

## Agreement on the unaltered simultaneous cable distribution of television programmes

Concluded between:

### Hálózatos Televíziók Zártkörűen működő Részvénytársaság

(Cg: 01-10-044145, Fiscal Code:11890726-2-43, represented by Mr: Dr. Grati Zoltán coo, address: 1115 Budapest, Bartók Béla út 152/L), (hereinafter: Distributor)

And S.C. \_\_\_\_\_, from \_\_\_\_\_, street \_\_\_\_\_, no \_\_\_\_\_,  
flcc \_\_\_\_\_, app \_\_\_\_\_, county \_\_\_\_\_, phone \_\_\_\_\_, fax \_\_\_\_\_,  
email \_\_\_\_\_, Fiscal Code \_\_\_\_\_, bank  
account \_\_\_\_\_, opened at \_\_\_\_\_, represented by  
Mr./Mrs. \_\_\_\_\_ mobile phone \_\_\_\_\_, correspondence address \_\_\_\_\_

\_\_\_\_\_ hereinafter: **Cable Operator**, on the other hand, on the date and in the place written below, with the following terms and conditions:

### Recitals

"The Distributor" means the Distributor of the general television channel, broadcasted in Hungarian language, named HÁLÓZAT TV, transmitted via satellite (hereinafter: Channel), and the sole holder of all rights related to the distribution, sales and promotion of the Channel, including without limitation the rights set out in Paragraph 113 (1) of Act 8/1996, on copyright being in effect in Romania (hereinafter: the Copyright Act).

The Distributor represents and warrants that it is a business company registered according to the legislative provisions concerning business companies in Romania, and that the data shown at the identification of the parties are true and real.

By virtue of this Agreement, the Cable Operator acquires the right to receive the channel and the right of simultaneous distribution by cable of the channel to subscribers connected to the cable systems concerned.

The Cable Operator represents and warrants that it is an organisation and legal entity registered according to the laws of the Romania and that the data shown at the identification of parties applicable to the Cable Operator are true and real and it has the permissions defined by the law for pursuing its activity. The parties establish that the termination or absence of the right of representation of the person representing the Cable Operator at the conclusion of this Agreement does not affect the force of this Agreement.

As counter-value of the right of retransmission, the Cable Operator shall pay licence fee to the Distributor in accordance with the conditions set out in clause 5 hereof. With regard to the above, the parties agree with mutual consent as follows:

### 1. Subject matter of this Agreement

1.1. Under this Agreement, the Cable Operator shall be entitled and obliged to continuously transmit the audio and video signals carrying the programme of the channel as well as the supplementary and value added services belonging to the Channel by simultaneous unaltered cable retransmission exclusively to individual households, subscribers to the Channel, connected to the cable systems listed hereof, during the term of this Agreement. The Distributor warrants to the Cable Operator that the operation of the Channel is in full accordance with the Act 504/2002 on audiovisual services during the entire term of this Agreement. Parties establish that the payment of the licence fee as defined in clause 5 is the precondition of the licensing according to this Agreement.

1.2.1. The place of uplink of the Channel's program at the time of concluding this Agreement: Hungary. The Channel is transmitted to the Cable Operator's head-ends through the Amos 1 satellite.

1.2.2. The technical parameters for reception of the Hálózat Tv channel are:

Amos 1 at 4.0°W

Tp 9

11333 H

3500 Kbit

FEC 3/4

PID 1

VID 33

AID 36

### 2. Warranty, liability

2.1. The Distributor shall be responsible for all clearances in respect of all the copyrights and/or related rights in the transmission of the Channel, including for the avoidance of doubt cable retransmission, except for any charges due to Romanian collecting societies relating to the performance of music included in the Channel. Any and all charges relating to the performance of music included in the Channel shall be the exclusive responsibility of the Operator and the Operator undertakes to pay all such charges.

2.3. The Distributor has the exclusive right to exploit all markings, logos, drawings, symbols, slogans as well as the complete channel brand used in connection with the Channel.

### 3. Obligations of the Distributor

3.1. The Distributor undertakes to transmit the signals carrying the Channel's programming to the Cable Operator's head-end through the satellite specified by the Distributor in clause 1.2.1 and in accordance with clause 3.2 hereof.

3.2. The Distributor assumes the obligation to ensure that the reception of the Channel at the Cable Operator's head end during broadcast complies with governing standards and the expected reliability requirements. If the Distributor plans to make a change in the technical features of the reception of the Channel that has a substantial impact on reception and transmission, it will notify the Cable Operator about such change at least 30 days in advance in writing.

3.3. The Distributor agrees to make every possible effort to prevent unauthorised reception and distribution of the Channel. The Cable Operator agrees to co-operate with the Distributor in these efforts.

### 4. Obligations of the Cable Operator

4.1. The Cable Operator shall operate its cable network in compliance with legislation in force at all times, and undertakes the commitment to transmit the Channel according to the Agreement via simultaneous unaltered cable retransmission to its subscribers throughout the duration of the Agreement.

4.2. The Cable Operator agrees to maintain the head-ends and its transmission equipment necessary for receiving and distributing the Channel in an appropriate condition.

4.3. The Cable Operator agrees that it is not entitled neither to exploit either parts or the whole of the programme or individual programme items in any manner other than simultaneous unaltered retransmission by cable, nor to give sublicense to others to distribute the Channel.

4.4. The Cable Operator shall distribute the Channel via a separate cable television channel of the cable network designated for this purpose. Should the Cable Operator change the cable television channel that carries the programme, it shall notify both the subscribers and the Distributor thereof 30 days in advance in writing.

4.5. The Cable Operator will make every possible effort in order to ensure that reception of the Channel by subscribers complies with the governing standards throughout the broadcast. It shall also notify the Distributor about any possible drop-out in operation, drop-out in programming, interruption in the program or any other discrepancies in the course of transmission to subscribers that concerns all or at least 50 percent (50 %) of subscribers, in writing, in its report prepared periodically for the Distributor according to this Agreement. The Cable Operator agrees to make all possible efforts to eliminate and prevent all failures, discrepancies and subscriber complaints related to the program signal that arose in its control.

### 5. Provisions concerning the payment of the licence fee

5.1. The Cable Operator shall pay a licence fee defined in clause 5.1 a. to the Distributor based on the provision of data according to clause 5.2 for the licence of the simultaneous unaltered cable distribution of the Channel.

**a) The amount of the licence fee payable by the Cable Operator to the Distributor is Euro ... per subscriber connected to the reception of the Channel calculated monthly (Hálózat Tv). The licence fee shall be payable monthly in arrears, until the last day of the subsequent month, ( whether this means 30 or 31 day of the month) but within 5 (five) working days from the reception of the respective invoice, the latest.**

b) The minimum value of the present agreement shall be Euro 25 , ( minimum 500 subscribers ), unless the Cable Operator is willing to demonstrate, along with the local CNA representatives' signature, that its total number of subscribers is less than 500.

5.2. The Cable Operator shall provide with data about the number of households subscribing to the Channel, on a **monthly basis**, which serves also as the basis of the payment of licence fee. **The deadline of the provision of data shall be 10 (ten) days from the first day of the given month**, the latest.

5.2.1. In case the Cable Operator fails to send the report of the number of subscribers determined in clause 5.2. to the Distributor within two month, the Distributor shall be entitled to account on the basis of the number of subscribers to the Channel regarding the previous data provision when issuing the invoice on the given period, maintaining its claim to the possible excess licence fee with 20%. In case of such default the amount calculated according to the difference between the actual and the provided data shall be payable as a penalty in addition to the licence fee difference to be also payable by the Cable Operator. In the event the Cable Operator fails to provide any data as set forth above for more than 2 months, the Distributor shall in any case be entitled to invoice and receive an increased licence fee equal to 20 % (twenty percents) of the last fee invoiced. In case the Cable Operator fails to send report tree consecutive further to the above provisions the Distributor shall be entitled terminate the Agreement unilaterally, withdraw its consent to the distribution and report this withdrawal to the National Audiovisual Council.

5.2.2. The Cable Operator shall keep full and accurate records of the number of subscribers to its cable systems and to the Channel and of its contracts with its subscribers and of connections and disconnections during the licence term. The Distributor may, at its own expense, on 2 (two) separate occasions in any consecutive 12 (twelve) months period during the licence term and for 1 (one) year thereafter, upon not less than 14 (fourteen) days prior notice to the Cable Operator, conduct an audit and make copies of all records and contracts specified above, during normal business hours. The Operator agrees to cooperate fully with such audit and shall be entitled to have a representative during such audit. If any audit undertaken by the Distributor pursuant to the clause above reveals an under-reporting and underpayment from the Cable Operator to the Distributor hereunder then the Cable Operator shall forthwith pay any sums owing to the Distributor together with the interest rate determined in clause 5.3. until payment in full. If any audit undertaken by the Distributor pursuant to the this clause discloses

that there has been an underpayment of licence fees or other amounts due to the Distributor of more than 5 % (five per cent) of the amounts previously paid by the Cable Operator in respect of any period in the licence term, the Cable Operator will forthwith reimburse the Distributor for all costs and expenses incurred by the Distributor in connection therewith (including but without limitation the cost of the audit) and in enforcing the collection of the underreported amounts.

5.3. The Cable Operator is obliged to pay the fee in compliance with its data provision controlled time to time by the Distributor. The fee shall be paid on the basis of the invoice issued by the Distributor or the representative of the Distributor empowered to collect the fee. On the basis of the data provided by the Cable Operator, the Distributor shall issue an appropriate invoice. In the event of any delay in payment by the Cable Operator, **the Cable Operator shall pay late charges at a rate of 1 % per day of the delayed amount, starting with the first day of the month after the invoicing.** The parties agree that all the costs and expenses in connection with the bank transfer of the licence fee shall be payable by the Cable Operator.

5.4. **The Cable Operator acknowledges that in case of not paying the fee determined above or missing the due date for payment by 30 days, the Distributor is entitled to block the reception of the Channel by means of de-activating the receiving equipment until the debt of the Cable Operator is settled. If the Cable Operator's debt is not settled in 60 days since the due date, that means 60 days of penalties, the Distributor is entitled to cancel the contract with the Cable Operator and to charge another 3 months of normal invoicing.**

5.5. The Cable Operator acknowledges that the fee defined in clause 5.2. is applicable only in the case if the Cable Operator distributes the Channel in the Basic program package. Distribution in the Basic package shall mean under this Agreement that the number of subscribers to the Channel reaches at least 70 percent (70%) of the total number of subscribers from the network operated by the Cable Operator. The distribution of the Channel in any other program package (e.g. EBS, Set-top-box) requires a new agreement between the parties.

## 6. Breach of Agreement

The breach of this Agreement concludes in any of the following cases:

- a. at its expiration date
- b. at the initiative of either of the Parties with 30 days notice
- c. if begins the insolvency procedure against either of the Parties
- d. if the Cable Operator doesn't pay the debts within 30 days from the expiration term of the invoice, the Distributor has the right to put a restriction to the channel signal and if, after 30 days, the debt is not yet settled, The Distributor may terminate this Agreement and all further consequences will be entirely supported by the Cable Operator.

## 7. Duration of the Agreement, miscellaneous provisions

7.1. The scope of the rights granted in this Agreement shall cover the territory of the Republic of Romania regarding the distribution to the subscribing households determined in the contract hereof.

7.2. This Agreement shall come into force on the date when it is signed by both parties. The first day of the licence period is the date indicated by the Cable Operator in the contract hereof, or in the absence of such date, the day of signature of the Agreement. This Agreement shall remain in force until 31<sup>st</sup> of December, 2010, taking into consideration that the due date of the last payment of licence fee would be 31<sup>st</sup> of January, 2011, the latest. After its expiry, the Agreement shall automatically be extended by another two (2) years, unless it is terminated by either of the parties at least 60 days before the expiry.

7.3. Any amendment, modification or variation of this Agreement shall be valid only if agreed by the parties in writing.

7.4. The Cable Operator may not assign any of its rights or obligations arising from the Agreement to any third party without the prior written consent of the Distributor. The Distributor may assign any of its rights and obligations arising from the Agreement and the Cable Operator hereby gives in advance its consent to any such assignment. This assignment will be effective vis-a vis the Cable Operator as of the date of the receipt of the written notice from Operator of such assignment or any later date indicated in this written notice.

7.5. The parties shall make all representations specified in this Agreement and all comments related hereto in writing and forward them to the address specified by the other party by registered mail, fax transmission that is suitable for confirming transmission or by express mail unless otherwise agreed or provided by in a contract. Should any party specify a new address and notify the other party thereof by registered mail, all mail dated after this date shall be sent to such new address. The same applies also to changes in the fax numbers and e-mail addresses of the parties.

7.6. The parties shall treat all information and data acquired in connection with this Agreement about the other party as business secrets and shall not disclose such information and data to third parties or entities without the other party's express written consent unless required by law or in a statutory requirement.

7.7. This Agreement shall be construed and performed in all respects in accordance with and governed by Romanian law and the parties irrevocably submit to the exclusive jurisdiction of the Romanian courts in respect of any matter or dispute arising under or in connection herewith.

7.8. This Agreement is made in Hungarian language.

This Agreement is made in two Hungarian originals, one of which shall belong to the Distributor, one to the Cable Operator. Having read this Agreement, the parties hereby sign it in mutual consent.

For the **Distributor**

For the **Cable Operator**

.....  
Name: dr. Zoltán Gáti  
Title: General Manager  
Date and place of signature:

.....  
Name:  
Title:  
Date and place of signature:

SAMPLE

**The cable systems operated by the Cable Operator**

<b>Nr. Crt.</b>	<b>Head End &amp; all afferent locations (city, county)</b>	<b>Number of subscribers</b>	<b>First day of distribution</b>	<b>CARD NUMBER</b>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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