

AGREEMENT
DATED 21st of November OF 2013
Dnipropetrovsk, Ukraine

BETWEEN:

1. **Angliyskiy Club LLC** of 5th Floor, 5a, Ploshad Krasnaya Str., Dnipropetrovsk, 49000, Ukraine ("ECTV") represented by Andrew Semchenko (Director), acting in accordance with the Statute; and
2. **VODOHOSPODÁR MAKOV, spol. s r.o.**, Makov č. 60, 023 56 Makov, SLOVAKIA, represented Ing. Marián Masnica (Managing Director), acting in accordance with the Statute,

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

- 1.1 Capitalised terms used in this Agreement shall have the meanings given to them in Part 1 of Schedule 4 to this Agreement and the Agreement shall be interpreted in accordance with Part 2 of Schedule 4 of this Agreement.

2. **SUBJECT OF THE AGREEMENT**

- 2.1 Subject to the terms and conditions of this Agreement, ECTV grants Operator the Rights.
- 2.2 With immediate effect from the Commencement Date and throughout the Term, the Operator shall distribute the Channel on each Cable System within the Territory in accordance with this Agreement.
- 2.3 All rights not expressly granted to the Operator by ECTV are reserved absolutely to ECTV, including any and all rights in and to all signal distribution capacity contained within the bandwidth of the Channel as received by the Operator.

3. **TERM**

- 3.1 This Agreement shall commence on the Commencement Date and subject to earlier termination in accordance with the terms of this Agreement, shall continue for the Term.

4. **PAYMENTS AND AUDIT**

- 4.1 The Operator shall pay to ECTV all monies due and owing to ECTV in accordance with the Payment Terms.
- 4.2 Throughout the Term, for one year after the expiry of the Term ("**Audit Period**") the Operator shall keep full, complete and accurate books of account and records concerning the distribution of the Channel and all revenue derived from that distribution ("**Books and Records**"). The Books and Records shall be kept separate and distinct from accounts or records for any other television channel.
- 4.3 ECTV shall be entitled to examine, inspect, copy and audit the Books and Records in relation to the Channel twice a year during the Audit Period on not less than 7 days notice during normal business hours. If the inspection or audit reveals an underpayment to ECTV, the Operator shall immediately:
 - (a) pay ECTV the amount of any underpayment, together with interest on that amount calculated at the rate of two per cent (2%) over the National Bank of Ukraine base rate from time to time; and
 - (b) pay the costs of the audit and/or inspection where that audit or inspection reveals an underpayment in excess of five per cent (5%).

5. **REPORTING**

5.1 Within 10 days of the end of each calendar month during the Term, the Operator shall provide ECTV with a true and accurate written report certified by the Operator's Chief Financial Officer or an employee of the Operator with appropriate authority, showing all reasonable information required to substantiate the calculation of the Subscriber Fees payable for that month ("Reporting Month") including:

(a) the total number of Subscribers to the Channel for each Cable System as at the last day of the Reporting Month and the last day of the month prior to the Reporting Month; and

(b) the total Fee due and payable to ECTV in respect of each category of Subscriber.

The Operator certifies that, as of the Commencement Date, there are the number of Subscribers on the Cable Systems as set out in part 12 of Schedule 1.

6. RECEPTION AND DISTRIBUTION OF THE CHANNEL

6.1 ECTV shall deliver the Channel signal to the Satellite. The pick-up and downlink of the Channel from the Satellite and the retransmission of the Channel throughout the Cable Systems, including any and all related costs, shall be the Operator's sole responsibility.

6.2 ECTV reserves the right at any time to switch the transmission of the Channel from the Satellite to another satellite, from one transponder to another transponder within the Satellite, or to make any other change in satellite transmission (each a "Change"), provided that:

(a) ECTV gives notice to the Operator within a reasonable period of time before the Change, except that if a Change is required because a technical problem occurs relating to the satellite transmission, ECTV will not be required to give the Operator prior notice, and

(b) the footprint of the satellite transmission after the Change continues to cover the premises at which the Operator's receiving equipment is located at the date of this Agreement.

6.3 The Operator shall distribute to Subscribers any Enhancements included in the Channel that become available during the Term upon notification by ECTV, unless the Operator demonstrates to the reasonable satisfaction of ECTV that the Cable Systems are not able to carry the Enhancements, in which case the Operator will co-operate with ECTV to agree a timetable for the upgrade of the Cable Systems to enable the Enhancements to be carried as soon as reasonably practicable.

6.4 If the Operator makes available to Subscribers an electronic programme guide ("EPG"), the Operator will ensure that the Channel is as readily available and conveniently accessible to Subscribers as any other channel on the Agreed Tier.

6.5 During the Term, the Operator shall ensure that:

(a) It operates and maintains an efficient subscriber management and authorisation service;

(b) the Channel is included in the Agreed Tier on each Cable System;

(c) the Channel is encrypted and distributed over the Cable Systems in accordance with first class technical quality;

(d) it uses its best endeavours to maximise the number of Subscribers to the Channel;

(e) except as required by law, the Operator does not, and does not permit any third party to record or reproduce any part of the Channel. ECTV acknowledges that Subscribers may be able to record part of the Channel due to the functionality of the set top box provided to the Subscriber by the Operator provided that any such recording is restricted to private use;

(f) the Channel is not transmitted for reception in any public or common areas or places including hotel lobbies, bars, restaurants or public squares;

(g) if any sub-titling of the Channel is provided, that the sub-titling is "burnt in" and relayed to all Subscribers without any Subscriber action or payment of any kind, at Operator's cost;

(h) that it shall obtain and maintain throughout the Term all permissions, licenses and consents including the Broadcast Licence required to fulfil its obligations as contemplated by this Agreement ("Licences");

- (i) it will not do anything nor omit to do anything that causes the Licences to be suspended or revoked; and
- (j) upon ECTV's request, the Operator shall provide ECTV with a subscription to the Agreed Tier of the Cable System and a relevant domestic set-top box and smart card for monitoring purposes, at no cost to ECTV.

6.6 Any Loan Equipment provided to the Operator during the Term by or on behalf of ECTV shall be provided to the Operator on a loan basis. The Loan Equipment shall at all times remain the property of ECTV and the Operator shall not acquire any proprietary or other right in or title to such Loan Equipment. The Operator shall at its sole cost keep the Loan Equipment secure and maintain it in good working order at all times. The Operator shall return the Loan Equipment to ECTV immediately on the end or termination of this Agreement or ECTV's written request.

7. TRADE MARKS

- 7.1 ECTV grants to the Operator the non-exclusive right to use the ECTV Marks, strictly for the purpose of exercising the rights granted under this Agreement and in accordance with the terms of this Agreement.
- 7.2 The Operator acknowledges that the ECTV Marks are the exclusive property of ECTV. Operator shall not acquire any proprietary or other right or goodwill in the ECTV Marks.
- 7.3 The Operator shall only use the ECTV Marks as authorised by ECTV. The Operator shall not use the ECTV Marks in any way that adversely affects, reflects on or derogates from the ECTV marks.
- 7.4 The Operator shall provide representative samples of any intended materials incorporating the ECTV Marks to ECTV for ECTV's prior approval. If required by ECTV, Operator shall make any changes to the materials before they are distributed.

8. MARKETING

- 8.1 ECTV shall provide the Operator with ECTV's standard marketing kit if requested at no cost to the Operator. ECTV shall provide additional promotional materials, if available, as requested by Operator and at Operator's cost.
- 8.2 The Operator shall use its best endeavours to promote the Channel widely and efficiently in a manner which shall not reflect adversely upon the Channel or ECTV.
- 8.3 The Operator shall cooperate with ECTV in market research by making available to ECTV, if available and to the extent permitted by law, information regarding the popularity of the Channel and the viewing habits of Subscribers.

9. INFRINGEMENT

- 9.1 The Operator shall employ security systems, procedures and policies designed to prevent all unauthorised use, piracy or infringement of the Channel or the ECTV Marks. The security systems shall be subject to ECTV's prior approval (not to be unreasonably withheld or delayed) and any approval granted will be conditional upon:
 - (a) the security systems not being able to be decoded by any known products in the Territory at the time of granting the approval; andthe security system being operated at all times in the most secure mode possible
- 9.2 If the Operator becomes aware of or reasonably suspects any unauthorised use, piracy or infringement by any third party of any rights in the Channel or the ECTV Marks it shall immediately:
 - (a) notify ECTV; and
 - (b) take all reasonable actions to stop and to prevent any further unauthorised use, piracy and/or infringement.

10. WARRANTIES AND INDEMNITIES

- 10.1 The Operator represents warrants and undertakes:

- (a) **(rights)** that it has the right to enter into and fully perform this Agreement;
- (b) **(cable systems)** that each Cable System is operated or managed by the Operator or by any entity controlled by, under common control with or who controls the Operator;
- (c) **(licences)** that all licences and consents required by law to transmit the Channel over each Cable System, including broadcast and copyright licences, if any, have been obtained and shall be maintained throughout the Term;
- (d) **(security)** that it shall distribute the Channel encrypted or otherwise secured, in its entirety so that only Subscribers authorised by the Operator can receive the Channel;
- (e) **(no changes)** that it will distribute the Channel, as and when delivered, without deletion, editing, addition, interruption of any description other than expressly permitted by this Agreement and that the Operator shall not make any use of the Channel except as specifically authorised by this Agreement;
- (f) **(content)** that the content of the Local Ad Avails, if any, will not infringe the copyright, right of privacy or literary or dramatic right of any third party;
- (g) **(marketing)** that it will, at its cost, market and promote the Channel at least in the same manner and with equal prominence as it markets and promotes any other programme service in the Agreed Tier;
- (h) **(no Internet)** that any broadcast of the Channel shall not be via means of interactive or on-line delivery system such as the so-called Internet or World Wide Web (or any comparable system);
- (i) **(television only)** that the Channel signal is only available for display to subscribers using a television receiver;
- (j) **(no computer)** that the broadcast of the Channel is not conducted through a computer network using TCP/IP protocol or similar technology for display on any device which is a computer or has computer processing devices or similar technology.

10.2 The Operator indemnifies and holds ECTV, on its own behalf and as trustee for its parents and affiliated entities, and their officers, directors and employees harmless from and against any claims, damages, liabilities, costs and expenses (including reasonable legal expenses) arising out of the breach of any representation, warranty, agreement or undertaking made by the Operator in this Agreement.

10.3 ECTV represents warrants and undertakes:

- (a) **(right)** that it is entitled to enter into and perform this Agreement and to grant all those rights granted to the Operator in this Agreement; and
- (b) **(content)** that the content of the Channel, other than the Local Ad Avails, if any, will not infringe the copyright, right of privacy or literary or dramatic right of any third party.

10.4 ECTV makes no representation regarding the continuing availability, content or quality of reception of the Channel during the Term.

10.5 ECTV indemnifies and holds the Operator harmless from and against any claims, damages, liabilities, costs and expenses (including reasonable legal expenses) arising out of the breach of any warranty made by ECTV in this clause.

11. MUSIC

11.1 With respect to the performing rights to or in any musical works and/or sound recordings reproduced in the Channel, ECTV warrants that such rights are either:

- (a) owned or controlled by ECTV;
- (b) in the public domain

- 1.2 As regards musical works and sound recordings contained in the Channel, the Operator shall be responsible for obtaining and paying for any music or performing rights licences which may be required to distribute the Channel in accordance with this Agreement.

12. TERMINATION

12A. Suspension

If Operator breaches a material term of this Agreement, including clauses 4 (Payment and Audit), 5 (Reporting), 6.5 (Distribution), 9 (Infringement) and Part 7 (Payment) of Schedule 3 to this Agreement, in addition to ECTV's other rights and remedies in accordance with this Agreement and at law, ECTV shall be entitled to suspend delivery of the Channel to Operator. The parties agree that the suspension for Operator's breach will not be repudiation or breach of this Agreement by ECTV nor will it give rise to liability for ECTV.

- 12.1 Either party may terminate this Agreement on 14 days written notice if:

- (a) **(material breach)** the other party commits a material breach of this Agreement which is not capable of remedy or a material breach which is capable of remedy but which the other party has not remedied within 30 days of receipt of written notice to do so; or
- (b) **(ceases business)** the other party ceases to carry on business (or in the case of the Operator, clause 10.1(b) of this Agreement ceases to be true in respect of one or more of the Cable Systems) or makes any composition with creditors or if any action or proceeding under bankruptcy or insolvency law is taken against the other party and is not dismissed or discharged within 30 (thirty) days or if a receiver is appointed over all or part of the others assets or if the other shall effect a voluntary or compulsory liquidation of assets (other than for the purposes of a bona fide reconstruction or amalgamation) or an analogous event happens to that party.

- 12.2 In addition to the termination rights set out, ECTV shall have the right to terminate the Agreement with immediate effect if:

- (a) any clearances, licenses or approvals required by the Operator to perform its obligations under this Agreement are not obtained or are revoked, or
- (b) the Operator fails to make payment due to ECTV in accordance with this Agreement, or
- (c) the Channel ceases, for any reason, to be made available by ECTV in the Territory.

- 12.3 Termination will not affect the rights and liabilities of the parties which are expressly or impliedly stated to survive termination and the Operator shall not be released from its payment and reporting obligations or any other liabilities arising prior to the date of termination.

- 12.4 The Operator shall, on termination of this Agreement immediately cease transmission of the Channel and shall promptly deliver up to ECTV all promotional, Channel materials and other materials incorporating the ECTV Marks in the Operator's possession together with the Loan Equipment in accordance with clause 6.6 of this Agreement.

13. FORCE MAJEURE

- 13.1 If either party suffers a Force Majeure Event which prevents it from performing any of its obligations under this Agreement then, except in the case of a failure by the Operator to make any payment due to ECTV in accordance with this Agreement, that non-performance will not constitute a breach of this Agreement. The party suffering the Force Majeure Event must notify the other party immediately and take all reasonable steps to alleviate the effects of the Force Majeure Event.
- 13.2 If the Force Majeure Event continues for more than 3 months then either party can elect to terminate the Agreement by 14 days notice in writing to the other party.

14. ASSIGNMENT

- 14.1 The Operator shall not assign, sub-lease or otherwise transfer its rights or obligations under this Agreement. ECTV may assign the benefit of this Agreement to any third party without the consent of the Operator. If ECTV wishes to novate any of its obligations in this Agreement to a third party the Operator agrees to execute all documents necessary to effect such novation.

15. **NOTICES**

- 15.1 Any notice given in accordance with this Agreement shall be in writing and shall be sent to the address of the party set out in part 15 of Schedule 1.
- 15.2 All notices shall be delivered by hand, sent by a registered or recorded delivery letter or faxed. All notices shall be deemed to have been received when delivered by hand or if posted on the date on which they would have been received in the normal course of posting, or if faxed, on the date that the fax confirmation indicates the fax was sent.

16. **CONFIDENTIALITY**

- 16.1 Each party shall keep the terms of this Agreement and all other information relating to the business and affairs of the other party that is communicated to it by the other confidential ("**Confidential Information**") and will not disclose the Confidential Information to any person or entity except:
- (a) to its affiliated entities, auditors and professional advisers on a need to know basis;
 - (b) with the prior written consent of the other party; or
 - (c) where the Confidential Information is in the public domain, other than due to a breach of this clause by that party.

16.2 Each party shall only use Confidential Information for the purposes of this Agreement.

16.3 The obligations in this clause shall endure for 3 years beyond termination or expiry of this Agreement.

17. **MISCELLANEOUS**

- 17.1 No waiver, express or implied, by either the Operator or ECTV of any breach of the provisions of this Agreement shall operate as a waiver of any preceding or succeeding breach of that provision or any other provision of this Agreement.
- 17.2 Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between the parties.
- 17.3 Neither party shall hold itself out as an agent for the other nor purport to bind the other in any way.
- 17.4 If any provision of these terms and conditions is held by any court or other competent authority to be invalid or unenforceable, these terms and conditions shall continue to be valid as to all the remaining provisions.

The Operator shall from time to time forthwith upon request from ECTV at its own expense do or procure the doing of all such acts and/or execute or procure the execution of all such documents in a form reasonably satisfactory to ECTV to give full effect and meaning to this Agreement.

18. **LAW AND EXTENT OF CONTRACT**

- 18.1 This Agreement contains the entire agreement between the parties with respect to its subject matter and supersedes all prior arrangements and agreements between the parties. This Agreement is executed in two language versions, English and Ukrainian. In the event of any inconsistency between the two language versions, the English language version shall prevail.
- 18.2 Any amendment to this Agreement must be in writing and signed by both parties.
- 18.3 This Agreement shall be governed by the laws of Ukraine and the parties submit to the jurisdiction of the courts of Ukraine in the event of any dispute arising with respect to this Agreement.

9. LIABILITY

- 19.1 Notwithstanding anything to the contrary in this Agreement, ECTV shall not under any circumstances be liable for incidental, consequential, indirect or special loss or damages, including loss of profits or revenues, damages to or loss of personal property or of good will, reputation or claims of any Subscriber or guest, visitor, employee or other person on the premises of any Subscriber or any loss, damage or costs incurred by the Operator in connection with or arising from any interruption or other failure to the transmission, reception or distribution of the Channel or resulting from breach of contract, negligence or any other tort on the part of ECTV, its officers, employees or agents.

20. EXCLUSION OF THIRD PARTY RIGHTS

- 20.1 Notwithstanding any other provision in this Agreement, a person who is not a party to this Agreement has no right under the Contracts (Right of Third Parties) Act 1999 ("Act") to rely upon or enforce any term of this Agreement. Nothing in this Agreement shall affect any right or remedy of a third party which exists or is available other than as a result of the Act.

21. CHANGE OF CONTROL OF OPERATOR

- 21.1 In the event of a Change of Control of the Operator, ECTV may either:
- (a) require the Operator to ensure that this Agreement continues to operate on the same terms and conditions as set out in this Agreement so that the Channel continues to be distributed on all the Cable Systems; or
 - (b) elect to terminate this agreement, in which event the effect of such termination shall be as provided in clause 12.

Each party warrants that the person signing this Agreement on behalf of that party has the requisite authority to bind that party.

Signed by

For and on behalf of ECTV

Signed by

For and on behalf of VODOHOSPODÁR MAKOV, spol. s r.o.



VODOHOSPODÁR MAKOV, spol. s r.o.
023 56 MAKOV 60
IČO: 36002950
IČ DPH: SK2020134228
-3-

SCHEDULE 1

Part	Definition	Cable - Analogue / Digital
1.	Agreed Tier	Basic tier
2.	Broadcast Licence	TKR/171
3.	Channel	ENGLISH CLUB TV CHANNEL: at least 21 hour English language television programme service currently known as English Club TV. At least 85% of programming voiced-over in English consisting of a block of different types of programs (educational programs including but not limiting) programmes repeated (and all associated advertising, if any, promotions, video, audio, text and VBI signals).
4.	Commencement Date	15/12/2013
5.	Loan Equipment	SMART CARD: 32103043090
6.	Rights	<i>The non-exclusive right to receive the Channel from the Satellite and simultaneously with such reception to retransmit the Channel, as and when delivered, by means of all the Cable Systems in digital form for reception by Subscribers in the Territory.</i>
7.	Subscribers	<i>Residential Subscribers</i>
8.	Satellite	English Club TV: Astra 4A at 4.8E, Transponder B36
9.	Subscriber Fee	Residential Subscriber Minimal Guarantee: 327 subs. Y1: 0,08 eur/month Y2: 0,08 eur/month Y3: 0,08 eur/month €/subscriber/month when amount is exceeded – which ever is the greatest. Exception from subscriber fee: Free preview period from 15/12/2013 until 31/12/2013 /for the period of free preview from 15/12/2013 until 31/12/2013 no subscriber fee is invoiced by ECTV to Operator/
10.	Billing Frequency	ECTV shall bill Operator on an <i>a monthly basis</i>
11.	Term	3 years from the Commencement Date.
12.	Territory	Slovakia
13.	Number of Subscribers as at the Commencement Date	327 subs. 2013.12.15.
14.	Security System	Viaccess
15.	Address for Notices	Operator : VODOHOSPODÁR MAKOV, spol. s r.o. Phone: +421/ 414364218 Attention: Ing. Marián Masnica ECTV ENGLISH CLUB TV LLC of 5 th Floor, 5a, Ploschad Krasnaya Str., Dnipropetrovsk, 49000, Ukraine Fax: (+38 0562 318 717) Attention: Managing Director

Signed by

.....
For and on behalf of ECTV



Signed by

.....
For and on behalf of VODOHOSPODÁR MAKOV, spol. s r.o.

Ing. Martin Muxner, komlet zjednoceni

VODOHOSPODÁR MAKOV, spol. s r.o.
023 56 MAKOV 60
ICD: 36002950
IC DPH: SK020184226

SCHEDULE 2

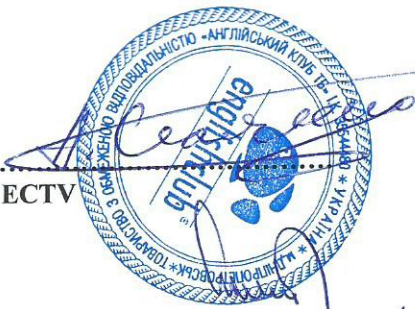
The Cable Systems

The Cable Systems licensed by this Agreement at the date of this Agreement are set out in the table below:

Name of System	Coverage Area	Number of Subscribers to the Basic Tier as at Commencement Date
Cabel – Analogue /	Makov	327 subs. 2013.12.15.

Signed by

For and on behalf of ECTV



Signed by

Ing. Marián Masnec, prezident spoločnosti

For and on behalf of VODOHOSPODÁR MAKOV, spol. s r.o.

VODOHOSPODÁR MAKOV, spol. s r.o.
023 56 MAKOV 60
IČO: 36002950
IČ DPH: SK2020134226

-3-

SCHEDULE 3

Payment Terms

1. **Calculation** - Following receipt of Operator's Subscriber Report in accordance with clause 5, ECTV shall calculate the Subscriber Fees due to ECTV by multiplying the Average Number of Subscribers by the Subscriber Fee.
2. **Failure to submit a report** - If the Operator fails to submit a Subscriber Report, ECTV may submit an invoice in respect of the Reporting Month, for the amount invoiced for the month before the Reporting Month, which the Operator shall pay within ten days of the date of that invoice provided that the Operator shall be not relieved of its obligation to:
 - (a) provide any Subscriber report for the Reporting Month; or
 - (b) pay ECTV the full amount due.
3. **Advance Payment** – If the Operator has less than 2000 Subscribers, Operator agrees to pay ECTV the Subscriber Fee six months in advance during the Term. The advance payment shall be based on the number of subscribers as of the Commencement Date for the first six month period and then for each following six month period based on the Reports provided in accordance with clause 5 for the previous six month period. At the end of each relevant six month period of the Term, ECTV will invoice or credit the Operator for any difference between the Advance Payment and the actual amount due for that six month period based on the Reports.
4. If the Operator fails to deliver any Subscriber Report on time, ECTV may make an administration charge of five percent (5%) of the amount payable by the Operator in respect of the month before the Reporting Month. If the Operator fails to deliver Subscriber Report to ECTV, it shall constitute a material breach of this Agreement incapable of remedy entitling ECTV to terminate.
5. **Exclusive of VAT** - The amounts payable by the Operator to ECTV shall be exclusive of VAT which shall be payable by the Operator.
6. **Withholding tax** - Operator represents and warrants that it will pay and hold ECTV harmless from any taxes, fees or other amounts, levied in the Territory, in respect of the amounts payable to ECTV pursuant to this Agreement (including withholding or similar taxes but excluding any corporate income tax payable by ECTV in the Ukraine). If any such taxes, fees or other amounts, for which Operator is responsible under the preceding sentence, are required to be deducted or withheld from any amount required to be paid to ECTV under any provision of this Agreement, then Operator shall make such deduction or withholding and shall pay the full amount required to be paid to the relevant authority, file any forms required to be filed, and shall increase the amounts payable to or for the account of ECTV under this Agreement as may be necessary, so that after making all such required deductions or withholdings ECTV receives an amount equal to the amount ECTV would have received had no such deductions or withholdings been made. Operator agrees to indemnify and hold ECTV harmless from any claims and liabilities for any such taxes, fees or other amounts that Operator fails to withhold or to pay to the applicable taxing authority and any interest and penalties in connection with them.
7. **Payment** - Operator shall pay the amount payable to ECTV within 30 days of the date of ECTV's invoice. Interest may be charged by ECTV on all late payments from the time such payment became due until full payment is made at the rate of 2% (two per cent) per annum above the National Bank of Ukraine base rate from time to time. Bank details of ECTV are the following:

Cable Affiliation Agreement

BENEFICIARY Angliyskiy Club LLC
ACCOUNT: 26006057001178
BENEFICIARY'S BANK: COMMERCIAL BANK "PRIVATBANK" 320094, UKRAINE DNIETROPETROVSK
NABEREZHNYAYA POBEDY 50
SWIFT: PBANUA2X
BANK-CORRESPONDENT: JP MORGAN CHASE BANK AG, FRANKFURT, GERMANY
SWIFT: CHASDEFX
CORR. ACCOUNT: 6231605145

Bank details of Operator are the following:

ACCOUNT: 70000000950/8040, 03 11840392/0900 2 CORRECTED BY: DENISA CROZOVÁ
BENEFICIARY'S BANK: Oberbank a.s., SLOVENSKÁ SPORITELŇA, a.s. 5
České Budějovice
Denisa Crozová

8. The Operator shall pay the Subscriber Fees monthly for each Subscriber whether or not

- (a) the Operator actually charges or receives payment from that Subscriber;
- (b) there is any interruption or other failure in the reception or transmission of the Channel.

9. **Billing Frequency** – ECTV shall bill Operator on a periodic basis in accordance with section 10 in Schedule 1.

10. **Increases** - ECTV shall be entitled to increase the Subscriber Fees on 1 January each year of the Term by the greater of:

- (i) 3% of the Subscriber Fee.

Acceptance by ECTV of any payments shall not constitute acceptance of the correctness of that payment or of any Subscriber report submitted by the Operator.

11. **No set off** - The Operator shall not be entitled to make any deductions from the Subscriber Fees and shall not have any right of set-off against the Subscriber Fees.

Signed by

For and on behalf of ECTV

Signed by

For and on behalf of VODOHOSPODÁR MAKOV, spol. s r.o.



VODOHOSPODÁR MAKOV, spol. s r.o.
023 56 MAKOV 60
IČO: 36002950
IČ DPH: SK2020134226
-3-

SCHEDULE 4

Definitions and Interpretation

Part 1 – Definitions

In this Agreement, the following words shall have the following meanings:

"**Agreed Tier**" is set out in part 1 of Schedule 1;

"**Average Number of Subscribers**" for any month shall be the sum of:

- (a) the number of Subscribers as at the last day of the month before the Reporting Month; and
- (b) the number of Subscribers as at the last day of the Reporting Month,

divided by two.

"**Basic Tier**" means the package of channels which is the most widely distributed programme tier after any of the Operator's "must carry" tiers provided that any "must carry" tiers will only comprise of national public broadcaster channels and do not include any channel or programme service that:

- (a) is international;
- (b) has similar characteristics to the Channel; or
- (c) is of a pay-per-view, near video on demand or video on demand nature.

This tier must be subscribed to in order for the Operator's subscribers to obtain any other tiers or services from the **Operator**

"**Broadcast Licence**" means the licence set out in part 2 of Schedule 1;

"**Cable**" means any telecommunications network using fibre, wire or co-axial cable or a combination of fibre, wire or co-axial cable as a transmission system for the transmission of television services but excluding xDSL systems and includes satellite delivery from any distribution point to any other distribution point in that transmission system but in no event shall include a system which delivers a television signal by means of an interactive or on-line delivery system such as the so-called Internet (or any comparable system);

"**Cable Systems**" means all those Cable systems operated or managed by the Operator in the Territory or by any entity controlled by, under common control with or who controls the Operator as set out in Schedule 2 and updated from time to time;

"**Change of Control**" occurs if a person (or persons acting together) who controls the Operator ceases to do so or if another person (or persons acting together) acquires control of the Operator. For the purposes of this definition "control", without limitation, means ownership of more than 50% of the issued voting share capital of the Operator or any of its holding companies and/or the right to manage the Operator including, without limitation, the right to direct the business and/or policies and/or affairs of the Operator;

"**Channel**" means the television programme service described in part 3 of Schedule 1;

"**Commercial Subscriber**" means any premises, establishment or location within the Territory, whether operated for commercial profit or not, including hotels, motels, guest houses, boarding houses, prisons, hospitals, nursing homes, or any similar establishment which receives the Channel via the Cable System (each a "**Place of Multiple Occupation**");

"**Commencement Date**" is set out in part 4 of Schedule 1;

"**Enhancements**" means any improvements or modifications of a Channel feed or supplemental information related to the programming contained in the Channel feed;

"**Extended Basic Tier**" means the tier of channels which is second only to the Basic Tier in terms of the number of subscribers to the Cable Systems that subscribe to it;

"**Force Majeure Event**" includes strikes, lockouts or other industrial disputes or action, acts of God, acts of governments or

Cable Affiliation Agreement

other prevailing authorities or regulatory bodies, inclement weather, satellite or technical failure;

"**Loan Equipment**" means the receiving or decoding equipment set out in part 5 of Schedule 1, if any;

"**Local Ad Avails**" means the local advertising or promotions or other material inserted by the Operator in accordance with this Agreement, if any;

"**ECTV Marks**" means the trade mark, the logos and service marks, "English Club TV" and all other intellectual property, logos, trademarks and theme music associated with the Channel;

"**Payment Terms**" are set out in Schedule 3;

"**Reporting Month**" is defined in clause 5.1;

"**Residential Subscriber**" means a single private domestic household within the Territory, including any domestic household, including any apartment or flat, comprised in an SMATV System, which receives the Channel via the Cable Systems;

"**Rights**" are defined in part 6 of Schedule 1;

"**Room**" means each room or unit in a Place of Multiple Occupation which has a television set and which is equipped and entitled to receive programme services from Cable Systems, whether or not:

- (a) that room actually receives the Channel; or
- (b) a payment is made in respect of that room for the Channel.

"**Satellite**" means the satellite described in part 8 of Schedule 1 or as designated by ECTV from time to time for the transmission of the Channel;

"**Security System**" means the security system approved by ECTV as set out in part 13 of Schedule 1;

"**SMATV System**" means a satellite master antenna television relay system;

"**Subscriber**" is defined in part 7 of Schedule 1;

"**Subscriber Fee**" means the sum payable by the Operator per subscriber per month to ECTV as set out in part 9 of Schedule 1;

"**Term**" is set out in part 11 of Schedule 1;

"**Territory**" is set out in part 12 of Schedule 1.

Part 2 - Interpretation

In this Agreement unless otherwise specified, reference to:

- (a) the word 'including', means including but not limited to;
- (b) a party means a party to this agreement and includes its permitted assignees and/or the successors in title to substantially the whole of its undertaking;
- (c) a person includes any person, individual, company, firm, corporation, government, state or agency of a state or any undertaking (whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- (d) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders; and
- (e) the headings in this agreement are for information only and are to be ignored in construing the agreement.

Signed by

For and on behalf of ECTV

Signed by

For and on behalf of VODOHOSPODÁR MAKOV, spol. s r.o.



VODOHOSPODÁR MAKOV, spol. s r.o.
023 56 MAKOV 60
IČO: 36002950
IČ DPH: SK2020134226
-3-