Act.

- Section 5(6) of the 1996 Act (3) Ofcom shall before serving a notice revoking the Licence or a notice under Condition 24(2)(b) notify the Licensee of and give the Licensee a reasonable opportunity to make representations to it about the matters constituting its grounds for revoking the Licence.
- Section 11(5) of the 1996 Act (4) (a) Where the Licence is revoked pursuant to any provision of Part I of the 1996 Act or is treated as being revoked under Section 145 of the 1996 Act, the Licensee shall within such period as Ofcom shall notify to him, pay to Ofcom a specified financial penalty not exceeding whichever is the greater of £500,000 (or such other sum as the Secretary of State may by order specify under Section 36 of the 1996 Act) or the Prescribed Amount.
- (b) The Licensee's liability to pay such penalty shall not be affected by the Licence ceasing (for any reason) to be in force.
- Sections 144 and 145 of the 1996 Act (5) If the Licensee is convicted of an offence under Section 144 of the 1996 Act and the court by which the Licensee is convicted makes an order disqualifying him from holding a licence during a period specified in the order, or if the Licensee is disqualified from holding a licence pursuant to Section 145(3) of the 1996 Act, in consequence of an order disqualifying an individual from holding a licence, this Licence shall be treated as being revoked with effect from the time when the order takes effect.

ANNEX TO MULTIPLEX A LICENCE

ANNEX: PART 1 CONDITIONS RELATING TO THE PROVISION AND CONTENT OF THE LICENSED SERVICE

1. Definitions and interpretation

- (1) In these Conditions, unless the context otherwise requires it:

“Core Proposals” means the proposals submitted by the Licensee in his Application in response to Questions A.1 to A.8 inclusive in Part I of Section A of the Attachment to Part III of the Invitation to Apply and in response to Financial Questions B.2(ii) and B.3 in Section B of the Attachment to Part III of the Invitation to Apply, together with any additional information furnished to the Independent Television Commission by the Licensee pursuant to Section 7(6) of the 1996 Act in relation to the proposed service details of which are set out in Part 6 of this Annex; Terms used in such Core Proposals shall be interpreted in accordance with the guidance provided by the Independent Television Commission in the Invitation to Apply;

“Invitation to Apply” means the Invitation to Apply for multiplex service licenses issued by the Independent Television Commission on 31st October, 1996;

references to a **“Letter”**, followed by a date, means the letter of that date, details of which are set out in Part 6 of this Annex;

references to a **“Financial Question”**, followed by a number, means the question of that number in Section B of the Attachment to Part III of the Invitation to Apply;

references to a **“Question”** followed by a number, means the question of that number in Part 1 of Section A of the Attachment to Part III of the Invitation to Apply.

- (2) In the event of any inconsistency between the Core Proposals and the Conditions set out in this Annex, the latter shall prevail.

CONDITIONS RELATING TO DIGITAL TELEVISION PROGRAMME SERVICES

2. The Licensee shall implement the Core Proposals, in response to question A.4, Question A.5 and Question A.6 and in the letter of 11 April 1997, as amended from time to time by agreement in writing between the Licensee and Ofcom in accordance with Condition 17.
3. Notwithstanding its proposals as to the number and characteristics of digital television programme services submitted in its application for the licence in response to Questions A.4, A.5 and A.6 in Part I of Section A of the Attachment to Part III of the Invitation to Apply, the Licensee shall broadcast the digital television programme service known as S4C2 having the characteristics set out in the attached document entitled "S4C2 – Summary of Programme Proposals", on the capacity on the multiplex reserved for the Welsh Authority or the Welsh Authority and one or more qualifying companies of the Welsh Authority which either is or are controlled by the Welsh Authority provided no licence Conditions are breached thereby and the service is authorised to be broadcast.
4. To the extent there is capacity available on the multiplex, the Licensee shall use its best endeavours to fill any such capacity on the multiplex as soon as possible and in any event no later than three months from such capacity becoming available or such later date as is agreed by Ofcom in writing, with such further digital television programme services as Ofcom agrees will not unacceptably diminish the capacity of the digital television programme services broadcast on the multiplex to appeal to a wide variety of tastes and interests.
5. The Licensee shall implement the Core Proposals in response to Question A.8.
6. The Licensee shall also transmit qualifying services in accordance with Condition 7 of the licence.
7. The Licensee shall not charge viewers for the reception of any qualifying service.
8. Ofcom may amend or supplement the Core Proposals for digital television programme services specified above in Paragraph 1 of this Annex, Part 1 by agreement in writing between Ofcom and the Licensee provided that the amendments and/or supplementary provisions would not, if implemented, unacceptably diminish, in Ofcom's view, the capacity of the digital television programme services broadcast in the licensed services to appeal to a variety of tastes and interests, taking account, if appropriate, of the factor specified in Condition 17(2).

9.

Without prejudice to the provisions of Condition 24(2)(a) of the Licence, if either:

- (a) Ofcom assigns to the Licensee frequencies in addition to the Frequencies; or
- (b) the assignment of some or all of the Frequencies are revoked by Ofcom pursuant to the powers given to it under the 1990 Act, the 1996 Act and/or the Communications Act,

then Ofcom may, by notice in writing to the Licensee, amend or supplement Condition 7 and/or paragraph 2 above.

ANNEX: PART 3

**CONDITIONS RELATING TO DIGITAL TELEVISION
ADDITIONAL SERVICES**

- 10.** The Licensee shall implement the Core Proposals in response to Question A.7.
- 11.** The variations to the Licence set out above shall come into force or as the case may be shall be deemed to have come into force on the date of this document.
- 12.** This document shall be construed as if it is part of the Licence and shall be governed by English law.

ANNEX: PART 4

**CONDITIONS RELATING TO PROMOTING OR ASSISTING
THE ACQUISITION OF EQUIPMENT**

13.

The Licensee shall implement the Core Proposals in response to Question A.3 and Financial Question B.2(ii) (first two bullet points) and Financial Question B.3.

ANNEX: PART 5

CONDITIONS RELATING TO THE IMPLEMENTATION OF THE TECHNICAL PLAN

14. The Licensee shall implement the Core Proposals in response to Question A.2 and the letters of 11th April 1997 and 11th September 1997 in accordance with the timetable set out below:

Phase 1 Broadcasting stations from which the Licensed Service must be broadcast from the Commencement Date:

Crystal Palace
Sutton Coldfield
Winter Hill
Wenvoe
Pontop Pike
Sandy Heath
Emley Moor
Belmont
Caldbeck
Waltham
Durris
Mendip
Rowridge
Hannington
Black Hill
Craigkelly
Bilsdale
Divis
Caradon Hill
Stockland Hill
Oxford
Moel-y-Parc

Phase 2 Broadcasting Stations from which the Licensed Service must have commenced broadcasting by the date eight months after the Commencement Date:

Sudbury
Ridge Hill
Angus
Rosemarkie
Blaenplwyf
Carmel
Llanddona
Presely
Beacon Hill
Darvel
Limavady
Bluebell Hill
Guildford
Hemel Hemstead
Nottingham
Lancaster
Saddleworth
Bristol I.C.
Kilvey Hill

Fenham
Idle
Sheffield
Selkirk
Whitehawk Hill

Phase 3

Broadcasting stations from which the Licensed Service must have commenced broadcasting by the date sixteen months after the Commencement Date:

Salisbury
Tunbridge Wells
Reigate
Brierly Hill
Bromsgrove
Fenton
Larkstoke
Malvern
Bressay
Eitshal
Keelylang Hill
Knock More
Rumster Forest
Aberdare
Pendle Forest
Storeton
Bristol K.W.
Hastings
Pontypool
Rosneath
Chatton
Plympton
Chesterfield
Keighley
Olivers Mount
Torosay
Huntshaw Cross
Brougher Mountain
Redruth
The Wrekin
Tacolneston
Fremont Point
Dover
Midhurst
Heathfield

15. This timetable is subject to the necessary permissions under the Wireless Telegraphy Act 1949 for broadcasting from the stations in question being granted in due time.

16. If the Licensee provides evidence satisfactory to Ofcom that delays in granting the necessary permissions make it impracticable for the Licensee to comply with the above timetable in respect of any station, the Licensee shall commence broadcasting from that station as soon as reasonably practicable after the permissions have been granted.

ANNEX: PART 6

[NOT USED]

ANNEX: PART 7

ADDITIONAL INFORMATION

- 17.** Letter of 6th March, 1997 from the Licensee to the Independent Television Commission in reply to a letter of 26th February, 1997 from the Independent Television Commission to the Licensee.
- 18.** Letter of 11th April, 1997 (and enclosed document marked “Multiplex A SDN Response to ITC letter dated 2 April 1997”) from the Licensee to the Independent Television Commission in reply to a letter of 2nd April, 1997 (with annex) from the Independent Television Commission to the Licensee.
- 19.** Letter of 7th May, 1997 from the Licensee to the Independent Television Commission in reply to a letter of 28th April, 1997 from the Independent Television Commission to the Licensee.
- 20.** Letter of 11 September, 1997 from the Licensee to the Independent Television Commission.

ANNEX: PART 8**CONDITIONS COMING INTO FORCE ON THE DATE OF GRANT****21.**

- (1) Condition 1 (Definitions and Interpretation)
- (2) Condition 2(4), (5) and (6)
- (3) Condition 3 (Fees)
- (4) Condition 5 (V.A.T.)
- (5) Condition 6(2) and (3) (Transmission arrangements, technical standards and requirements)
- (6) Condition 8(1), (2), (Provision of Information to Ofcom)
- (7) Condition 9 (Provision of Information to Ofcom relating to a Change of Control)
- (8) Condition 11 (Fair and Effective Competition)
- (9) Condition 12 (Compliance with Ownership Restrictions)
- (10) Condition 13 (Transferability of the Licence)
- (11) Condition 14 (Compliance)
- (12) Condition 17 (Power of Ofcom to vary Licence Conditions)
- (13) Condition 18 (Notices and Service)
- (14) Condition 19 (Equal opportunities)
- (15) Condition 21 (Exceptions and Limitations on the Licensee's Obligations)
- (16) Condition 22 (Interest on Late Payments)
- (17) Condition 23 (Sanctions for breach of Condition)
- (18) Condition 24 (Revocation)

S4C2: Summary of Programme Proposals

- 22.** S4C2 will start broadcasting in September 1999.
- 23.** Transmission hours will vary slightly from day to day. They will be within the period 09.30-18.00 but will sometimes be slightly shorter than this. The service will initially broadcast three days a week but the planned coverage of committees could take this to four or five days a week.
- 24.** The service on the DTT platform will mainly broadcast in Wales but with some overspill into England resulting from the pattern of transmitter coverage.
- 25.** The service will initially consist of live coverage of the National Assembly for Wales. The daily programming will start with an introduction in the morning and finish with analysis and round-up at the end of the day. It is planned that there will be some level of interactivity between viewers and politicians – via telephone and e-mail in the first instance. However, the vast majority of the material will be the debate. This will be provided by live feed from the Assembly building to the BBC who then package it with analysis and discussion.
- 26.** Approximately 100% of programme hours will consist of original productions or commissions, i.e programmes which have been made specifically for S4C2 (whether or not S4C2 is also transmitted on other platforms) rather than for other services, including repeats of these programmes. However, the live feed of the Assembly will be made available to other broadcasters who may use it for the purposes of news bulletins and similar programmes.
- 27.** Approximately 100% of programme hours will consist of first-run programmes, i.e programmes which have not previously been shown on S4C2. They include both original productions/commissions and acquired programmes.

ANNEX: PART 9

**REQUIREMENTS RELATING TO THE 700MHz DTT
CLEARANCE PROGRAMME**

28.

Cooperation and coordination with other parties

The Licensee shall use all reasonable endeavours to cooperate in all respects, including promptly and in good faith, with:

- (a) other Ofcom licensees, the BBC and S4C;
- (b) Government;
- (c) Digital UK; and
- (d) with such other parties, as necessary, or as notified to him by Ofcom,

in the administration, organisation or implementation of the 700MHz DTT Clearance Programme in the United Kingdom.

28A.

The Licensee shall, in conjunction with the BBC and other holders of a multiplex licence, manage and coordinate the delivery of the 700MHz DTT Clearance Programme. The Licensee shall submit to Ofcom for Ofcom's agreement a plan setting out how this Condition shall be implemented no later than 6 months after this Condition comes into force. The plan shall include appropriate governance arrangements.

In the event agreement on a plan is not reached, Ofcom shall determine an appropriate plan following further consultation with the Licensee. Following agreement or determination as the case may be, the Licensee shall comply with this plan. This plan may be amended as may reasonably be required, such changes to be agreed with Ofcom.

This obligation may be discharged jointly with the BBC and other holders of a multiplex licence, or by a third party on behalf of the Licensee. For the purposes of this Part, "multiplex licence" has the meaning given to it by section 39 of the 1996 Act.

ANNEX: PART 10

[NOT USED]

ANNEX: PART 11

DETAILS OF DIGITAL TERRESTRIAL BROADCASTING STATIONS

33.

The Licensed Service shall be broadcast from each station using the UHF channels, powers and aerial heights as detailed in the Table of Digital Terrestrial Broadcasting Stations for Multiplex Licences.

The Licensee is on notice that the information contained in the Table of Digital Terrestrial Broadcasting Stations for Multiplex Licences will be subject to revision as the planning and international co-ordination process for the 700MHz DTT Clearance Programme progresses.

36.

[NOT USED]

ANNEX: PART 12

**700MHz DTT CLEARANCE DATE AND PLAN
FOR COMPLETING THE 700 MHz CLEARANCE
PROGRAMME**

37.

700MHz DTT Clearance Date

The Licensee shall take all reasonable steps necessary to give effect to the Clearance Delivery Plan.

The Licensee shall complete the 700 MHz DTT Clearance Programme by the 700 MHz DTT Clearance Date.

The 700MHz DTT Clearance Date shall be determined by Ofcom following consultation with the Licensee.

The 700MHz DTT Clearance Date shall be any such date as may be notified by Ofcom following consultation with the Licensee.

The Licensee shall broadcast the Licensed Service from the transmission sites listed in the Table of Digital Terrestrial Broadcasting Stations for Multiplex Licences using the relevant frequencies and transmission parameters set out therein, and in accordance with the order set out.

38.

[NOT USED]

ANNEX: PART 13

[NOT USED]