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SCHEDULE

Part 1: DEFINITIONS AND INTERPRETATION RELATING TO THE LICENCE

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 and as modified by the Community Radio Order 2004);

“**the 1996 Act**” means the Broadcasting Act 1996 (as amended and as modified by the Order);

“**700 MHz DTT Clearance Date**” means the date set out in paragraph 24 of Part 11 of the Annex, by which the 700 MHz 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;

“**the Application**” means the application of Crown Castle UK Limited to hold the Multiplex D Licence dated 13 June 2002, together into the documents listed in Part 5 of Annex A and in Part 2 of Confidential Annex B to this Licence furnished to the Independent Television Commission by the Licensee pursuant to Section 7(6) of the 1996 Act;

“**BSkyB**” means British Sky Broadcasting Group Plc, a company incorporated under the laws of England (registered number 2247735) whose registered office is at Grant Way Isleworth, Middlesex TW7 5QD;

“**BSkyB Limited**” means British Sky Broadcasting Limited, a company incorporated under the laws of England (registered number 2906991) whose registered office is at Grant Way, Isleworth, Middlesex TW7 5QD;

“**Centralised Service Information System**” means a single co-ordinated facility to service information from all the services contained in all multiplexes broadcast as required at each transmission point and to make available the collated service information for cross-carriage and insertion by each multiplex licensee into all multiplexes at each transmission point;

“**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;

“the Communications Act” means the Communications Act 2003;

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

“Co-ordinated Coverage Improvement Programme” means a programme agreed between the BBC and all holders of multiplex licences, including the Licensee, to ensure the extension, in a co-ordinated manner as between such persons, of the coverage of their respective multiplex services;

“Coverage” in respect of a service means its availability for reception in terms of both the number of viewers able to receive such service and the geographic scope of the coverage area of such service;

“Coverage Area” shall be construed in accordance with paragraph 3(A) of Schedule 2, Part I of the 1990 Act;

“dB” means decibel;

“Digital Sound Programme Service” shall be interpreted in accordance with section 12(1)(da) of the 1996 Act;

“Digital Television Additional Service” has the meaning given to “digital additional service” in Section 24 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;

“EPG Service” means an information service which may include visual images relating to the promotion, listing or selection of television programmes or programme services or other services;

“Frequencies” means the frequencies specified in the Table of Digital Terrestrial Broadcasting Stations for Multiplex Licences referred to in Part 10 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;

“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;

“Invitation to apply” means the Invitation to Apply for multiplex licences issued by the Independent Television Commission on 1 May 2002 (as amended);

“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 and the qualifying services of the Relevant Public Service Broadcaster 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 Annex A;

“Licensed services” means services licensed by Ofcom under Part 1 of the 1996 Act;

“Multiplex” means any of the frequencies on which a multiplex service licensed by Ofcom is provided or any other frequency allocated to the BBC for use in the provision of a multiplex service;

“the Multiplex B Service” means the multiplex licence granted in respect of the multiplex designated as “B” by the Independent Television Commission;

“the Multiplex C Service” means the multiplex licence granted in respect of the multiplex designated as “C” by the Independent Television Commission;

“the Multiplex D Service” means the multiplex licence granted in respect of the multiplex designated as “D” by the Independent Television Commission;

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 broadcast by means of the multiplex;

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

References to **“qualifying services”** shall be interpreted in accordance with Section 2 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;

“Relevant Person” means any of BSkyB, BSkyB Limited, any person connected with BSkyB or BSkyB Limited and any person in which BSkyB is, directly or indirectly, a participant with an interest of 50% or more;

“Shareholders Agreement” means the agreement dated 16 August 2002 between the Licensee, BBC Free to View Limited and BSkyB Limited;

“Statement of Principles” means 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 I of Schedule I to the 1996 Act;

“Subsequent Licence Period” means the 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 D 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;

“Technical service” shall be interpreted in accordance with Section 24(3) of the 1996 Act and **“relevant technical service”** shall be interpreted in accordance with Section 12(4)(c) 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 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);

- (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 immediately preceding the Conditions in 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 1995 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 Annexes 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

- (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 Annexes.

Section 12(2) of the 1996 Act

- (2) [Not used]
- (3) Subject to the Conditions set out in the Annexes, the Licensee shall ensure that the licensed services and any 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 10 of Annex A and on each day of the week.
- (4) 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 Service 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.
- (5) The Licensee shall use its reasonable endeavours to:
 - (a) Extend, where reasonably practicable, the Coverage of the Licensed Service; and
 - (b) Ensure that the Coverage extension referred to in paragraph (a) above forms part of a Co-ordinated Coverage Improvement Programme.
- (6) [Not used]
- (7) For the avoidance of doubt the Licensee will not be in breach of this Condition if, through no fault of their own and despite having used best endeavours to do so, the Licensee has been unable to obtain the necessary permissions under the Wireless Telegraphy Act 1949.
- (8) The Licensee shall not be authorised by or under the Licence to broadcast or procure the broadcasting of anything other than the Licensed Service.

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 time 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; provided that in setting or revising the Estimated Amount Ofcom may determine that the part of the Licensee's

additional payments calculated using the Relevant Percentage of multiplex revenue and payable monthly will be based on the preceding month's actual multiplex revenue.

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 theirs exceeds the Estimated Amount actually paid by them 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 they 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 they can to ensure that the relevant provisions of the Television Technical Performance Code and the Technical Plan and Part 10 of Annex A to the Licence are observed in all operations under their 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 adopted by the Independent Television Commission and licensed by Ofcom or any replacement to it as may be published by Ofcom, from time to time and without prejudice to the generality of the foregoing the Licensee shall:
- (a) Do all that they 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 10 of Annex A are brought into full operation;
 - (b) Not commence transmissions of the Licensed Service from any of the stations specified in Part 10 of Annex A 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 their reasonable endeavours to 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 their reasonable endeavours to promptly 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 Parts 4, 9 and 10 of Annex A 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(4)(a), as all final international clearances have not been obtained for the provision of the Licensed Service in accordance with Annex A, the Licensee acknowledges that, if it chooses, pursuant to Annex A, 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.
- (5) The Licensee shall ensure that:
- (i) any EPG Service included in the Licensed Service is provided using published technical standards which are freely available and have been standardised either by a recognised European Standardisation body or such other industry body as is recognised by Ofcom; and
 - (ii) Details of the broadcast datastream formats to be used in the provision of such EPG Service are made freely available to receiver manufacturers and channel suppliers.
- (6) The Licensee shall in accordance with the Section of Part 3 of their Application headed "Service Information" co-operate with the holders of the Multiplex B Licence and the Multiplex C Licence to enable the reinstatement of a Centralised Service Information System

for the purpose of ensuring the provision of such system on behalf of all other holders of multiplex licences issued under the 1996 Act and of the BBC.

- (7) Nothing in this Condition 6 is to be construed as preventing the Licensee from entering into arrangements for the protection of intellectual property rights in High Definition television services where such arrangements have been approved by Ofcom in writing.

7. Availability of Capacity on the Frequencies

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

- (1) 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 licensed under Part I of the 1996 Act or provided by the BBC, digital sound programme services provided by the BBC, qualifying services, programme-related services and relevant technical services.
- (2) For the purpose of Condition 7(1), “**qualifying services**” shall be interpreted in accordance with Section 12(4)(a) of the 1996 Act.
- (3) 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 them in relation to each such service provided by them.

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 or contravenes requirements imposed by or under Schedule 14 to the Communications 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 their multiplex revenue at monthly intervals and also in respect of each entire accounting period of theirs 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 the Conditions set out in the Annexes.
- (f) Such technical performance data as Ofcom shall from time to time require at such intervals and in such form as Ofcom shall specify.

9. Notifications to Ofcom

Section 5(5) of the 1996 Act (see also Section 78(3) of Part 2 of Schedule 15 to the Communications Act)

- (1) 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 their assets; or

- (b) the Licensee makes or proposes to enter into any scheme of compromise or arrangement with their creditors, save for the purposes of amalgamation or reconstruction whilst the Licence is solvent; or
- (c) The Licensee permits an execution to be levied against their 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 9(1)(a) to (c) above; or
- (e) Anything analogous to or having a substantially similar effect to any of the events specified in Condition 9(1)(a) to (d) above occurs under the laws of any applicable jurisdiction.

Sections 5(5) and 4(1)(c) of the 1996 Act

- (2) The Licensee shall inform Ofcom if they or any individuals having control over them within the meaning of Paragraph 1(3), Part I of Schedule 2 to the 1990 Act are sentenced to a term of imprisonment (including a suspended term) on conviction of a criminal offence.
- (3) The Licensee shall notify Ofcom if there is 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
- (4) In particular (but without prejudice to the generality of the foregoing) the Licensee shall notify Ofcom as soon as reasonably practicable:
 - (a) Of any changes to persons that hold a 'majority interest' in the Licensee;
 - (b) Of any changes to persons who exercise 'de facto' control over the Licensee; and
 - (c) If any person in control of the Licensee enters into a 'control arrangement'.
- (5) For the purposes of Condition 9(4)(a) to (c):
 - (a) A person holds a 'majority interest' where they hold, or are beneficially entitled to, more than 50 per cent of the equity share capital, or possess more than 50 per cent of the voting power in the company;
 - (b) A person can exercise 'de facto control' where they do not have a majority interest, but are regarded as controlling a company where it is reasonable, having regard to all the circumstances, to expect that they would (if they chose to) be able in most cases or in significant respects, by whatever means and whether directly or indirectly, to achieve the result that affairs of the body are conducted in accordance with their wishes;

- (c) A person in control of the Licensee enters into a 'control arrangement' where they hold, or are beneficially entitled to, 50 per cent of the company's equity share capital, or possess 50 per cent of the voting power in the company, and have an arrangement with any other participant in the company as to how any voting power possessed by either of them is to be exercised or not. 'Arrangement' includes any agreement or arrangement whether or not it is, or is intended to be, legally enforceable; and
- (d) A person shall be treated –
 - (i) As holding, or being beneficially entitled to, any equity share capital which is held by a body corporate which they control or to which such a body corporate is beneficially entitled, and
 - (ii) As possessing any voting power possessed by such a body corporate.

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 proposals submitted under Condition 10(3);

Section 16(8) and (9) of the 1996 Act

- (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 them:
 - (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 them 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 them 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 their Licence from the date on which it would otherwise expire and it shall not so renew their Licence unless it has notified them of the percentage of multiplex

revenue specified by it under Condition 10(5) and they have, within such period as Ofcom shall specify in the notification, notified it in writing that they consent 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

- (1) The Licensee shall:

Section 316 of the Communications Act

- (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.

- (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 service (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 broadcasts or for the purpose of securing compliance with any other Condition in the Licence.

Section 54(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 Annexes.
- (6) The Licensee shall do all they 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. In the event that any services provided as part of the Licensed Service are provided other than on a free to air basis, 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 the security of transactions undertaken by using that implementation. For the purpose of this Condition, an open-standard digital television set is a television set which:
- (a) Contains an integrated digital 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) The Licensee shall not show undue discrimination against the development, kite-marking, sale or use of pay-upgradeable receivers. For the purpose of this Condition, a pay-upgradeable receiver is a digital television receiver which:
- (a) Contains an embedded conditional access system; or
 - (b) Is fitted with a standardised socket which permits the connection of a conditional access system.
- (8) Without prejudice to the Licensee's other obligations under this Licence, in particular, under Conditions 11(6), 11(7) and the Conditions in the Annexes to this Licence, the Licensee shall not, and shall ensure that no person connected with the Licensee shall, enter into any agreement with, or engage in any activities jointly with the holders of the Multiplex B Licence and/or the Multiplex C Licence and/or BSkyB Limited or any person connected with

any of them, concerning access to transmission capacity or the technical specification of any receiving equipment or software, except with the prior written consent of Ofcom.

(9) [Not used]

(10) Without prejudice to Condition 11(2) and to the fulfilment of the Conditions set out in Annex A, Parts 2, 3 and 5 and Annex B, Part 2 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 the Date of Grant.

(11) The Licensee shall not without the prior written consent of Ofcom enter into any agreement or agreements or give effect to any agreement or agreements (whenever made) which would result in either: digital television programme services in respect of the entire capacity allocated to the Licensed Service being provided by any one person and for the purposes of this Condition 11(11), a person shall be treated as providing a digital television programme service if such service is provided by a person connected with them; or any digital television programme service being provided within the Licensed Service, by any Relevant Person.

(12) No person connected with any digital television programme service provider or digital television additional service provider with whom the Licensee has contracted for the provision of services within the Licensed Service, shall at any time also be a director of the Licensee or represented in any way on the Board of the Licensee or any Committee of such Board.

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 them by or under Schedule 2 to the 1990 Act and Schedule 14 to the Communications Act to the extent that they apply to them.
- (2) The Licensee shall comply with any direction of Ofcom requiring them 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 them 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

- (1) 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.
- (2) The Licensee shall not transfer the licence to any Relevant Person.

14. Compliance

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

The Licensee shall comply with any direction given to them 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

Section 12(1)(c),(d),(da) of the 1996 Act

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.
- (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.
- (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.

Section 335 of the Communications Act

- (4) The Licensee shall comply with all relevant Conditions of this Licence and any directions given to them by Ofcom pursuant to a notification to Ofcom by 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);

Section 12(2) of the 1996 Act

- (b) Vary any Conditions set out in Conditions 2(5), 2(6), 6(6) and Parts 1, 2, 3 and 6 of Annex A and in Part 1 of Annex B 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.

Sections 9(2)(c) and 12(3) of the 1996 Act.

- (2) If the Licensee applies to Ofcom for the variation of Conditions in the Annexes 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 person connected with the Licensee and provided further that any variation to the Conditions of the Annexes which would have the result that a digital television programme service may be provided otherwise than on a free to air basis shall not be deemed to be a variation relating to the characteristics of such service.

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 them at their 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. Equal Opportunities and Training

Section 337 of the Communications Act

- (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 they employ 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 they consider appropriate, their 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 Clearance Programme requirements set out in Parts 8 and 11 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) 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 LICENCES

22. 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 them a reasonable opportunity of making representations to it about the matters complained of, it may serve on the Licensee a notice requiring them 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 22(4), the amount of any financial penalty imposed pursuant to Condition 22(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 their 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 22(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 22(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 22(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 22(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 22(1), Ofcom may, on the application of the Licensee, by a further notice served on them 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.

23. 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 23(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;

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 their 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 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;

Section 3(3) of the 1996 Act

- (f) 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

- (g) 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 their 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

- (h) 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 23(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 them, 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 them 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 A TO MULTIPLEX D

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 as to the number and characteristics of the digital television programme services and digital television additional services to be provided on Multiplex D submitted by the Licensee in their Application for the Licence in response to Questions A.3 and A.4 in the Attachment to Part III of the Invitation to Apply, together with the information as to the characteristics of the services to be provided by the Licensee as set out in part1 section 2 of this annex (save that any reference in that proposal to ‘free to air’ shall be deemed to be omitted) to include Yesterday formally known as UKTV History a channel providing at least twelve hours a day of factual content, mainly showing documentaries.

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

References to a **“Letter”**, followed by a date, means the letter of that date, details of which are set out in Part 5 of this Annex and/or Part 2 of Annex B.

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

PART 2 – CONDITIONS RELATING TO DIGITAL TELEVISION PROGRAMME SERVICES

- (2) The Licensee shall implement the Core Proposals in response to Question A3 in the Attachment to Part III of the Invitation to Apply, as amended from time to time by agreement in writing between the Licensee and Ofcom in accordance with Condition 17.
- (3) The Licensee shall use all reasonable endeavours to fill the capacity allocated to the Licensed Service in accordance with timetable agreed by the Independent Television Commission.
- (4) The Licensee shall provide subtitling for the digital programme services provided under this Licence.

PART 3 – CONDITIONS RELATING TO DIGITAL ADDITIONAL SERVICES

- (5) The Licensee shall implement the Core Proposals in response to Question A4 of the Attachment to Part III of the Invitation to Apply as amended from time to time by agreement in writing between the Licensee and Ofcom in accordance with Condition 17.

PART 4 – [NOT USED]

PART 5 - ADDITIONAL INFORMATION

- (6) Letter of 25 June 2002 from Nick Davies of the Licensee to the Secretary of the Independent Television Commission (redacted version).
- (7) Letter of 26 June 2002 from Nick Davies of the Licensee to the Secretary of the Independent Television Commission.
- (8) Letter of 27 June 2002 from Nick Davies of the Licensee to the Secretary of the Independent Television Commission (redacted version).
- (9) Letter of 2 July 2002 from Nick Davies of the Licensee to the Secretary of the Independent Television Commission, responding to questions raised.
- (10) Letter of 2 July 2002 from Nick Davies of the Licensee to the Secretary of the Independent Television Commission, assuring prompt acceptance of the grant of a licence.
- (11) Letter of 3 July 2002 from Peter Aberly of the Licensee and Carolyn Fairbairn of the BBC to Dominic Morris of the Independent Television Commission.

PART 6 – [NOT USED]

PART 7 – CONDITIONS COMING INTO FORCE ON THE DATE OF GRANT

(12)

- (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 (Sanctions for breach of Condition)
- (17) Condition 23 (Revocation)
- (18) Annex A, Part 3, paragraph 5
- (19) Annex B, Part 1

PART 8 – REQUIREMENTS RELATING TO THE 700MHz DTT CLEARANCE PROGRAMME

(13) 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 them by Ofcom,

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

(14) 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.

(15) [Not used]

(16) [Not used]

PART 9 – [NOT USED]

(17) [Not used]

(18) [Not used]

PART 10 – DETAILS OF DIGITAL TERRESTRIAL BROADCASTING STATIONS

(19) The Licensed Service shall be broadcast from each station using the relevant 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.

(20) [Not used]

PART 11 – 700MHz DTT CLEARANCE DATE AND PLAN FOR COMPLETING THE 700 MHz CLEARANCE PROGRAMME

(21) 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 30 April 2020.

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.

(22) [Not used]