

**ITV GLOBAL ENTERTAINMENT STANDARD TERMS AND CONDITIONS FOR LICENSING PROGRAMMES  
FOR HOME ENTERTAINMENT DISTRIBUTION AND/OR VIDEO ON-DEMAND**

**1. DEFINITIONS AND INTERPRETATION**

1.1

In this Agreement (as defined below) the following expressions shall have the following meanings and where there is any conflict between the Schedule ((including the Special Conditions) and Standard Terms, the Schedule (including the Special Conditions) shall prevail:

**"Accounting Period"**: quarterly;

**"Advance"**: the sum of Licence Fees as set out in the Schedule;

**"Advertiser Funded Basis"**: means no one off transaction charge or periodic charge is made to a Customer to access the Service and/or view the content therein, but the Service is funded by advertising, sponsorship or other brand or product placement revenues;

**"Agreement"**: the entire agreement between Licensor and Licensee containing these Standard Terms and those terms (including the Special Conditions) listed in the Schedule;

**"Associates"**: any reference to a person being an "associate" of another shall be interpreted in accordance with section 435 Insolvency Act 1986, and a person shall be regarded as "connected" or "associated" with any person who is an associate of his and with any company of which any director is an associate of his;

**"Confidential Information"**: any information, whether in written or any other form, which has been or may in the future be disclosed to the receiving party by or on behalf of the other party and which is identified as confidential or is clearly by its nature confidential including the terms and conditions of this Agreement or any information concerning the business or affairs of Licensee or Licensor;

**"Customer"**: shall mean a person who is authorised to access and/or view the Programme for non-commercial purposes only;

**"Delivery Date"**: the date on which the parties agree the Materials will be delivered or in the absence of such agreement or in respect of electronic/digital Material the actual date of such delivery and where the Material is not delivered for all Programmes simultaneously, the date on which the relevant Programme(s) are delivered or downloaded to or by the Licensee;

**"Digital Ownership"**: the making available of a Programme on an On-Demand basis so that the Programme may be downloaded or otherwise accessed on a Transactional basis by the Customer for viewing permanently for an indefinite period (also known as download to own (DTO) or electronic sell-through (EST));

**"Digital Rental"**: the making available of a Programme on an On-Demand basis so that the Programme may be downloaded or streamed by the Customer for viewing for a defined period as specified hereunder. For the avoidance of doubt Digital Rental does not include what is known in the industry as 'Catch-Up';

**"DRM Technology"**: shall mean a system of security measures employed by Licensee in accordance with global industry best practice in relation to the Service ensuring that the Programme is managed in accordance with the Rights Granted and receivable only in the Territory;

**"Free Basis"**: means no charge (subscription, transactional or otherwise) is made to the Customer for access and/or viewing the Service nor any content therein and where for the avoidance of doubt the Service is not made available on an Advertiser Funded Basis;

**"Force Majeure"**: any cause preventing either party from performing any or all of its obligations which arises from or is attributable to strikes, lock-outs or other industrial disputes, nuclear accident or acts of God, war or terrorist activity, riot, civil commotion, malicious damage, delay in transportation, failure or delay of laboratory, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or sub-contractors and, where they are beyond the reasonable control of the party so prevented, any other acts, events, omissions or accidents;

**"Gross Receipts"**: the total aggregate sum from time to time of all charges made to the Customer in respect of the Programme minus only any Sales Tax actually attributable to the Programme in question;

**"Language"**: only those language(s) outlined in Schedule;

**"Licence Period"**: the period(s) outlined in the Schedule subject to earlier termination of this Agreement;

**"Material"**: any technical material referred to in these Standard Terms and in the Schedule;

**"On-Demand"**: means the making available of a Programme whereby the precise scheduling of the viewing of the Programme is not pre-determined by the operator of the service in which the Programme is comprised but by the Customer, who may view the Programme at a time of his or her choosing, subject always to any usage rules imposed by the service provider;

**"Programme"**: the series or serials, episodes, programmes, programme "extras", films or other audio-visual content as more particularly described and specified in the Schedule along with any so-called DVD extras already created by Licensor or third parties and included within the Material;

**"Regional Encoding"**: as set out in the Schedule;

**"Release Date"**: as set out in the Schedule which shall be no earlier than any world premiere more particularly described in any Special Conditions;

**"Reporting Statement"**: a detailed cumulative report for each Accounting Period (quoting the number of this Agreement) in the form set out in the Annex;

**"Revenue Share"**: those percentage shares of Gross Receipts and/or other amounts payable to Licensor hereunder, as such percentage shares and/or amounts are more particularly set out in the Schedule;

**"Reserved Rights"**: any and all rights in any Programme not expressly licensed or specifically granted to Licensee under this Agreement including the right to license, transmit or exhibit in any medium clips or segments of the Programme of up to four (4) minutes in length;

**"Rights Granted"**: only those rights granted and specified in the Schedule and in any Special Conditions. The following definitions shall apply to the methods of home entertainment distribution:

(i) **'Cover-Mount'** a Unit(s) which is attached to a magazine, newspaper and/ or other print publication other than a Part Work;

(ii) **'Part Work'** a series publication comprising a Unit(s) and an accompanying promotional magazine containing information about the Programme(s) distributed via kiosks and/or news-stands, confectioners, tobacconists, newsagents and/or by mail order subscription or so-called continuity publishing, and whereby the value of the series publication to a purchaser or reader is in the collection of all of the issues. For the avoidance of doubt, the Part Work is specifically produced and published to comprise the Unit(s) and is not otherwise available independently;

(iii) **'Premium'** inclusion of Unit(s) for free, or for a minimal fee, with any other commercial product or tie-in including inclusion with breakfast cereals and toys but specifically excluding Cover-Mount and Part Work;

(iv) **'Rental'**: shall mean the exploitation of the Programme whereby the Units are intended to be offered for rental through a third party to the public for non-commercial private in-home use;

(v) **'Retail'**: shall mean distribution of the Unit(s) through a store or other retail outlet including kiosks and directly to the general public through direct response, clubs and mail order where the Unit(s) is not accompanied by any publication or commercial product;

(vi) **"Unit(s)"**: the physical article(s) storing the Programme (specifically Blu-Ray discs and DVDs) which may be licensed hereunder and outlined and specified in the Schedule; and

(vii) **"Wholesale Price"**: the selling price of a single Unit charged by Licensee to any third party including dealers and distributors whether for sale or rental to the public including any premiums or surcharges or other additional charges imposed by Licensee in respect of Units supplied excluding any discounts or deductions given by Licensee and excluding any Sales Tax.

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and the following definitions shall apply where the Programme is made available to Customers by means of the Service within the Territory and in the Language and on the basis of Digital Ownership and/or Digital Rental as may be set out in the Schedule

- (i) **'Cable'**: the distribution or transmission of the Programme to Customers via any coaxial, fibre-optic or any other form of cable network (including by means of digital subscriber line (DSL), asymmetric digital subscriber line (ADSL) and partial retransmission via Multipoint Microwave Distribution System (MMDS)), transmissions via which are for reception on equipment programmed to restrict access to authorised users only. Cable shall exclude the Internet and IPTV;
  - (ii) **'Internet'**: the distribution or transmission of the Programme to Customer via the global collection of interconnected computer networks utilising TCP/IP protocols and/or related protocols including the worldwide web and any subset thereof, whereby audio visual data is transmitted in viewable format;
  - (iii) **'IPTV'**: the distribution or transmission of the Programme to Customers via any form of access controlled technology enabling the transmission of the Programme via TCP/IP or related protocols but only to equipment programmed with software to restrict access to authorised users only; for the avoidance of doubt IPTV shall exclude Internet;
  - (iv) **'Mobile'**: the distribution or transmission of the Programme to Customers via a wireless telecommunications network which uses radio frequency spectrum (in any band) enabling the transmission of the Programme to mobile telephones, cellular telephones or similar handheld telecommunication devices capable of receiving and sending telecommunication signals and data (whether voice-only data or audio-visual data or otherwise). For the avoidance of doubt, Mobile shall exclude Internet;
  - (v) **'Satellite'**: the distribution of the Programme to Customers via analogue or digital satellite systems which include the transmission of signals directly from a satellite to a satellite dish at the place of reception for the purpose of viewing on specialised equipment including the transmission of the Programme by means of an encrypted satellite signal to a viewer's set top box whereby the viewer is then able to access Programmes (i.e. push VOD);
  - (vi) **'Terrestrial'** means digital technology by which a Programme is transmitted for reception via a conventional roof-top or other similar receiving apparatus, and shall include the transmission of the Programme by such means to a set top box or television receiver whereby the Customer is then able to access the Programme;
  - (vii) **'SVOD** (subscription video on demand)": means the making available of a Programme for the Customer to view on a Digital Rental and Subscription Basis but expressly excluding any Digital Ownership Rights;
  - (viii) **'TVOD** (transactional video on demand)": means the making available of a Programme for the Customer to view on a Digital Rental and Transactional Basis but expressly excluding any Digital Ownership Rights;
  - (ix) **'AVOD** (advertiser funded video on demand)": means the making available of a Programme for the Customer to view on a Digital Rental and Advertiser Funded Basis but expressly excluding any Digital Ownership Rights;
  - (x) **'FVOD** (free video on demand)": means the making available of a Programme for the Customer to view on a Digital Rental and Free basis but expressly excluding any Digital Ownership Rights.
- 'Royalties'**: the percentage of the Gross Receipts or Wholesale Price as set out in the Schedule;
- 'Sales Tax'**: means value added tax or any equivalent or similar value added, sales, consumption or turnover tax imposed or introduced by the relevant authorities on the sale or supply of Units in the Territory;
- 'Schedule'**: the schedule containing the Special Conditions and/or other terms between Licensor and Licensee (defined

therein) to which these Standard Terms are annexed and form part to comprise this Agreement;

**'Sell-off Period'**: shall mean the period commencing at the expiry of the Licence Period and ending on the date six (6) months later;

**'Service'**: means the On-Demand services owned, operated and controlled by Licensee, and/or where specified in the Schedule the On-Demand services operated by Licensee's permitted third party partners, all as the same are more particularly listed in the Schedule;

**'Special Conditions'**: those special terms agreed between Licensor and Licensee described in the Schedule and incorporated as part of this Agreement;

**'Subscription Basis'**: means a periodic charge is made (whether incremental to a linear subscription or not) for the Customer to access the Service and/or content thereon;

**'Territory'**: only that territory outlined in the Schedule;

**'Total Contract Value'**: the consideration outlined in the Schedule;

**'Transactional Basis'**: means a one-off transaction charge is made to the Customer for viewing that Programme.

In this Agreement:

1.2.1 all references to the singular shall include the plural and vice versa;

1.2.2 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.2.3 clause headings are for information purposes only and do not constitute a part thereof and are not intended to be referred to in the construction of any term or provision of the Standard Terms; and

1.2.4 any reference to a statute, statutory provision, subordinate legislation, code or guideline is a reference to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation.

**2. LICENCE**

In consideration of payment of the Total Contract Value and any Royalties and/or Revenue Share and the due performance by Licensee of all the terms and conditions to be performed under this Agreement, Licensor hereby grants to Licensee and Licensee accepts a licence as set out in the Rights Granted (i) to copy, manufacture, distribute, sell and exploit the Programme by means of the home entertainment Rights Granted; and/or (ii) to exploit the Programmes by means of the Digital Ownership/Digital Rental. The Reserved Rights are hereby expressly and exclusively reserved to Licensor.

**3. LICENSOR WARRANTY**

3.1 Subject to clause 3.2 Licensor represents and warrants to Licensee that:

3.1.1 It is entitled to enter into this Agreement and grant the Rights Granted to Licensee.

3.1.2 The Programme does not to the best of Licensor's knowledge and belief under English law infringe or violate the rights of any person in respect of copyright, trade marks, trade names, patents, defamation, privacy or publicity or confidentiality.

3.1.3 Save as set out in clause 4.1.7 below, it has obtained or will obtain all clearances and has paid or will pay for all residuals and other payments in respect of any material or performance contributed by an author, writer, artist, musician, producer, director or crew, music, archive or stills and payable as a result of the exercise by Licensee of the Rights Granted in the Programme.

3.2 Save for clause 3.1 above, Licensor makes no warranties and gives no assurances in respect of the Licensee's use of the Programme in the Territory and Licensee acknowledges and agrees that it shall be Licensee's responsibility to ensure that the Programme complies for use by Licensee in the Territory. In particular, Licensor has not undertaken a Programme title clearance search in the Territory and Licensor makes no warranties and gives no assurances in

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respect of the Licensee's use of the title/titles of the Programme in the Territory.

**4. LICENSEE WARRANTY**

- 4.1 Licensee represents, warrants and undertakes that:
- 4.1.1 it is a duly incorporated company pursuant to the laws of a country within the Territory and has the power and authority to enter into and shall fully perform all of its obligations set out in this Agreement;
  - 4.1.2 it will not broadcast, disseminate, transmit, re-transmit, make available or authorise the broadcast or reception or re-transmission or making available or any other exploitation of the Programme other than strictly in accordance with the terms of this Agreement and in any event it will not schedule or make available the Programme in any way which might reasonably be expected to or which does in fact impair the integrity of the Programme and/or damage the reputation of Licensor and/or its Associates and/or the Programme;
  - 4.1.3 it will not authorise others to copy, use, distribute, reproduce and/or otherwise deal with the Programme other than strictly in accordance with the terms of the Agreement. For the avoidance of doubt, it shall not actively sell or distribute Units outside the Territory, it being acknowledged and agreed that breach of this obligation shall constitute a material breach of this Agreement;
  - 4.1.4 it will promote the Programme in accordance with the promotional obligations and on a fair and non-discriminatory basis vis a vis similar programming from third party suppliers and shall give due prominence in any publicity related to the Programme under the control of Licensee and use its reasonable endeavours to ensure prominence in other publicity not under its direct control, to the name of Licensor and display of its logo as distributor of the Programme;
  - 4.1.5 it shall observe and comply with all contractual restrictions and credit obligations imposed on Licensor in respect of any Programme, as notified upon delivery of the Programme and from time to time thereafter upon prior written notice by Licensor;
  - 4.1.6 it will promptly notify Licensor of any infringement or breach of the copyright or other rights in the Programme (including plagiarism) as shall come to the attention of Licensee;
  - 4.1.7 it shall in respect of the music in the Programme (i) make all necessary payments and returns to any and all relevant collecting societies in the Territory in respect of the public performance and making available of such music and/or (ii) make all necessary clearances, payments and returns in respect of the mechanical and synchronisation royalties due to composers, lyricists and publishers of all music embodied in the soundtrack of the Programme, arising from the exercise by Licensee of the Rights granted, directly to the music publishers or any collecting society or third parties on behalf of such music publishers in the Territory or relating to the Territory; and/or (iii) make any other clearances necessary in and/or for the Territory, which arise by reason of the exercise by Licensee of the Rights Granted;
  - 4.1.8 It shall ensure that its exploitation of the Programme complies with the brand guidelines for the Programme (if any) provided by Licensor from time to time, including any approvals required to be sought as specified in the brand guidelines;
  - 4.1.9 it shall not use or authorise the use of any name, likeness or voice of any person appearing in any Programme to endorse the use of any product or service (including the Service);
  - 4.1.10 it shall comply with all laws, codes and regulations concerning the distribution, transmission, exhibition and or supply of the Programme in the Territory (and otherwise in connection with its exercise of the

Rights Granted in the Programme) including but not limited to, in relation to anti-corruption and international sanctions;

- 4.1.11 there are no existing or, to the best of Licensee's knowledge and belief, threatened claims or litigation which would adversely affect or impair Licensee's ability to perform this Agreement;
- 4.1.12 it has not and shall not at any time create or allow to be created any liens or encumbrances in respect of the Rights Granted or enter into any agreements which might conflict or interfere with any of the provisions of this Agreement;
- 4.1.13 it shall ensure the inclusion of Licensor's logo in the introduction, end sequence and credits on any Unit and packaging and promotional material. Licensee shall be entitled to add its own credit to the master and to all packaging and promotional publicity material;
- 4.1.14 in the marketing of the Units of the Programme, none shall form part of any package or similar deal with programming or other products supplied by any party other than Licensor without its prior written consent;
- 4.1.15 it will not bundle the Programme with other services, and no free offers, subscription or periodic charges in relation to the Programme will be made without the prior written approval of Licensor;
- 4.1.16 it will not offer, advertise, promote or link to any content or service that is illegal, pornographic or obscene or which may adversely reflect upon the name, image, brand and reputation of the Programme or Licensor or its Associates;
- 4.1.17 it shall use its best endeavours to exploit the Rights Granted under this Agreement and to maximise Gross Receipts and Revenue Share;
- 4.1.18 it shall not directly or indirectly solicit customers for the Programme on the Service for sale outside the Territory;

**5. DELIVERY AND ACCEPTANCE**

- 5.1 Licensor shall at Licensee's cost deliver the Material to Licensee at the address set out in the Schedule or such other place as Licensee shall reasonably designate, upon full execution of this Agreement and payment of the Advance (or Part thereof as set out in the Schedule), subject to availability of Material;
- 5.2 If Licensee (acting reasonably and in good faith at all times) finds the Material is so technically defective as to render its exploitation of the Programme as envisaged hereunder impossible, it shall within forty five (45) days of receipt (i) send a technical report to Licensor identifying the technical reasons for such rejection and such reasonable verification as Licensor may require ("**Report**") and (ii) return the Material concerned (together with the Report the "**Defect Information**") to Licensor. Within thirty (30) days of Licensor's receipt of the Defect Information Licensor shall (if available) dispatch alternative relevant Material to Licensee ("**Replacement Materials**") at Licensor's sole cost and expense. For the avoidance of doubt, should Licensee serve Licensor with the Defect Information in accordance with this clause 5.2, Licensor shall have no obligation whatsoever to deliver the Replacement Materials to Licensee before the Delivery Date;
- 5.3 Where Licensor is not able to supply Licensee with Replacement Materials within either thirty (30) days of Licensor's receipt of the Defect Information or thirty (30) days of the Delivery Date (whichever is later) Licensor shall notify Licensee and Licensee shall have the option of either: (i) accepting a substitute programme (if available) in place of the Programme ("**Substitute Programme**"); or (ii) accepting a refund of the amount paid (or due proportion thereof) PROVIDED THAT Licensee agrees to use all reasonable endeavours to accept a Substitute Programme if available and the delivery and acceptance procedure set out in this clause 5 shall be repeated in respect of the Substitute Programme and Licensee acknowledges and agrees that this clause constitutes the total and entire liability of Licensor to Licensee in respect of Licensee's inability to distribute the Programme due to it receiving defective Material;

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- 5.4 For the avoidance of doubt Licensee shall not be entitled to reject (or receive a refund for) any Material and/or Replacement Materials which have been previously used by Licensee or any party authorised by Licensee (to the extent permitted by this Agreement) to make the Programmes available. Any additional material required by Licensee during the Licence Period shall be supplied at the expense of Licensee unless otherwise specified in the Schedule;
- 5.5 The documentation Material (such as scripts, music cue sheets and images) is delivered to licensees via the ITV Global Entertainment website [www.itvstudios.com](http://www.itvstudios.com) ("**Website**"). If such material is available on the Website, such material shall be deemed to have been delivered to and accepted by Licensee. In the event that such documentation is not available via the Website, physical delivery will take place in accordance with the terms of this Agreement;
- 5.6 Should Licensee require Licensor to provide any certificate of origin and/or residence and/or notarise any documentation ("**Official Documentation**"), Licensee undertakes to pay Licensor for the costs of providing such Official Documentation within thirty (30) days of receipt of invoice.
- 5.7 Where the Material to be delivered is stipulated in the Schedule as being a digital file, such digital file may only be available for download within a set time period (the "Master Download Period"). If such Master Download Period applies, Licensee shall be notified accordingly. If Licensee fails to download the digital file within the Master Download Period, Licensee shall pay an additional Materials Charge to enable it to access the digital file at an alternative time.
- 6. OWNERSHIP AND DESTRUCTION OF MATERIALS**
- 6.1 Ownership in and to the Material, including copyright, shall remain with Licensor at all times notwithstanding that Licensee shall be on risk and liable for any damage to the Material upon delivery and shall insure the Material until it is destroyed in accordance with provisions of this clause.
- 6.2 The Material as stipulated in the Schedule shall be supplied on a "purchased" basis to the Licensee. Licensee shall destroy, at its own expense, all Material and any other material (other than expendable publicity material) supplied by Licensor or made by or at the direction of Licensee with permission of Licensor, when requested by Licensor and in any event upon the earlier to occur of (i) the expiration of the Licence Period, (ii) completion of the purpose for which the Material was supplied. Upon destruction, Licensee shall provide to Licensor an appropriate certificate of destruction of the Materials. In the event that Licensee creates a digital copy of the Programme, in addition to destroying the Material, Licensee shall return a copy of the digital master of the Programme to Licensor (together with any and all other copies made by Licensee at Licensor's direction).
- 6.3 In the event that the master(s) shall be stolen, lost or destroyed during the currency of this Agreement, Licensee shall notify Licensor immediately and furnish Licensor with detailed affidavits setting out the circumstances of such theft, loss or destruction and at its own expense take such steps for recovery of the master(s) as Licensor may reasonably require.
- 6.4 Licensee hereby acknowledges that persistent failure by Licensee to destroy the Material pursuant to this clause 6 (or pursuant to any other agreement(s) between Licensee and Licensor) shall be deemed a material breach of this Agreement.
- 6.5 Where Licensee is responsible for the digitisation of Programmes supplied on tape, Licensee agrees to supply Licensor on request with a digital file (in the format of Licensor's choosing) of each Programme it produces for Licensor's unrestricted use (subject to the terms of this Agreement) plus any additional copies as Licensor may request, at cost price.
- 7. EDITING RESTRICTIONS**
- 7.1 Licensee shall distribute the Programme in the form delivered by Licensor and shall not cut, add to or otherwise alter or edit the Programme or the title of the Programme (nor authorise or permit its Customers to do the same) without obtaining Licensor's prior written approval other than for the purposes of;
- 7.1.1 creating a Foreign Language Version of the Programme in accordance with this Agreement;
- 7.1.2 conforming with the requirements of any local and/or official censor or regulatory authority;
- 7.1.3 technically altering the Programme solely to the extent necessary to enable it to be made available to Customers by means of the Service so as to: aggregate, encode and index the Programme and associate any relevant metadata provided by Licensor with such Programme and incorporate the DRM Technology into the Programme;
- 7.1.4 splitting the Programme into shorter segments to facilitate more efficient transfer to Customers; and provided (in each case) that such cuts, additions or other alterations or edits shall not in total amount to more than three-and-a-half per cent (3.5%) of the original running time of the Programme and that Licensee shall not delete any main or end title or any credits or copyright notice nor shall any editing, cutting, additions or altering impair or substantially detract from the quality, meaning, integrity or continuity of the editorial approach or content of the Programme. Any editing, addition, cutting or alteration shall be at Licensee's sole cost and expense.
- 8. FOREIGN LANGUAGE VERSION**
- 8.1 Unless the Material is already subtitled and/or dubbed or the Programme was originally produced in the Language, Licensee shall be entitled to subtitle and/or dub the Programme into the Language (the "**Foreign Language Version**") provided that (i) Licensee promptly informs Licensor of its election to create the Foreign Language Version (ii) such Foreign Language Version accurately conforms in all material respects to the original language version and script of the Programme; (iii) Licensee observes all relevant restrictions applicable to artists, all third parties contractual and guild/union restrictions notified to Licensee; (iv) Licensee shall be responsible for fully clearing all rights in and to such Foreign Language Version on a worldwide basis and for paying all sums, including residuals, due to artists and other third parties involved in the creation of the Foreign Language Version in respect of any such rights; (v) Licensee shall within thirty (30) days of completion of the Foreign Language Version inform Licensor of the costs of creating the Foreign Language Version; and (vi) Licensee shall not alter the title of the Programme, except for a direct foreign language translation, without the prior written consent of Licensor and subject to an intellectual property rights clearance of such new title.
- 8.2 Where the Licensor provides the Licensee with a Foreign Language Version, the Licensee acknowledges that all copyright in the Foreign Language Version is owned by the Licensor and use of the Foreign Language Version by the Licensee is subject to the terms of this Agreement. If the Licensor has agreed, pursuant to the terms of this Agreement, that the Licensee shall produce, or arrange the production of, the Foreign Language Version, then notwithstanding anything to the contrary herein, the Licensee hereby assigns to the Licensor, with full title guarantee, copyright ownership and all other like rights, and where assignment is not possible Licensee shall procure the waiver of such rights, in the Foreign Language Version subject to the Licensee reserving a non-exclusive licence to exploit the Foreign Language Version consistent with the exercise of its rights to the Programme under this Agreement.
- 8.3 Licensee shall permit Licensor or its authorised third party during the Licence Period and thereafter full access to a HDCAM SR master tape of the Foreign Language Version for the purposes of manufacturing copies and if requested by Licensor provide (or procure the provision of) copies of such version at laboratory cost. Licensee hereby acknowledges that Licensor is entitled, in perpetuity, to exploit the Foreign Language Version in all media throughout the world (but Licensor agrees not to exploit the Foreign Language Version in the Territory during the Licence Period in contravention of Licensee's Rights). Licensor shall reimburse Licensee such proportion of the actual, reasonable and verifiable costs incurred by Licensee in creating the Foreign Language Version if and when Licensor uses the same (less any artist

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costs that Licensor is, without prejudice to clause 8.1(iv), required to incur) as set out in the Special Conditions. Licensee shall use best endeavours to minimise any payments due to any third party upon Licensor's exploitation of such Foreign Language Version throughout the world and shall inform Licensor of all such payments (if any).

**9. PROMOTIONAL RIGHTS**

9.1 Licensee shall have the non-exclusive right for the duration of the Licence Period to promote the Programme, including by way of transmitting extracts from the Programme, of up to three (3) minutes duration in all media (including the Internet) for advertisements, trails, comment and review, showreels, electronic press kits and other electronic products produced for promotional purposes for the Programme only and not for the purpose of any merchandising, product endorsement or other tie-up independent of the Programme.

9.2 Notwithstanding anything to the contrary herein Licensor makes no warranties and gives no assurances as to whether or not any third party owned footage or material that is embodied within the Programme (e.g. as music and stills) is available for Licensee to use in its creation of its own promotional material, and should Licensee wish to use such third party footage to create its own promotional material in accordance with 9.1 above, Licensee shall be responsible for clearing and paying for any rights in respect of the same.

9.3 It shall be a material term of this Agreement that Licensee shall comply with the style guidelines (if any) in respect of the Programme provided to Licensee ("**Style Guidelines**") along with all contractual credits notified to Licensee.

9.4 Licensee shall supply to Licensor promptly upon request samples of the following:

- 9.4.1 a Unit of each Programme in the Territory; and
- 9.4.2 samples of all packaging and promotional publicity material (including posters) to be used in respect of the marketing of the Units of each Programme;

**(the "Samples")**

and, in the event that Licensor considers that such Samples do not comply with Licensor's style guidelines Licensee shall make such amendments thereto as may be necessary to comply with contractual obligations (as to credits or otherwise) and the Style Guidelines or as Licensor may reasonably require. Each amended Sample shall be resubmitted to Licensor for approval. Licensor's approval under this clause shall not relieve Licensee of its ongoing duty to comply with all contractual credit obligations and the Style Guidelines and other legal obligations in respect of the Programme and its exploitation of the Programme.

**10. CENSORSHIP**

10.1 Licensee agrees that Licensor makes no representations or warranties either present or future with respect to:

- 10.1.1 the procurement of any licence required by Licensee that the Programme complies with any censorship or regulatory requirement which may be required or imposed by any governmental or regulatory body in the Territory; or
- 10.1.2 the ratings certificate the Programme may receive in the Territory.

10.2 Within forty-five (45) days of receipt of the Material under clause 5, Licensee may notify Licensor if it is unable to exploit the Programme as envisaged in this Agreement due to censorship restrictions and without making substantial edits to the Programme. On receipt of such notice Licensor and Licensee shall discuss in good faith the options available.

**11. MANUFACTURING**

11.1 Licensee will, at all times, conduct its business in an ethical manner and in such a way as to uphold the good name and reputation of Licensor, the Programme and the Units and without limitation to the foregoing, Licensee undertakes the following:

- 11.1.1 no forced, imprisoned, indentured or under-age workers are or will be employed to produce goods and/or provide services, wholly or in part and that local legislation on under-age labour shall be complied with in all cases;

11.1.2 it will comply with local laws regulating employment and working conditions;

11.1.3 employee working hours comply with local laws and standards and in any event are not more than sixty (60) hours per week for full-time employment and that each employee has at least one (1) day off during every seven (7) day week;

11.1.4 the Units shall be manufactured in a safe, hygienic working environment and no employees shall be subjected to unhealthy or unsafe working conditions; and

11.1.5 where it contracts with or otherwise permits any person to manufacture the Units or any part thereof in any way, Licensee shall first obtain the consent of Licensor to do so and shall contractually require of such persons that they conform with all obligations of Licensee hereunder in respect of manufacture of the Units or any part thereof.

11.2 Licensee it will take out and remain covered throughout the Licence Period and any Sell-Off Period and for six (6) years thereafter a product liability insurance policy with an insurer of good repute. Licensee shall provide to Licensor promptly on request, evidence of such policy.

11.3 Licensee will ensure that all Units manufactured or duplicated under this Agreement shall conform with Regional Encoding in accordance with the Schedule. Furthermore, Licensee warrants that it shall not manufacture and/or duplicate (nor authorise a third party to manufacture and/or duplicate) Units of the Programme in any coding other than the authorized Regional Encoding. Licensee acknowledges and agrees that any breach of this warranty shall constitute a material breach of this Agreement.

11.4 Licensee shall include in the Units such anti-piracy warning as Licensor may require and use its best endeavours to prevent the unauthorised duplicating, copying or pirating of the Programme and in particular in collaboration with Licensor and through an appropriate protective body to take all necessary action to prevent copyright infringement of the Programme.

**12. DISTRIBUTION**

12.1 Licensee shall release and deliver the Programme to retail or rental outlets on or by the Release Date specified in the Schedule and advise Licensor of the proposed Release Date of the Programme and the actual dates of release of each Programme in each territory in the Territory within twenty eight (28) days of release.

12.2 Licensee agrees that it will sell the Units only to reputable companies and Licensee shall use all its reasonable endeavours to ensure that the Programme is not supplied directly or indirectly to any purchaser intending to distribute the Programme gratuitously, without Licensee first obtaining Licensor's prior written consent to do so. Save as the same is included in the Rights Granted licensed under this Agreement, Licensee shall not sell or in any way dispose of the Programme to any person for use either by itself or in association with any products, goods or services in sales or promotional activities or as premiums or in incentive programmes of any kind and Licensee shall forthwith notify Licensor and furnish it with the name and full particulars of any person who have approached Licensee with a view to utilising the Programme for the purposes set out above.

12.3 Licensee shall submit to Licensor for information copies of its official price lists showing wholesale dealers and retail prices of Units in the Territory and shall supply to Licensor forthwith full details of any changes made in the official price lists of Licensee together with copies of the revised lists.

**13. SERVICE AND SECURITY**

13.1 Licensee may only make the Programme available via the Service if and to the extent the Service (and the availability of the Programme on such Service) utilises a form of DRM Technology which (i) ensures that the Programme is only made available on the Service within the scope of the Rights granted; (ii) imposes upon Customers the content usage rules set out at clause 13.6; and (iii) is approved in advance by Licensor and the following technologies are hereby pre-approved:

for download services:

- (i) Windows Media Player;

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- (ii) Adobe Air;  
for streamed services:
- (iii) Adobe Flash;
- (iv) Microsoft Silverlight;
- (v) Apple QuickTime.
- 13.2 In the event Licensor becomes aware of any breach and/or failure of the DRM Technology that results in the unauthorised copying of any or all of the Programme from the Service at a level which is unacceptable to Licensor, Licensor shall so notify Licensee in writing and the exploitation of the Programme via the Service will be suspended during the continuation of any such breach and/or failure of the DRM Technology.
- 13.3 In the event Licensee becomes aware of any breach and/or failure of the DRM Technology that results in the unauthorised copying of any or all of the Programme from the Service Licensee shall notify Licensor within six (6) hours of becoming aware of such breach and the exploitation of the Programme via the Service will be suspended during the continuation of any such breach and/or failure of the DRM Technology.
- 13.4 During a period of suspension as set out in clauses 13.2 and 13.3, Licensee shall ensure that the Programme (in whole or in part) shall not be available to Customers on the Service, provided that if the suspension continues for a period greater than four (4) consecutive months or an aggregate of four (4) months in any twelve (12) month period, then either party may, by notice in writing to the other, request the amendment of this Agreement to remove from the Rights any exploitation of the Programme on an On-Demand basis..
- 13.5 In making available any Programme on the Service pursuant to this Agreement, Licensee shall ensure that Customers may make use of such Programme in accordance with the following rules. In all instances, Customers may only use the Programme for personal use and all of the rules set out below must be incorporated in the terms and conditions for the use of the Service.
- 13.5.1 Anti-copying: Customers shall not be able to undertake any modification of the Programme nor any unauthorised downloading, copying, file sharing, modification, distribution and/or any other method of duplicating and/or storing the Programme on to any device now known or hereafter devised.
- 13.5.2 Geo-filtering: No person shall be able to access or view the Programme outside of the Territory.
- 13.5.3 Digital Rental: For Programmes that are made available on a Digital Rental basis, Customers shall not be able to store or retain such Programmes on the applicable device for more than forty eight (48) hours following the initial transfer of the Programme to such Customers.
- 13.5.4 Digital Ownership: For Programmes that are made available via Digital Ownership, Customers shall be able to download such Programme once on to no more than one device.
- 13.6 Licensee shall not part with control or possession of the master of the Programme. In the event that the master shall be stolen, lost or destroyed during the Licence Period, Licensee shall notify Licensor immediately and at Licensor's reasonable request shall furnish Licensor with detailed affidavits setting out the circumstances of such theft, loss or destruction.
- 13.7 Licensee shall ensure that any Programme containing any signals, flags, identifying codes, watermarks and/or copy protection codes provided by Licensor from time to time shall not be removed from the Programme provided always that such signals, flags, identifying codes, watermarks and/or copy protection codes provided by Licensor are compatible with the Service technology.
- 13.8 Licensee shall cooperate with Licensor in preventing unauthorised access to and transmission, copying, modification, use and/or distribution of the Programme. Such cooperation shall be at Licensee's cost and may include:
- 13.8.1 notifying any persons of their unauthorised access to, transmission, copying, modification, use and/or distribution of the Programme in a form of words to be agreed between Licensee and Licensor;
- 13.8.2 providing Licensor with information in relation to any persons who are suspected of unauthorised transmission, copying, modification, use and/or distribution of the Programme and/or of the nature of such unauthorised use, to the extent the same is available to Licensee and such disclosure is permitted by law;
- 13.8.3 providing Licensor with information about changes to the DRM Technology from time to time (and should Licensor so request, submitting any proposed material changes to Customer terms and conditions for Licensor's approval in advance in writing); and
- 13.8.4 joining in, commencing and/or providing reasonable assistance with proceedings against any person in connection with unauthorised transmission, copying, modification, use and/or distribution of the Programme in accordance with the provisions herein.
- 14. PAYMENT AND REPORTING**
- 14.1 Payment of the Total Contract Value and any other sums owed shall be due and payable at the time or times specified in the Schedule and shall be made to Licensor at its office or into any account stipulated by Licensor in the currency stipulated in the Schedule.
- 14.2 Licensee agrees that time for payment of the Total Contract Value and any other sums owed are of the essence of this Agreement and any failure to do so on the part of Licensee shall constitute a material breach.
- 14.2 If by virtue of the laws of any country within the Territory Licensee shall be prevented from remitting to Licensor any of the monies due hereunder, Licensee shall so inform Licensor promptly and shall in consultation with Licensor (and subject to any rules and regulations affecting such transactions) deposit the monies due into an account in the name of Licensor at a bank designated by Licensor or pay them to any other party designated by Licensor in writing.
- 14.3 If Licensee fails to pay by the due date any amount payable by it under this Agreement, Licensor shall be entitled to charge Licensee interest on the overdue amount, payable by Licensee immediately on demand, from the due date up to the date of actual payment, after as well as before judgment, at the rate of four (4) per cent per annum above the base rate for the time being of Barclay's Bank Plc subject to a floor of eight (8) per cent per annum. Such interest shall accrue on a daily basis and be compounded monthly. Any interest charged in accordance with this clause shall be without prejudice to any other rights, remedies or action Licensor may have against Licensee.
- 14.4 In the event of any failure by Licensee to make full payment to Licensor of any and all amounts due to Licensor pursuant to this Agreement in the currency specified, Licensee shall be responsible for all reasonable costs and expenses (including reasonable legal fees) incurred by Licensor or its agents in collecting such amounts.
- 14.5 Licensee shall, within fourteen (14) days of:
- 14.5.1 the end of each Accounting Period during the Licence Period; and
- 14.5.2 the end of the Licence Period; and
- 14.5.3 the end of each of the two successive Accounting Periods falling after the end of the Licence Period;
- provide Licensor with a Reporting Statement in respect of that immediately preceding Accounting Period and accompanied by the amount of the Revenue Share payable to Licensor (if any) and Licensee shall provide such report even in the event of no transfers of the Programme having been effected during the preceding Accounting Period. Where a Revenue Share is specified in the Schedule as being recoupable as against the Licence Fee, no Revenue Share will be payable in respect of that Programme for the relevant Accounting Period until cumulatively the amount of Revenue Share earned during the Licence Period exceeds the amount of the Licence Fee.
- 14.6 In addition, Licensee shall provide a detailed cumulative quarterly report to Licensor within fourteen (14) days of the end of each Accounting Period containing a full breakdown of the home entertainment exploitation of the Programme setting out the number of units sold and not returned, the costs incurred in distribution and manufacture of the Units,

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- the level of unliquidated Reserves (if any), the amount of Gross Receipts earned, the amount of Gross Receipts received and yet to be received, the amount of the Advance (if any) remaining unrecouped, the Wholesale Price, the Sales Tax and Licensor's Royalties (quoting the Agreement Reference on all correspondence) and accompanied by Licensor's Royalties payable to Licensor and Licensee shall provide such report even in the event of no sales having been effected during the preceding quarter. All such reports to be sent to [accounting@itv.com](mailto:accounting@itv.com).
- 14.7 Licensee shall be entitled to maintain reserves against Royalties for future return of Units ("Reserves") provided that said Reserves shall be maintained at reasonable levels for a reasonable amount of time and shall not in any event exceed ten (10) per cent of the amount of Royalties in respect of the previous Accounting Period. It is understood between the parties that said Reserves shall be liquidated no later than three (3) months following the Accounting Period during which such Reserves were established.
- 14.8 When accounting and reporting pursuant to this clause, Licensee shall procure the Programmes will be accounted and reported separately and the revenues for each of the Programmes will not be cross collateralised against other Programmes unless otherwise specified in the Schedule.
- 14.9 Licensor or its agent shall be entitled to conduct on-site inspections at all facilities used to produce the Units or any of its components, including the facilities of subcontractors, to determine whether the requirements set out at clause have been met.
- 14.10 Immediately after expiry or termination of the Licence Period, Licensee will supply Licensor with an inventory of all unsold remaining Units of the Programme and other material created or authorised to be produced by Licensee in exercise of the Rights and render a final account to Licensor in respect of all sales and hirings since the end of the last Accounting Period and (as required by Licensor in its sole discretion) at Licensee's sole cost return or destroy any stocks previously manufactured under this Agreement in the possession of or under the control of Licensee relating to the Rights under this Agreement and in the case of destruction to supply a certificate of destruction.
- 15. ACCOUNTING AND AUDIT**
- 15.1 Licensee agrees that it and any permitted sub-agents and sub-licensees approved in writing by Licensor shall keep full and accurate books of account, records and contracts in respect of all aspects of the exploitation of the Programme pursuant to this Agreement.
- 15.2 Licensor shall, at all times during the Licence Period and for six (6) years thereafter, have the right either itself or by means of its agents, to enter onto the premises of Licensee on written notice to Licensee and to have access to its systems and to examine Licensee's books of account, records, contracts and systems for the purpose of verifying the accuracy of the Reporting Statements and the payments paid to Licensor hereunder. Licensee shall rectify immediately any shortfall in payments and/or reporting and, in the event that any such shortfall exceeds five (5) per cent of the total that should otherwise have been paid and/or reported in the applicable Accounting Period(s) in respect of that Programme, Licensor shall be entitled to recover from Licensee its costs of conducting the audit along with interest and other costs pursuant to clauses 14.3 and 14.4.
- 16. TERMINATION**
- 16.1 This Agreement may be terminated at any time by either party providing written notice to the other party in the event that:
- 16.1.1 the other party shall be in breach of any of its material obligations or terms in this Agreement (or where Licensor is the terminating party if Licensee shall be in breach of any of its material obligations or terms under any other agreement between Licensee and Licensor) and in the case of a breach capable of remedy shall not have remedied the same within fourteen (14) days of notice requiring the remedy of such breach (it being acknowledged that no casual or inadvertent breach of clause 3.1.3 hereunder shall give rise to a right of termination under this clause);
- 16.1.2 a liquidator, receiver or administrator shall have been appointed and/or documents are filed with the court for the appointment of an administrator and/or notice is given of intention to appoint an administrator by the other party or its directors or by a qualifying floating charge holder over all or a material part of its business or assets;
- 16.1.3 an order is made or an effective resolution is passed for the winding up of the other party (except a resolution for a bona fide solvent reorganisation the terms of which have been previously approved in writing by the other party), bankruptcy or dissolution;
- 16.1.4 the other party is deemed unable to pay its debts as defined in section 123 of the Insolvency Act 1986 (or any statute or regulation from time to time amending or replacing such Act) without any requirement to prove any matter stated in that section to a court or proposes a voluntary arrangement for the benefit of its creditors or shall stop payment of its debts generally or shall cease to carry on its business or a material part of its business in the ordinary course or materially alters the nature of its business as conducted at the date of this Agreement or any steps are taken to do any of the same;
- 16.1.5 the other party otherwise proposes or enters into any composition or arrangement with its creditors or any class of them; or
- 16.1.6 the other party suffers, or there occurs in relation to that party, any event which is analogous to any of the events mentioned in clauses 16.1.1 to 16.1.5 in any part of the world.
- 16.2 Licensor may terminate this Agreement on notice to Licensee if:
- 16.2.1 Licensee fails to make any payment under this Agreement for twenty one (21) days after the same shall have become due;
- 16.2.2 Licensee fails to release a Unit comprising the Programme within one (1) month of the Release Date in which case, unless the parties agree otherwise in writing, the Agreement with regard to such unreleased Units or any other item that has not yet been released shall terminate and the Rights Granted shall revert to Licensor. For the avoidance of doubt, this shall not affect Licensee's obligation to pay any monies due under this Agreement.
- 16.2.3 the Programme is not made available on the Service within one (1) month from the start of the Licence Period for whatever reason. For the avoidance of doubt, this shall not affect Licensee's obligation to pay any monies due under this Agreement.
- 16.2.4 there shall be any change in the management or control (and for these purposes, "control" shall have the meaning ascribed to this term in Section 416 Income and Corporation Taxes Act 1988) of the Licensee where the changed management and/or new controlling entity is not of at least the same financial standing or repute as the current Licensee and/or where the company taking control is a competitor of Licensor or any of its Associates.
- 16.2.5 Licensee fails to meet the demand for the Units in the Territory by an amount exceeding ten (10) per cent of the order received and does not respond positively as a result of notice from Licensor so to do.
- 17. CONSEQUENCES OF TERMINATION**
- 17.1 Save where this Agreement is terminated as a result of the material breach of Licensor, in which case clause 17.2 shall apply:
- 17.1.1 Licensee shall immediately pay to Licensor all sums owing to it, whether or not that amount had actually become due under this Agreement;
- 17.1.2 any sums previously paid to Licensor shall remain the absolute property of and shall be retained by Licensor and the balance of any Advance remaining (if any) and any and all other costs, expenses, charges or monies accrued but unpaid shall become immediately due (whether then due or not) and payable to Licensor and this shall be without

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- prejudice to any other rights or claims for damages of Licensor against Licensee;
- 17.1.3 Licensee shall assign to Licensor all its right, title, benefit and interest in any agreement entered into in respect of the Rights in the Programme (including the right to receive any money payable pursuant to such agreement) on the terms satisfactory to Licensor and shall immediately thereafter give notice of such assignment to the other parties to such agreements in a form and manner approved by Licensor;
- 17.1.4 Licensee must immediately return (at Licensee's cost) all stocks of the Programme/Units in the possession or control of Licensee and any other materials created by Licensee pursuant to this Agreement or provided by Licensor, which shall no longer be in Licensee's possession or control without Licensor's prior written consent. Licensor may, retake possession of all stocks of the Programme and for that purpose shall be entitled to enter upon any land or building in the possession, power or control of Licensee where all stocks of the Programme may be situated or believed to be situated.
- 17.2 Where this Agreement is terminated as a result of the material breach of Licensor, Licensor shall return to Licensee the relevant proportion of any Advance but may retain any Royalties that have become due up to the date of termination.
- 17.3 Expiry or termination (for any reason) of this Agreement shall not affect the continuing validity of clauses 3, 4, 8.3, 14, 15, 21, 22, 24, 25 and 27.
- 18.1 **SELL-OFF PERIOD**
- 18.1 Subject to clause 17, upon expiry of the Licence Period, Licensee shall be entitled to sell-off, on a non-exclusive basis, licensed material and stocks previously manufactured under this Agreement for the purpose of commercial sale (at a price not less than that charged by Licensee prior to expiration or determination of this Agreement) during the Sell-Off Period provided that Licensee shall not manufacture any further Units of the Programme and adheres to all the terms of this Licence Agreement.
- 18.2 Licensee shall not, during the final six (6) months of the Licence Period in respect of each of the Programme(s), manufacture or cause (or have caused) to be manufactured a greater number of copies of Units of any of the Programme(s) than has been manufactured during the immediately preceding six (6) month period.
- 18.3 At the expiry of the Sell-Off Period, Licensor has the right to purchase at cost some or all of the remaining stock, failing this Licensee will at the request of Licensor and at its own expense destroy all remaining stocks of Units and any artwork or other materials and shall within fourteen (14) days of such destruction supply to Licensor a written certificate of destruction.
- 18.4 For the avoidance of doubt, the provisions of this clause shall not apply in the event that this Agreement is terminated by Licensor under clause 16 above.
19. **FORCE MAJEURE**
- 19.1 In the event that Licensor is prevented from making timely delivery of the Material and/or other materials for the Programme for reason of Force Majeure, so that Licensee is unable to exploit the Programme, Licensor may in its sole discretion grant Licensee (in respect of that Programme only) the option to either: (i) terminate this Agreement, whereupon Licensor shall either reimburse Licensee that part of any Advance paid at that date if the Programme has not been exploited at all or reimburse Licensee that part of any Advance paid at that date that remains unrecouped if Licensee has already started distribution of the Programme pursuant to this Agreement; or (ii) extend the term of this Agreement and/or the Licence Period and the date of payment for a period co-extensive with the period during which Licensor is so prevented provided however that in no event shall the term of this Agreement and/or Licence Period be extended hereunder with respect to the Programme beyond the term of Licensor's rights of distribution in such Programme.
- 19.2 In the event of Force Majeure, Licensee shall have no claim against Licensor for any expenses, costs, damages or otherwise and in no circumstances shall Licensor be liable to Licensee for any indirect or consequential losses whatsoever including loss of profits suffered by Licensee.
20. **PROGRAMME WITHDRAWAL**
- 20.1 Licensor shall have the right at any time by giving notice in writing to Licensee to withdraw the Programme from this Agreement in the event that in the opinion of Licensor the Programme is or becomes unavailable for distribution due to:
- 20.1.1 actual, potential or threatened litigation relating to the Programme;
- 20.1.2 failure of the Programme to be produced; or
- 20.1.3 if Licensor has been advised by its legal advisors to withdraw the Programme for reasons including restrictions imposed on Licensor by or as a result of claims made by any underlying rights-holders and/or participants in the Programme.
- 20.2 In the event of any such withdrawal as provided in this clause Licensor shall give Licensee as much advance notice as reasonably practicable. If possible Licensor and Licensee shall endeavour to agree cuts or edits to the Programme which will eliminate the reasons for withdrawal. If such cuts and/or edits are not possible and Licensor withdraws the Programme in full Licensee shall: (i) immediately withdraw the Programme from any retailers; and (ii) have the option of either accepting a substitute programme (if available) in place of the Programme and/or accepting a refund of a proportion of any unrecouped Advance calculated on a pro rata basis by reference to the remaining time left to run under the Licence Period.
- 20.3 Licensee agrees to use all reasonable endeavours to accept a substitute programme if available or to agree cuts or edits to the Programme which will eliminate the reasons for withdrawal and shall inform Licensor of its decision within twenty eight (28) days of written notice of withdrawal, failing which Licensee shall be deemed to have waived its right to be repaid any refund of any unrecouped Advance pursuant to clause 20.2.
- 20.4 No other sums or compensation, other than that referred to in clause 20.2, shall be payable by Licensor in respect of any withdrawn Programme and Licensee hereby waives any claims against Licensor that may arise from such withdrawal.
21. **INDEMNITY**
- Each party (the "**Indemnifying Party**") shall indemnify the other (the "**Indemnified Party**") from and against any and all losses, demands, claims, damages, costs, expenses (including reasonable legal costs and expenses and Sales Tax thereon) and liabilities suffered or incurred, directly or indirectly, by the Indemnified Party in consequence of any breach, non-performance or non-observance by the Indemnifying Party of any of the agreements, obligations, warranties, representations and undertakings on the part of the Indemnifying Party contained in this Agreement.
22. **LIABILITY OF LICENSOR AND CONTROL OF PROCEEDINGS**
- 22.1 In the event of any third party infringement, claim, litigation or other demand (together "**Claim**") relating to the Programme in the Territory, Licensee agrees:
- 22.1.1 to immediately give Licensor written notice fully stating the details of any such Claim (and in any event within two (2) days of Licensee becoming aware of the Claim);
- 22.1.2 discuss and agree in good faith with Licensor (Licensor's decision being final if the parties cannot agree) who should control the conduct of any Claim;
- 22.1.3 if the parties agree that Licensor should take action in relation to the Claim, to allow Licensor to use its chosen advisors and to have the exclusive conduct of the Claim (including the recovery of costs); to promptly provide Licensor and its advisors reasonable access to premises and personnel and to all relevant assets, accounts, documents and records that it possesses or controls for the purposes of the Claim and promptly take any action and give any assistance and information as Licensor may reasonably request in relation to the Claim;



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- 22.1.4 if the parties agree that Licensee should take control of the Claim then Licensee shall not settle the matter or make any offer or counter-offer to any third party without the prior written approval of Licensor;
- 22.1.5 that it will not thereafter continue to exercise any of the Rights Granted without the prior written consent of Licensor.
- 22.2 In any event the aggregate liability of Licensor to Licensee arising out of or in connection with this Agreement shall be any Advance and/or Royalties actually received by Licensor hereunder and Licensor shall not be liable for any actual or alleged loss arising from or in connection with loss of revenues, profits, contracts or business, any loss of goodwill or reputation or any indirect or consequential losses incurred by Licensee or any other party.
- 22.3 Nothing in this Agreement shall limit either party's liability for death or personal injury resulting from its negligence or for fraud or fraudulent misrepresentation.
23. **NOTICES**
- 23.1 Any notice or other communication required to be given under this Agreement shall be in writing and shall be deemed to have been duly served upon either party if:
- 23.1.1 delivered by courier or sent by registered post addressed to Licensor at its registered office or its last known place of business, or if to Licensee to address set out in the Schedule, in which case notice will be deemed received within two (2) days of posting (exclusive of the hours of Saturday Sunday and public or Bank holidays) if the other party's address is within the United Kingdom or seven (7) days of posting outside the United Kingdom;
- 23.1.2 sent by facsimile, in which case notice will be deemed received on the expiration of four (4) hours from the time of transmission or if sent outside business hours at the commencement of the next business day subject in any case to proof by the sender of an acknowledgment (whether in mechanical form or otherwise) confirming receipt at its destination; or
- 23.1.3 delivered or served personally, in which case notice will be deemed with received with immediate effect when outside normal business hours.
24. **CONFIDENTIALITY**
- Each party undertakes that it will not at any time hereafter use, divulge or communicate to any person, except to its professional representatives or advisers or as may be required by law or any legal or regulatory authority any Confidential Information, and each of the parties shall use its reasonable endeavours to prevent the publication or disclosure of any Confidential Information. Neither party shall use any Confidential Information except for the performance of this Agreement.
25. **TAXES**
- 25.1 All payments due from Licensee under this Agreement are stated exclusive of Sales Tax for which Licensor must account and Licensee shall pay to Licensor at the same time an amount equal to the Sales Tax (if any) properly chargeable on such payment. Licensor shall provide Licensee with a Sales Tax invoice in respect the payment. References in this clause to "payments" include non-cash consideration.
- 25.2 All sums payable pursuant to this Agreement shall be paid free and clear of all deductions or withholding of any kind, save only as may be required by any applicable law. If in the Territory (or in any country in the Territory if more than one) a deduction or withholding in respect of tax is required by any present or future law, rule or regulation or by any national or local tax authority from any sum payable under this Agreement by Licensee to Licensor (the "**Relevant Income**"), Licensee may make such deduction or withholding from such Relevant Income in the correct amount provided that:
- 25.2.1 Licensee undertakes to use all reasonable endeavours to minimise the amount in respect of tax required to be deducted or withheld from the Relevant Income and shall use all available credits and rebates (if any) to procure the same and shall promptly apply, or assist Licensor apply, for any permission to apply a reduced or a zero rate of withholding tax from the Relevant Income;
- 25.2.2 Licensee shall promptly pay to the relevant tax authority the amount of such withholding or deduction and, contemporaneously with the payment of any sum payable under this Agreement, Licensee shall provide to Licensor written evidence (including all withholding tax receipts or other government certifications) of any amounts withheld or deducted in respect of tax from the Relevant Income due under this Agreement;
- 25.5.3 Licensee shall provide Licensor with any information or documentation reasonably requested by Licensor from time to time, which may enable Licensor to adequately support any foreign tax credit claim which is attributable to any deductions or withholdings in respect of tax made by Licensee from Relevant Income;
- 25.5.4 in addition to any and all legal and equitable rights and remedies available to Licensor, Licensee shall indemnify Licensor for any disallowed foreign tax credits, including any interest and penalties associated with such disallowed foreign tax credits, attributable to Licensee's failure to provide in a proper and/or timely manner the documentation required hereunder or otherwise comply with the provisions of this clause;
- 25.5.5 where Licensee makes any withholding or deduction in respect of tax from the Relevant Income, Licensee agrees that the Programme constitutes an "artistic work" as such term is used in the relevant double tax treaties relating to income; and
- 25.5.6 Licensee's obligations under the provisions of this clause shall survive termination, cancellation or expiration of this Agreement.
26. **GENERAL**
- 26.1 Neither party shall be entitled to assign, sub-license, charge or otherwise dispose of the benefit of this Agreement, in whole or in part to any third party, either voluntarily or by operation of law without the prior written consent of the other party and no assignment shall relieve the assigning party of its obligations hereunder save that Licensor may assign this Agreement or any interest therein to any person, firm, company or corporation partly or wholly owned by or affiliated with it and/or to any person or undertaking which hereafter acquires control of some or all of its assets, undertakings and obligations.
- 26.2 The simultaneous relay of the Programme or any part or parts thereof within the Territory which is under the authority of international agreement or for which a system for making copyright payments to copyright holders exists through an international collection agency (such as AGICOA) shall not constitute a breach of this Agreement by Licensor and Licensor retains the exclusive right to collect, administer and retain revenue from overseas collecting societies.
- 26.3 Any waiver by Licensor, whether express or implied, of any breach or default by Licensee of any of the terms of this Agreement shall not be construed to be a waiver of any other breach or default or of the same breach or default continuing or occurring thereafter, and any waiver shall be without prejudice to all rights and remedies available to Licensor in respect of each additional or continuing breach or default.
- 26.4 In no event will any delay, failure or omission (in whole or in part) in enforcing, exercising or pursuing any right, power, privilege, claim or remedy conferred by or arising under this Agreement or by law, be deemed to be or construed as a waiver of that or any other right, power, privilege, claim or remedy in respect of the circumstances in question, or operate so as to bar the enforcement of that, or any other right, power, privilege, claim or remedy, in any other instance at any time or times subsequently.
- 26.5 If any of the provisions of this Agreement and any riders or amendments thereto shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the other provisions of this Agreement and any riders or amendments thereto shall continue in force and not be

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- 26.6 affected and the parties shall negotiate in good faith to amend any such invalid, illegal or unenforceable provisions. It is hereby acknowledged that this Agreement contains the sole terms and constitutes the entire agreement existing between the parties and that it supersedes all prior agreements, understandings or arrangements made between the parties with respect to the Rights Granted in the Programme. It is agreed that no party has entered into this Agreement in reliance on any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Agreement and this clause shall not exclude any liability for or remedy in respect of fraudulent misrepresentation. It is further acknowledged that any amendment, modification, discharge, waiver or variation of this Agreement shall only be binding if made in writing and signed by or on behalf of both Licensor and Licensee.
- 26.7 This Agreement is made between principals and nothing in this Agreement is intended to or shall operate to create a partnership or joint venture between Licensor and Licensee in respect of the Programme or otherwise, and neither party shall have authority to act in the name or on behalf of or otherwise to bind the other in any way or to hold itself out in any manner which would indicate or imply any such relationship with the other.
- 26.8 Notwithstanding any provisions hereunder regarding the exclusivity of the Rights Granted in the Territory, Licensee acknowledges and agrees that Licensor has the right to license the Programme for transmission by any party whose transmissions are accessible in the Territory where such transmissions are peripherally and incidentally or inadvertently accessible and not intended for Customers in the Territory. Similarly, Licensor acknowledges that, whilst not intended for access outside the Territory, Licensee's transmissions of the Programme may be peripherally and incidentally or inadvertently accessible outside the Territory. The occurrence of such overspill shall therefore not in itself constitute a breach of this Agreement.
- 26.9 Licensee acknowledges and agrees that Licensor has the right to license the Programme for distribution by any party where such party's Units are offered for sale in the Territory where such Units are peripherally and incidentally or inadvertently available and not intended for Customers in the Territory. Similarly, Licensor acknowledges that, whilst not intended for sale outside the Territory, Licensee's Units may be peripherally and incidentally or inadvertently available outside the Territory. The occurrence of such overspill shall therefore not in itself constitute a breach of this Agreement.
- 26.10 Except insofar as this Agreement expressly provides that a third party may in his own right enforce a term of this Agreement, a person who is not a party to this mAgreement has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.
27. **APPLICABLE LAW AND JURISDICTION**
- 27.1 The validity, construction and performance of this Agreement (and any claim, dispute or matter arising under or in connection with it or its enforceability) and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with the laws of England.
- 27.2 The parties to this Agreement irrevocably agree for the exclusive benefit of Licensor that the courts of England shall have exclusive jurisdiction over any claim, dispute or matter arising under or in connection with this Agreement or its enforceability or the legal relationships established by this Agreement (including non-contractual disputes or claims) and that accordingly any proceedings in respect of any such claim, dispute or matter may be brought in such courts. Nothing in this clause shall limit the right of Licensor to take proceedings against Licensee in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction or jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction or jurisdictions.

**ANNEX  
SAMPLE REPORTING STATEMENT**

- a full analysis on a per Programme basis of all transfers during the directly preceding Accounting Period;
- the number of subscribers to the service during the directly preceding Accounting Period;
- the actual amounts charged to Customers in that Accounting Period, in respect of the Programme (on a per programme basis);
- details of any value added or sales taxes included in the price of the Programme;
- the total amount of Gross Receipts arising during the relevant Accounting Period;
- the Revenue Share due to Licensor (if any) and the amount of any unrecouped Advance; and
- if relevant, the amount of any Advance instalment due to Licensor;