

**GRANT OF RIGHTS OF USE OF RADIO FREQUENCIES FOR THE
ESTABLISHMENT AND OPERATION OF A DIGITAL TERRESTIAL TELEVISION
NETWORK**

This Licence is being granted by the Malta Communications Authority in exercise of the powers conferred by the Electronic Communications (Regulation) Act, (Cap. 399 of the Laws of Malta).

Date of Issue:	11th May 2005
Term of Grant:	8 years
Date of Expiry:	11th May 2013
Name of Licensee:	Multiplus Limited
Registered Address:	Spencer Hill, Marsa, HMR12
Company Registration Number:	C 30682

Part I - DEFINITIONS AND ASSIGNMENT

Article I - Definitions

1.1 Any reference in this Licence to the “Act” is a reference to the Electronic Communications (Regulation) Act (Cap. 399 of the Laws of Malta) and subject to article 1.2 of this Licence, the provisions of the said Act shall apply to this Licence.

1.2 In this Licence, unless the context otherwise requires:

“**Authority**” means the Malta Communications Authority;

“**Digital Terrestrial Television (hereinafter referred to as ‘DTTV’) Network**” means a delivery platform primarily for television programmes in digital format using the DVB-T standard.

“**digital video broadcasting – terrestrial (hereinafter referred to as ‘DVB-T’)**” means a system in the terrestrial broadcasting service designated in the Recommendation of the International Telecommunication Union (hereinafter referred to as the “ITU”), Recommendation ITU-R BT.1306, as “Digital System B”;

“**Invitation**” means the Invitation to Participate in a Comparative Process – Beauty Contest Leading to Access for the Rights of Use of Radio Frequencies in the UHF Band for the Development and Implementation of Digital Terrestrial Television Transmission Networks in Malta, published by the Authority on the 1st March 2005;

“**national coverage**” means the coverage of all the islands of the Maltese Archipelago, excluding the territorial waters thereof;

Article 2 – Grant of Licence

By virtue of this Licence, the Authority hereby assigns to **Multiplus Limited** (hereinafter referred to as the “Licensee”), the right of use of the radio frequencies mentioned in article 3 of this Licence, for the period and subject to the terms, conditions and limitation stated in this Licence.

Article 3 - Description of the Radio Frequencies

The radio frequencies, the right of use of which is being granted to the Licensee by virtue of this Licence, is that established in **Annex I** to this Licence.

Part II - TERMS, CONDITIONS AND LIMITATIONS

Article 4 -Term of Licence

4.1 This Licence shall be valid for a term of eight (8) years, which shall commence from the date on which this Licence is issued, unless otherwise lawfully terminated in accordance with the Act and, or this Licence.

4.2 Unless otherwise communicated by the Authority to the Licensee at least two (2) years prior to the date of expiry of this Licence, this Licence shall be

renewed for a further period of eight (8) years upon expiry of the term mentioned in article 4.1 of this Licence:

Provided that, in the event that this Licence is renewed upon its expiry in accordance with this article, no further extension or renewal shall be granted by the Authority.

- 4.3** Without prejudice to the Authority's right not to renew the Licence beyond the term of this Licence, this Licence may not be renewed should any of the following events occur:
- i) any laws, directives, and, or decisions however so described of the Authority are breached by the Licensee;
 - ii) changes in radio frequency management requirements are being considered at a national or international level for the radio frequencies the right of use of which is being granted by virtue of this Licence; or
 - iii) an overriding policy need arises.
- 4.4** Irrespective of whether the Licensee is still using the radio frequencies, the right of use of which is granted to him by virtue of this Licence, the Authority shall, at any time prior to the expiry of this Licence, have the right to commence any procedures necessary for the re-assignment of the rights of use of the said radio frequencies upon the expiry of this Licence.

Article 5 – Use of Radio Frequencies

- 5.1** The radio frequencies mentioned in article 3 of this Licence shall be used by the Licensee only to establish and operate a digital terrestrial television (hereinafter referred to as “DTTV”) network, subject to the terms, conditions and limitations herein contained.
- 5.2** The radio frequencies mentioned in article 3 of this Licence, shall only be used by the Licensee. The right of use of the said radio frequencies and this Licence may not be assigned or transferred to third parties.

Article 6 - Spectrum Licence Fees

- 6.1** The Licensee shall, in consideration of the right of use of the radio frequencies being granted by virtue of this Licence, immediately upon the grant of the right of use of the radio frequencies mentioned in article 3 of this Licence and, for the duration of this Licence, by not later than each anniversary of this Licence, pay the Authority the sum of two thousand five hundred Maltese Liri (Lm 2,500) *per annum* for each of the radio frequency channels the right of use of which is being granted by virtue of this Licence by such means and on such terms as the Authority may determine:

Provided that the Licensee shall effect such periodic payments punctually and any late payments shall be subject to those interest rates applicable at law:

Provided further that any non-payment or late payment of any dues under this article shall also constitute a breach of this Licence.

- 6.2 All payments effected by the Licensee in accordance with article 6.1 of this Licence are not refundable.

Article 7 - Non-Interference

- 7.1 The Licensee shall comply with any directives and, or decisions, however so described, issued by the Authority in relation to harmful interference.
- 7.2 The Licensee shall ensure that its DTTV Network, at all times complies with the technical and performance standards generally accepted by the industry or as may be prescribed by the Authority or accepted by the Authority as being adequate to ensure that such a network does not cause harmful interference with, seriously reduce the quality of, or repeatedly disrupt the lawful use or operation of, any other electronic communications networks and, or services.
- 7.3 The Licensee shall ensure that its DTTV Network, does not cause harmful interference with, seriously reduce the quality of, or disrupt the lawful use or operation of, any other electronic communications networks and, or services.
- 7.4 Neither the Authority, nor the Government of Malta, shall be held responsible in any manner whatsoever by the Licensee for any harmful interference that may hinder the use or operation of its DTTV Network.

Article 8 - Exposure to Electromagnetic Fields

- 8.1 The Licensee shall comply with any radiation emission standards adopted and published by the International Commission for Non-Ionising Radiation Protection (ICNIRP) and any other appropriate standards as may be specified by law or by the Authority.
- 8.2 The Licensee shall comply with any decisions issued by the Authority in relation to electromagnetic radiation and ensure that its DTTV Network, at all times comply with the technical and performance standards generally accepted by the industry or as may be prescribed by the Authority in line with national and European Community Law, or accepted by the Authority as being adequate to ensure the limitation of exposure of the general public to electromagnetic fields.
- 8.3 The Licensee shall ensure that its DTTV Network, is not installed or operated at a location and in a manner such as to be the cause of the aggregate non-ionising radiation emissions exceeding the limits published by the ICNIRP or any other appropriate standards as may be specified by law or by the Authority.

Article 9 - Roll-out and Coverage Requirements

- 9.1 The Licensee shall ensure that, by virtue of its DTTV Network, each of the radio frequencies, the right of use of which is being granted by virtue of this Licence, provides national coverage in accordance with the coverage requirements and timeframes set out in **Annex II** of this Licence and the conditions listed in this Licence:

Provided that the Licensee's obligation under this article shall not apply subsequent to a request in writing by the Licensee, the Authority

agrees in writing that it is not practicable for the Licensee to carry out its obligations under this article.

Article 10 – Information

- 10.1** The Licensee shall facilitate and ensure access to any information that the Authority may, in accordance with its functions at law, request.
- 10.2** The Licensee shall promptly provide to the Authority, in such a manner and at such times as the Authority may reasonably request, any information related to the use of the radio frequencies assigned to the Licensee, or any other information that the Authority considers necessary to ensure compliance with this Licence and with the provisions of any law, or for statistical purposes.
- 10.3** The Licensee shall immediately inform the Authority in writing of any changes effected to its corporate structure, including, but not limited to, any changes its shareholding or to its registered address.

Article 11 - Further Compliance

- 11.1** The Licensee shall comply with:
- (i) all laws;
 - (ii) any orders, decisions or other directives, however so described, of the Authority;
 - (iii) all the articles of this Licence; and
 - (iv) all the commitments contained within Annex III of this Licence, which forms an integral part of this Licence, made by the Licensee in the course of a comparative evaluation selection procedure in accordance with the provisions of the Invitation.
- 11.2** Nothing in this Licence shall absolve the Licensee from any legal requirement to obtain any other permissions, authorisations or licences, however so described, as may be necessary for the provision of the service and for the exercise of its rights and the discharge of its obligations under this Licence:

Provided that failure on the part of the Licensee to comply with any other requirements shall not exempt the Licensee from any failure to discharge his obligations under this Licence;

Provided further that the Licensee shall be solely responsible for all costs, expenses and other commitments, however so described, whether financial or otherwise, in respect of the Licence and the implementation of the network, and the Authority shall bear no responsibility for any such costs, expenses or commitments.

- 11.3** Nothing in this Licence shall be construed as absolving or releasing the Licensee from any obligations, or limiting the powers of the Authority to impose further conditions on the Licensee, arising from the law in force from time to time

Part III - LICENCE TERMINATION AND VARIATION

Article 12 - Termination

- 12.1** This Licence shall be automatically terminated and returned by the Licensee to the Authority, and the rights of the Licensee over the use of the radio frequencies shall terminate immediately in any of the following cases:
- (a) upon the expiration of the term of the Licence;
 - (b) upon renunciation by the Licensee;
 - (c) upon revocation of this Licence in accordance with the articles of this Licence and, or of law;
 - (d) upon insolvency, liquidation or bankruptcy of the Licensee; or
 - (e) upon the winding up or dissolution of the Licensee.
- 12.2** The termination of this Licence on any of the grounds mentioned in paragraphs (b) to (e) of article 12.1 of this licence will be without prejudice to the obligation of the Licensee to pay the full amount of the fee for the right of use of radio frequencies that would have been paid by the Licensee throughout the whole duration of this Licence and fulfil any obligation arising prior to the said termination.
- 12.3** The termination of this Licence on any of the grounds mentioned in paragraphs (b) to (e) of article 12.1 of this licence will be without prejudice to any measures that may be taken by the Authority with respect to the Licensee's failure to comply with its roll-out and coverage obligations as mentioned in article 9 of this Licence.

Article 13 - Rights and Remedies of the Authority

- 13.1** The Authority shall, in accordance with its powers at law, have the power to, *inter alia*:
- (a) impose administrative fines on the Licensee for any non-compliance with the conditions of this Licence; and, or
 - (b) suspend or revoke this Licence for serious and repeated breaches of the conditions of this Licence.
- 13.2** The Authority may add to, or amend any of the terms and conditions of this Licence, including the specific frequency channels the right of use of which is being granted by this Licence, when such additions or amendments are necessary as a result of any international obligations entered into by the Authority or by the Government of Malta, or by the need to ensure compliance with the Act or any other law, or by the need to ensure efficient frequency planning:

Provided that the Authority shall not be held responsible in any manner whatsoever for any damages suffered or expenses incurred by the Licensee as a result of any amendment to the terms or conditions of this Licence:

Provided further that the Authority should inform the Licensee in advance and take into account its views if relevant impact is foreseeable on the Licensee's DTTV network, and circumstances so permit, granting a reasonable timeframe for the implementation of the relevant additions or amendments to the conditions.

13.3 If any article of this Licence is declared to be unenforceable by any court of law or tribunal however so described, such declaration will have no effect on the enforceability of the remaining articles of this Licence, all of which will remain in force until the termination of this Licence.

13.4 The Authority and any persons duly authorised by the Authority to act on its behalf, shall have the right to carry out inspections and measurements on any site and equipment, being operated by the Licensee at any reasonable time, for the purpose of ensuring that the Licensee is complying with the conditions of this Licence and, or with any legal requirements:

Provided that in cases of manifest urgency the Authority may carry out any such inspections outside normal business hours.

13.5 All the conditions under this Licence shall for the purposes of law be considered as decisions imposed by the Authority and any failure to comply with any such conditions, may, without prejudice to any other measures that the Authority may in accordance with law take, be sanctioned by the imposition of the appropriate administrative fines in accordance with law.

13.6 The Act, any other national laws, directives and decisions however so described of the Authority shall apply to the Licensee for all purposes and shall form an integral part of this Licence.

Signature

Name

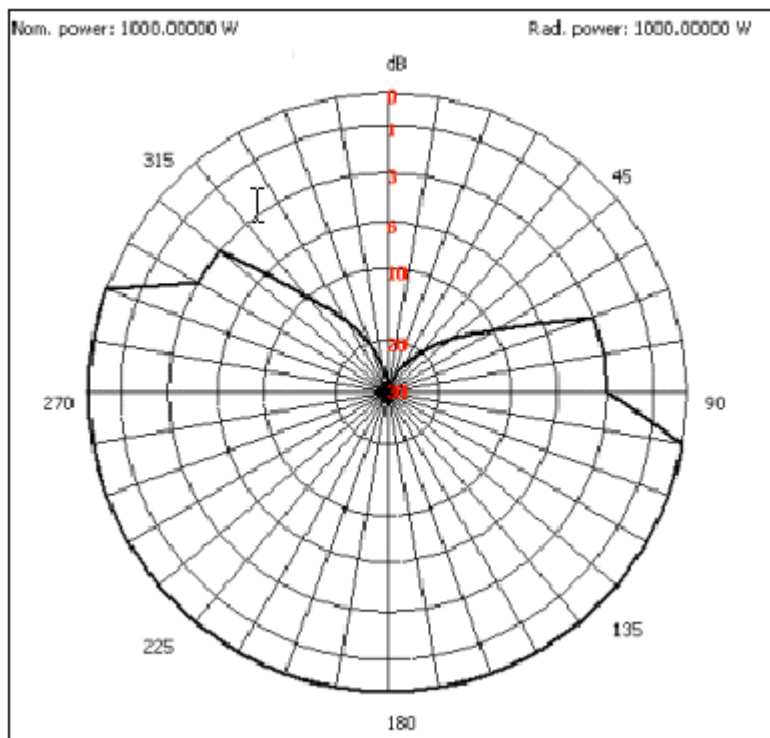
Date

Annex I - Description of Radio Frequencies

- The following are the radio frequencies, the right of use of which are being granted to the Licensee in accordance with Article 3 of this licence:

TV channel number	Center Frequency
26	514.0 MHz
28	530.0 MHz
31	554.0 MHz
38	610.0 MHz
45	666.0 MHz
56	754.0 MHz
58	770.0 MHz
60	786.0 MHz

- The bandwidth and channel spacing of each of the above channels shall be 8 MHz.
- The radiation pattern of the antenna shall have attenuations between azimuths 290° and 100° (towards Italy), and shall be based on the below radiation diagram. The maximum effective radiated power (erp) of each DTTV transmitter comprising the DTTV network shall not exceed 30 dBW.



- Further limits to the Power and Radiation pattern of any DTTV transmitter comprising the DTTV network, resulting from the frequency coordination process with any affected (neighbouring) country, will have to be imposed on the Licensee. In this regard the Authority shall not be held responsible in any

manner by the Licensee for any expenses incurred by the Licensee as a result of the said frequency coordination process.

5. The polarisation of the antenna should be Horizontal.
6. The characteristics of the sites of all DTTV transmitters comprising the DTTV network will be included in the licence, following completion of the necessary frequency coordination process.

Annex II - Coverage Requirements and Timeframes

Applicants must achieve full national coverage at no less than ninety-five percent (95%) probability for each of the radio frequencies the right of use of which is being granted to the Licensee by virtue of this Licence within eighteen (18) months from the date of notification by the Authority of successful coordination of the specific radio frequencies:

where 'Coverage' means that the wanted received field strength from the broadcast station or a group of broadcast stations in the case of a single frequency (SFN) DTTV network is equal to or exceeds the usable field strength defined for specified reception conditions on the land of the whole of the Maltese islands; and

where to achieve a probability of 95% coverage, the minimum median field strength at 10m above ground level, for 50% of the time and at 50% of the locations, shall be or exceed 53 dB μ V/m at 500 MHz and 57 dB μ V/m at 800 MHz. (refer to Digital Video Broadcasting; Implementation guidelines for DVB terrestrial services; Transmission aspects – 9.0 Network Planning (ETSI TR 101 190).

Annex III – Further Commitments made in the course of a comparative evaluation selection procedure

1. The Licensee shall make the most efficient use possible of the assigned frequencies by, *inter alia*, adopting and optimising a single frequency network (SFN) design or such other types of network designs as may be acknowledged by the Authority upon request by the Licensee.
2. The Licensee shall, as far as is reasonably possible, adhere to the prevailing open standards, such as Multimedia Home Platform, with a view to achieving interoperability at application program interface (API) level.
3. The Licensee shall do all that is reasonable and technically feasible to support facility sharing, and in particular shall, upon request, enter into negotiations with other authorised electronic communications network providers with the aim of agreeing upon reasonable facility sharing conditions.
4. The Licensee shall ensure that its DTTV transmissions shall not be unavailable for reception by users in excess of twenty four (24) hours in any given calendar year. The Licensee shall ensure that independently verifiable records of transmission availability are kept at all times.
5. The Licensee shall implement a customer care system whereby the quality of service is capable of being independently verified. The Licensee shall, *inter alia*, provide an efficient customer support service on a daily basis.
6. The Licensee shall, throughout the course of the licence period, strive to introduce innovative services, such as interactivity.
7. The Licensee shall do all that is reasonably possible to meet the needs of persons with disability with respect to the services it provides. In particular, it shall ensure that all features, such as subtitling and audio description, aimed at the said group of end-users and made available by content providers are transmitted by their DTTV network at all times.
8. The Licensee shall, immediately upon the grant of this Licence, enter into negotiations with other undertakings authorised to establish and operate a DTTV Network in Malta with the aim of reaching an agreement within the shortest timeframe possible as to the conditions for the interoperability of conditional access systems.