

**Customer code:** \_\_\_\_\_

**Addendum to RIO Agreement No.:** \_\_\_\_\_

**ADDENDUM FOR AVAILING OF INCENTIVE SCHEME(S) ("Addendum") POST EXECUTION OF REFERENCE INTERCONNECT OFFER AGREEMENT ("RIO Agreement") WITH DISCOVERY COMMUNICATIONS INDIA ("BROADCASTER") FOR DIRECT TO HOME (DTH) SYSTEMS**

EXECUTED BETWEEN:

**Discovery Communications India**, a company incorporated under the laws of India, having its registered office at, 125 – B, Som Datt Chamber – 1, 5 Bhikaji Cama Place, New Delhi – 110066 and corporate office at Building No 9, Tower A, 9<sup>th</sup> Floor, DLF Cyber City, Gurgaon - 122002 (hereinafter referred to as "**Broadcaster**", which expression, unless repugnant to the meaning or context thereof, shall be deemed to mean and include its successors and permitted assigns)

**AND**

\_\_\_\_\_, having its registered office at \_\_\_\_\_ (hereinafter referred to as "**Operator**", which expression, unless repugnant to the meaning or context thereof, shall be deemed to mean and include its successors and permitted assigns)

Broadcaster and the Operator may singularly be referred to as Party and together as Parties.

**WHEREAS:**

- A. Operator has subscribed to the Channels of the Broadcaster vide the aforesaid RIO Agreement.
- B. Broadcaster has offered certain incentive Schemes (defined herein) to the Operator, subject to the terms hereof. The Operator is desirous of availing the Scheme(s) in accordance with the terms of this Addendum.
- C. This Addendum captures the terms on which the Schemes are being availed by the Operator.

**NOW THEREFORE**, in consideration for the mutual promises and covenants set out herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, it is hereby agreed as follows:

**1. ELIGIBILITY**

An Operator will be eligible to avail Schemes as set out herein, on offer by the Broadcaster if it meets the following prerequisites:

- 1.1.1. The Operator shall have executed the RIO Agreement in order to re-transmit / distribute the subscribed Channels of the Broadcaster, on the terms and conditions set out in the RIO Agreement;
- 1.1.2. The Operator shall have availed of one or more Bouquets of fixed channel combinations offered by the Broadcaster as detailed in the RIO Agreement and set out herein for convenience as Annexure 3.
- 1.1.3. The Operator shall post expression of interest for availing the Schemes detailed herein shall deliver a written undertaking, in the format set out in Annexure 2, and elect to comply with conditions under the following schemes:
  - the conditions under Scheme 1 as given in Annexure 4;
  - the conditions under Scheme 2 as given in Annexure 5;
  - the conditions under Scheme 3 as given in Annexure 6.

- 1.1.3. The Operator shall, at all times during the Term of the RIO Agreement, adhere to and comply with abovementioned. In the event that any of the Eligibility Conditions under the above mentioned Schemes are not met or not complied with by the Operator at any time during the term, the Operator shall no longer be entitled to those Schemes and the Addendum executed between the Broadcaster and Operator shall terminate and cease to have effect in its entirety. In such an event, the RIO Agreement shall continue in full force and effect.

## **2. SCHEMES**

- 2.1. The Operator shall, subject to compliance with each of the Eligibility Conditions set out in Clause 1 of this Addendum, be entitled to avail the following Schemes:
- 2.1.1 The Operator will be entitled for Schemes on availing of Bouquet of Channels as set out by the Broadcaster in Annexure 3.
- 2.1.2. **Penetration: (“Scheme 1”)** penetration in the subscriber base of the Operator shall mean the Scheme will be available in consideration of the Operator distributing the Channel and achieving the penetration thresholds as per the slabs as mentioned in Annexure 4.
- 2.1.3. **Logical Channel Number (LCN): (“Scheme 2”)** shall mean that the Scheme will be available to the Operator on the basis of LCN as provided in Annexure 5.
- 2.1.4. **Subscriber Reach: (“Scheme 3”)** shall mean that the Scheme will be available to the Operator on the basis of Reach as provided in Annexure 6.

## **3. REPORTING**

- 3.1 In order to be eligible for the Schemes, the Operator shall in due compliance with the Regulations and the terms detailed in the RIO Agreement, provide the Broadcaster the following reports:
- I. details of all Subscribers serviced by the Operator with respect to the Channels of the Broadcaster
  - II. details of LCN placement of Channels;
  - III. details of the system size of the Operator - detailing the total Network Pay Subscriber base.

\*The above stated reports are to be submitted in accordance with Clause 12 of the RIO Agreement.

- 3.2 The OPERATOR shall provide the Broadcaster with the Reports, as applicable in the RIO Agreement, within 7 (seven) calendar days of end of each month.
- 3.3 Submission of Reports as per the terms of this Clause shall constitute material obligation on part of the Operator. Non-submission of such Reports shall amount to material breach of the Addendum, which shall entitle the Company to terminate the RIO Agreement.

## **4 AUDIT**

- 4.1 The Broadcaster shall during the Audit referred to in Clause 13 of the RIO Agreement, be entitled to access the Records, SMS, CAS and related systems of the Operator in order to determine the correctness of the Reports submitted to the Broadcaster. In the event an audit or inspection by Broadcaster’s authorized representative(s) reveals that the Operator has under-reported or has misrepresented any information contained in the Reports or any item having a bearing on the computation of availing the Scheme and the License Fee payable by the Operator, the Broadcaster

shall provide the Operator with written notice setting out the amount of such additional fee/ fine in the manner set out in the RIO Agreement immediately payable by the Operator.

## **5 LICENSE FEE**

- 5.1 For the purpose of calculation of the monthly License Fee the same shall be net of the Monthly Fee as set out in Clause 10 (License Fee) of the RIO Agreement minus the deduction basis the Scheme availed (subject to applicable taxes) in furtherance to the Eligibility condition as set out herein in Clause 1 ("**Incentivized Bouquet Rate**"). The deduction shall be calculated independently for each Scheme and applied to the Bouquet Rate on a cumulative basis to arrive at the Incentivized Rate. Sample calculations of calculation of Monthly License Fee after deduction of applicable offers are set out in **Schedule 1** of this Addendum.

## **6. CESSATION**

- 6.1 The Eligibility conditions shall stand automatically terminated and shall cease to have effect immediately upon Cessation of the RIO Agreement.
- 6.2 This Addendum shall stand automatically terminated and shall cease to have effect forthwith, if any of the Eligibility Conditions set out in Clause 1 are not met or not complied with by the Operator at any time during the Term.

Upon such Cessation as mentioned in 6.2, the RIO Agreement shall continue in full force and effect and shall continue to be binding upon the Broadcaster and the Operator.

## **7. MISCELLANEOUS**

- 7.1 Until the Cessation of the Addendum in accordance with the terms hereof:
- 7.1.1 The Addendum shall form an integral part of the RIO Agreement and shall be read along with it. All references in the RIO Agreement to "this Agreement" shall include the reference to the Addendum, wherever the context so requires. Further, reference to the RIO Agreement in any other documents shall include reference to the Agreement as amended by the Addendum.
- 7.1.2 The Addendum shall modify the RIO Agreement and the understanding set out in the RIO Agreement, as applicable, only to the limited extent set out herein. Except as specifically and expressly amended by the Addendum, all other provisions of the RIO Agreement shall remain unchanged and in full force and effect and shall continue to remain applicable and binding on the Parties.
- 7.1.3 Save and except for the aforesaid all other terms and conditions of the RIO Agreement shall remain unaltered and in force. In the event of conflict between the terms of the Addendum and the provisions of the RIO Agreement, the provisions of the Addendum shall prevail in relation to the matters set out herein.
- 7.1.4 The RIO Agreement and the Addendum collectively contain the entire understanding between the Parties with respect to the subject matter hereof and supersedes any prior agreements, writings, understandings or communications in this connection. The Parties agree that the terms contained herein are fair, reasonable and non-discriminatory. The RIO Agreement and the Addendum shall not be modified, amended or varied unless otherwise mutually agreed in writing in accordance with applicable force of Law.
- 7.1.5 The Broadcaster reserves the right to modify, alter, amend or completely withdraw the Schemes availed by the Operator by giving a written notice of 21 days.

7.2 Any capitalized terms used but not defined in this Addendum shall have the meanings ascribed to such terms in the Agreement, or if not defined in the Agreement, then the meanings ascribed to such terms under Applicable Law.

**IN WITNESS WHEREOF, this Agreement is entered into as of the date first set forth below.**

<b>FOR DISCOVERY COMMUNICATIONS INDIA</b>	<b>FOR OPERATOR</b>
<b>Name:</b>	<b>Name:</b>
<b>Title:</b>	<b>Title:</b>

## SCHEDULES

### ANNEXURE 1

#### DEFINITIONS

1. **"Addendum"** shall mean and signify an extension to the RIO Agreement between the Broadcaster and the Operator for the purposes as set out in the Addendum.
2. **"Bouquet"** shall mean a combination of channels offered by the Broadcaster to the Operator.
3. **"Eligibility Criteria"** shall mean as detailed in Clause 1 of the Addendum.
4. **"Network Pay Subscriber Base"** for the concerned month, shall mean the total number of Subscribers as per the Reports of the Operator and its affiliates/ JVs/ subsidiaries, connected to the Operator's Distribution System, and who have subscribed to one or more pay channels of any broadcaster whether on a-la-carte or bouquet basis.
5. **"RIO Agreement"** shall mean the Reference Interconnect Offer entered into between the Broadcaster and the Operator
6. **"Schemes"** shall mean all offerings that an Operator may avail if it is able to meet the Eligibility criteria as set out in this agreement

**ANNEXURE 2**

**UNDERTAKING FOR SELECTION OF SCHEME**

Date: \_\_\_\_, 2016

To,

**Discovery Communications India**

125 – B, Som Datt Chamber – 1,

5 Bhikaji Cama Place,

New Delhi – 110066

Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

Attn.: \_\_\_\_\_

Dear Sir,

Sub: Selection of Schemes

1. We refer to the Addendum to RIO Agreement entered into between the Broadcaster and Operator for the period \_\_\_\_\_ till \_\_\_\_\_ between the Broadcaster and the Operator (“**Addendum**”).
2. Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to such terms under the Addendum.
3. Pursuant to Clause 1 of the Addendum, we hereby confirm to the Broadcaster that we fulfil the Eligibility conditions as set out in the Addendum and will comply with each of the conditions under the specific Option selected above.
4. We hereby further confirm to the Company that we shall during the Term comply with the Eligibility Conditions set out of the Addendum.

Yours sincerely,

**For [OPERATOR]**

\_\_\_\_\_  
Name:

Title:

Authorized Signatory

**OPERATOR Seal**

### ANNEXURE 3

#### CHANNEL BOUQUET

1. The Broadcaster shall make available to the Operator the Channels in one or more Bouquets with fixed channel combinations, as set out in the schedule.
2. These Bouquets are designed considering combinations and acceptability of channels on ground and provide a choice offering to the Operator at lowest possible prices to enable consumer to avail their choice of channel (s).
3. The Bouquet Channel rates are in accordance Regulatory mechanism and applicable law.
4. The Operator shall be considered to have met the Eligibility Conditions, in the event that the Operator makes available to the subscribers any or more of the following Bouquets.
5. The Operator shall ensure that during the Term, the Channels will be made available and carried throughout to its existing Subscribers as on the date of execution of the Addendum, as well as to its new subscribers:
  - a) as per paragraphs 1 to 5; and
  - b) for the term of the RIO Agreement

The Bouquets on offer are as follows:

#### BOUQUET 1

CHANNEL	RATE (In Rs.)	BOUQUET RATE (In Rs.)
Discovery Channel	6.74	37.00
Discovery Channel Tamil	6.74	
Animal Planet	2.25	
TLC	4.04	
Discovery Kids	5.56	
ID:INVESTIGATION DISCOVERY	8.98	
Discovery Science	5.04	
Discovery Turbo	4.20	

#### BOUQUET 2

CHANNEL	RATE (In Rs.)	Bouquet Rate (In Rs.)
Discovery Channel	6.74	32.00
Animal Planet	2.25	
TLC	4.04	
Discovery Kids	5.56	
ID:INVESTIGATION DISCOVERY	8.98	
Discovery Science	5.04	
Discovery Turbo	4.20	

### **BOUQUET 3**

<b>CHANNEL</b>	<b>RATE (In Rs.)</b>	<b>Bouquet Rate (In Rs.)</b>
Discovery Channel	6.74	29.50
Animal Planet	2.25	
TLC	4.04	
Discovery Kids	5.56	
ID:INVESTIGATION DISCOVERY	8.98	
Discovery Science	5.04	

### **BOUQUET 4**

<b>CHANNEL</b>	<b>RATE (In Rs.)</b>	<b>Bouquet Rate (In Rs.)</b>
Discovery Channel	6.74	29.00
Animal Planet	2.25	
TLC	4.04	
Discovery Kids	5.56	
ID:INVESTIGATION DISCOVERY	8.98	
Discovery Turbo	4.20	

### **BOUQUET 5**

<b>CHANNEL</b>	<b>RATE (In Rs.)</b>	<b>Bouquet Rate (In Rs.)</b>
Discovery Channel	6.74	25.00
Animal Planet	2.25	
TLC	4.04	
Discovery Kids	5.56	
ID:INVESTIGATION DISCOVERY	8.98	

**NOTE:**

- Inflation related hike/increase in the Rates notified by TRAI by way of Tariff Order or otherwise would become automatically applicable to the above rates w.e.f. the date of such notification and the Operator would be liable to pay the increased subscription fee from the notification date. The rate for DAS area(s)/DTH/HITS/IPTV stated above are stipulated at 42% of the rates applicable to non-addressable/ analog systems in compliance with the directions.
- Rates of Broadcaster Channels mentioned herein above are excluding taxes and levies imposed by local and / or the Central Government including but not limited to Service Tax.
- This Rate Card is subject to inflation related hike/increase in the rates notified by TRAI by way of Tariff Order or otherwise would become automatically applicable to the agreement w.e.f. the date of such notification and the Operator would be liable to pay the increased license fee from the notification date.



**ANNEXURE 4**

**SCHEME 1**

The Scheme shall be available to the Operator on the Channels, based on the Operator achieving the penetration threshold of Network Pay Subscriber Base as per the Grid set out below:

Penetration					
Channel	Above 90%	Above 60% Less Than 90%	Above 30% Less Than 60%	Above 20% Less Than 30%	Less Than 20%
Discovery Channel	8%	6%	4%	2%	0%
Discovery Channel Tamil	8%	6%	4%	2%	0%
Animal Planet	8%	6%	4%	2%	0%
TLC	8%	6%	4%	2%	0%
Discovery Kids	8%	6%	4%	2%	0%
ID:INVESTIGATION DISCOVERY	8%	6%	4%	2%	0%
Discovery Science	8%	6%	4%	2%	0%
Discovery Turbo	8%	6%	4%	2%	0%
	64%	48%	32%	16%	0%

**ANNEXURE 5**

**SCHEME 2**

The Operator shall make available the Channels in the manner as set out below:

Channel	LCN	Genre	Deduction
Discovery Channel	No 1	Infotainment	2%
Discovery Channel Tamil	Top 5 in Tamil channels EPG	Infotainment	1%
Animal Planet	Top 3	Infotainment	1%
TLC	Top 1	Lifestyle	2%
Discovery Kids	Top 3	Kids	1%
ID:INVESTIGATION DISCOVERY	Top 10	Hindi GEC	1%
Discovery Science	Top 5	Infotainment	1%
Discovery Turbo	Top 3	Lifestyle	1%
			10%

**ANNEXURE 6**

**SCHEME 3**

1. The Operator shall be entitled to the Subscriber Base Offer based on the total Network Pay Subscriber Base of the Operator as detailed in the table below:

**Volume of Subscribers Matrix**

<b>Operator Subscriber Size</b>	<b>Offer</b>
Above 5 K	1%
Above 10 K	2%
Above 15 K	3%
Above 20 K	4%
Above 50 K	5%
Above 1 Lakh	6%
Above 5 Lakhs	7%
Above 1 Mn	8%
Above 3 Mn	9%
Above 5 Mn	10%

2. For the purpose of calculating the Subscriber Base Scheme for the relevant months as per the table above, the total Network Pay Subscriber Base shall be calculated on the basis of the Reports furnished as per the Addendum.
3. In compliance of recently amended laws the proposed Schemes are non-discriminatory.

## SCHEDULE 1 (SAMPLE CALCULATIONS FOR REFERENCE)

### **SAMPLE 1**

If Operator selects Bouquet 1 having Bouquet price of Rs 37.

Assumptions:

- Operator puts all Channels in 90% plus penetration : Total Deduction as per Scheme 1 is 64%
- Operator fulfils all LCN commitments: Total Deduction as per Scheme 2 is 10%
- Operator's total Subscriber is > 5 Mn: Total deduction as per Scheme 3 is 10%

Cumulative deduction = 84%

**Incentivized Bouquet Rate = Bouquet Rate (Rs. 37) less Cumulative deduction of 84% = Rs. 5.9/-**

### **SAMPLE 2**

If Operator selects Bouquet 1 having Bouquet price of Rs 37

Assumptions:

- Operator puts 5 channels in 90% plus penetration: (40% deduction)
  - Operator puts 3 channels in 60% plus penetration (18% deduction)
- Total 58% deduction as per Scheme 1
- Operator Fulfils LCN commitments for ID: Investigation Discovery, Discovery Science and Discovery Turbo : Total deduction of 7% as per Scheme 2
  - Operator has total subscriber base of > 1 Mn : 8% deduction as per Scheme 3
- Cumulative deduction will be 73%

**Incentivized Bouquet Rate = Bouquet Rate (Rs. 37) less Cumulative deduction of 73% = Rs. 10/-**