

**LICENSE AGREEMENT
NATIONAL GEOGRAPHIC CHANNEL
NATGEO WILD**

AGREEMENT DATED OF 25 July 2011

BETWEEN:

1. **NGC EUROPE LIMITED** of 3rd Floor, Shepherds Building East, Richmond Way, London W14 0DQ, UK ("**NGC**"); and
2. Kalná KTR, s.r.o., Červenej armády 55, 93532 Kalná nad Hronom, Slovak Republic, VAT (DIČ): SK2021577437, VAT (IČ): 36541940 ("**Operator**")

- collectively referred to as "**Parties**" and individually as "**Party**"

IT IS AGREED as follows:

By signing below, **NGC** and **Operator** enter into an agreement in respect of the distribution of the **Channels**, which agreement consists of:

- the Standard Terms and Conditions;
- Schedule 1 (Deal Terms);
- Schedule 2 (CABLE Systems);
- Schedule 3 (Payment Terms); and
- Schedule 4 (Definitions and Interpretation) (collectively the "**Agreement**")

Any amendment to this Agreement must be in writing and signed by both Parties.

This Agreement shall be governed by the laws of England and the Parties submit to the jurisdiction of the courts of England in the event of any dispute arising with respect to this Agreement.

Each Party warrants to the other Party 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 NGC
(normal signature, block letters signature, company stamp)

.....
For and on behalf of Operator Kalná KTR, s.r.o.
(normal signature, block letters signature, company stamp)

STANDARD TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION

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

2. GRANT OF RIGHTS

2.1. Subject to and conditional upon Operator paying the Subscriber Fee, and compliance by Operator of each and every term of this Agreement, NGC grants Operator the Rights and Operator accepts the obligation within the scope specified in Section 6 to Schedule 1.

2.2. With immediate effect from the Commencement Date and throughout the Term, the Operator is obliged to launch and distribute the Channels on each CABLE Systems within the Territory in accordance with this Agreement.

2.3 The Commencement Date of both Channels shall be the ones provided for by Section 3 of Schedule 1. With reference to each Channel, in the event the transmission does not occur on the Commencement Date, provided that NGC has duly delivered the Channel's signal to the Satellite, NGC shall have the right, at its sole discretion, to either notify the Operator a new date for transmission (New Launch Date) or notify the Operator the Termination of this Agreement with immediate effect. Without prejudice to its other rights and remedies, NGC shall have the right to be reimbursed all amounts paid and payable in advance by NGC in respect of distribution in accordance with this Agreement ("Liquidated Damages") in the event the transmission does not occur on the Commencement Date. The Parties acknowledge that the Liquidated Damages represent a reasonable pre-estimate of the potential loss and damage that would be incurred by NGC if Operator fails to launch in accordance with this clause.

2.4. All rights not expressly granted to the Operator by NGC are reserved absolutely to NGC.

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 NGC all monies due and owing to NGC 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 each 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. NGC shall be entitled to examine, inspect, copy and audit the Books and Records in relation to the Channels 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 NGC, the Operator shall immediately:

- (a) pay NGC the amount of any underpayment, together with interest on that amount calculated at the rate of 8% annually; and
- (b) pay the reasonable costs of the audit and/or inspection where that audit or inspection reveals an underpayment in excess of five per cent (5%).

4.4 As a condition and inducement for NGC to enter into this Agreement, on or before the date of signature of this Agreement, the Operator shall deliver to NGC in a form acceptable to NGC in its sole discretion a bank guarantee:

- (a) issued by an international bank with a good credit rating from an international ratings agency; and
- (b) guaranteeing all the payments, including the minimum guarantees, if any, payable in accordance with this Agreement to NGC; and
- (c) that can be called if the amounts payable by Operator are outstanding for more than 45 days after the due date for payment.

5. REPORTING

5.1. By the tenth of each calendar month during the Term, the Operator shall provide NGC 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 (the "Subscriber Report") payable for that month ("Reporting Month") including:

- (a) the total number of Subscribers to each the Channel in respect of each category of Subscribers for each CABLE Systems at the last day of the Reporting Month and the last day of the month prior to the Reporting Month; and
- (b) the total Subscriber Fees due and payable to NGC in respect of each category of Subscriber.

It is understood and agreed upon by Operator that any inconsistencies, mistakes and material errors referring to the a Subscriber Report shall be communicated to NGC within 15 days from the delivery of such Subscriber Report. Without prejudice to the provisions of clause 4 (Payments and Audit), upon expiration of such deadline, no modification and/or amendment to such Subscriber Report shall be carried out by Operator and the Operator expressly waives the right to raise any direct and/or indirect claims with respect to such Subscriber Report.

5.2. The Operator certifies that, as of the Commencement Date, there are the numbers of Subscribers on the CABLE Systems as set out in section 11 of Schedule 1.

5.3 If Operator has less than 1000 Subscribers and no Minimum Guaranteed and/or Minimum Monthly Subscribers Number Guaranteed to the Channel is provided for under this Agreement, Operator undertakes to pay Licensor the Subscriber Fee six months in advance during the Term (the "Advance Payment"). 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 Subscriber Reports provided in accordance with Clause 5.1 for the previous six month period. At the end of each relevant six month period of the Term, Licensor 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 Subscriber Reports.

6. RECEPTION AND DISTRIBUTION OF THE CHANNELS

- 6.1. NGC shall deliver the Channels' signal to the Satellite and/or the POD from the Commencement Date and throughout the Term. The pick-up and downlink of the Channels from the Satellite and the transmission and distribution of the Channels throughout the CABLE Systems, including any and all related costs, shall be the Operator's sole responsibility.
- 6.2. NGC reserve the right at any time to switch the transmission of each 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) NGC give notice to the Operator, where practicable, no less than sixty (60) days before the Change, except that if a Change is required because a technical problem occurs relating to the satellite transmission, NGC will be 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. NGC shall have also the right to change the means of delivery of each Channel from satellite to fibre or other lines or another alternative method of delivery, provided that the new mean can assure the same technical quality of delivery of the signal and the same technical quality of the signal.
- 6.4. The Operator shall distribute to Subscribers any Enhancements included in the Channels that become available during the Term upon notification by NGC, unless the Operator demonstrates to the reasonable satisfaction of NGC that the CABLE Systems is not able to carry the Enhancements, in which case the Operator will co-operate with NGC to agree a timetable for the upgrade of the CABLE Systems to enable the Enhancements to be carried as soon as reasonably practicable.
- 6.5. If the Operator makes available to Subscribers an electronic programme guide ("EPG"), NGC reserve every right of approval over the number of the Channels to be assigned to each Channel on the EPG. Operator agrees not to change such number on the EPG without NGC's prior written approval which shall include approval over the new EPG number. NGC approval shall not be unreasonably withheld. Operator will ensure that the Channels are as readily available and conveniently accessible to Subscribers as any other channel on the Agreed Tier.
- 6.6. During the Term, the Operator shall ensure that:
- (a) It operates and maintains an efficient subscriber management and authorisation service;
 - (b) each Channel is included in the Agreed Tier on each CABLE Systems and the Agreed Tier shall not be changed without NGC's prior written approval;
 - (c) each Channel is secured and encrypted so that only Subscribers can view the Channel and is 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 each 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 Channels. NGC acknowledges that Subscribers may be able to record part of the Channels due to the functionality of the set top box provided to the Subscriber by the Operator. Operator hereby grants that any such recording:

- i) allows only temporary storage of Channels (and any of its content), excluding any form or permanent download;
 - ii) is restricted to Subscribers' private use;
 - iii) is subject to highest standard technology constraints designed to prevent the Channels (and any of its content) from being transferred and/or copied onto any other device/system.
- (f) Channels are 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 Channels 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 required to fulfill 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 NGC's request, the Operator shall provide NGC with a subscription to the Agreed Tier of the CABLE Systems and a relevant domestic set-top box and smart card for monitoring purposes, at no cost to NGC.
 - (k) **(security system)** it will immediately cease transmitting the Channel (i) if requested by NGC to do so, as a consequence of any complaints or concerns of a content provider in relation to quality of delivery of the Channel or the Security System; (ii) in the event of any hacking or interruption to the Security System; or (iii) in the event of an alleged infringement of any third person's intellectual property rights, without liability to NGC therefore. The Parties will co-operate in good faith to try and resolve such issue so as to minimise disruption to transmission of the Channel in accordance with this Agreement. Operator acknowledges and agrees that it shall not in any circumstances transmit the Channel until NGC has audited the Security System and is fully satisfied that the Security System is of an appropriate standard, as determined by NGC in its discretion.

6.7. **Any Loan Equipment provided to the Operator during the Term by or on behalf of NGC shall be provided to the Operator on a loan basis. The Loan Equipment shall at all times remain the property of NGC 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 NGC immediately on the end or termination of this Agreement or NGC's written request.**

6.8. Operator's failure to transmit the Channel via the Cable Systems after the Commencement Date shall not relieve Operator from its obligation to pay Subscriber Fee and/or any Advance Payment.

6.9. Operator acknowledges and agrees that it is liable for any loss or damage (other than fair wear and tear as determined by NGC, but acting reasonably) to the Loan Equipment and shall, upon demand, reimburse NGC for any such loss or damage to the Loan Equipment. Operator shall return the Loan Equipment to NGC immediately upon expiration or earlier termination of this Agreement, or upon NGC's written request to do so.

7. TRADE MARKS

7.1. NGC grants to the Operator the non-exclusive right to use NGC 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 NGC Marks are the exclusive property of NGC. Operator shall not acquire any proprietary or other right or goodwill in the NGC Marks.

7.3. The Operator shall only use the NGC Marks as authorized by NGC. The Operator shall not use the NGC Marks in any way that adversely affects, reflects on or derogates from the NGC Marks or the name or image of NGC.

7.4. The Operator shall provide representative samples of any intended materials incorporating the NGC Marks to NGC for NGC's prior approval. If required by NGC, Operator shall make any changes to the materials before they are distributed.

8. MARKETING

8.1. NGC shall provide the Operator with NGC's standard marketing kit if requested at no cost to the Operator. NGC shall provide additional promotional materials, if available, as requested by Operator and at Operator's cost.

8.2. The Operator shall use its best endeavors to promote the Channels widely and efficiently in a manner which shall not reflect adversely upon the Channels or NGC. It is agreed and understood between the Parties that any promotional and/or marketing material created by Operator and directly or indirectly referring to the Channels' content shall be subject to NGC's prior approval.

8.3. The Operator shall cooperate with NGC in market research by making available to NGC, if available and to the extent permitted by law, information regarding the popularity of the Channels and the viewing habits of Subscribers.

8.4 Operator shall not use the NGC Marks in any way so as to suggest an endorsement or association by NGC or any of its Affiliates with Operator or any other person associated with Operator.

9. INFRINGEMENT

9.1. The Operator shall employ security systems, procedures and policies designed to prevent all unauthorized use, piracy or infringement of the Channels or the NGC Marks. The security systems shall be subject to NGC'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;
- (b) the 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 unauthorized use, piracy or infringement by any third party of any rights in the Channels or the NGC Marks it shall immediately:

- (a) notify NGC; and
- (b) take all reasonable actions to stop and to prevent any further unauthorized 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; For the purposes of this clause, "to control , to be controlled or to be under (common) control" refers respectively, without limitation, to a situation where more than 50% of the issued voting share capital of the entity (or any of its holding companies) and/or the right to manage the entity including, without limitation, the right to direct the business and/or policies and/or affairs of such entity, is owned by another entity;
- (c) **(licenses)** that all licenses and consents required by law to transmit the Channel over each Cable System, including copyright licenses, if any, have been obtained and shall be maintained throughout the Term;
- (d) **(security)** that it shall distribute the Channels encrypted or otherwise secured, in its entirety so that only Subscribers authorized by the Operator can receive the Channels;
- (e) **(no changes)** that it will distribute the Channels, 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 Channels except as specifically authorized by this Agreement;
- (f) **(content)** that the content of the Local Ad Avails, if any, will not infringe the copyright, neighboring rights, related rights, in particular literary or dramatic rights right of privacy or literary or dramatic right of any third party;
- (g) **(marketing)** that it will, at its cost, market and promote the Channels 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 Channels 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 Channels signal is only available for display to subscribers using a television receiver;
- (j) **(no computer)** that the broadcast of the Channels 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 NGC, 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. NGC represent, warrant and undertake:

- (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 Channels, subject to clause 11.2 and other than the Local Ad Avails, if any, will not infringe the copyright, right of privacy, literary, dramatic or neighboring right of any third party.

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

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

11. COPYRIGHTS

11.1 NGC will clear all rights to any copyrighted works included in the Channels to the Point of Delivery of the Channel as defined in this Agreement unless such rights are administered by collecting societies.

11.2 In the event and to the extent that the distribution of the Channels on Operator's CABLE Systems requires any payments for any copyrighted works to be made to or for the benefit of collecting societies or any other such organization, Operator acknowledges and agrees that it will be solely responsible for any and all such payments. Operator shall, on NGC's first demand, indemnify and hold NGC harmless against any liabilities, expenses, costs, losses, damages, claims and demands brought by the collecting societies or any other such organization, and arising directly or indirectly out of the distribution of the Channels on the Operator's CABLE Systems.

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 Section 6 (Payment) of Schedule 3 to this Agreement, in addition to NGC's other rights and remedies in accordance with this Agreement and at law, NGC shall be entitled to suspend delivery of each Channel to Operator. The Parties agree that the suspension for Operator's breach will not be repudiation or breach of this Agreement by NGC nor will it give rise to liability for NGC.

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 in particular clause 10.1 which is not capable of remedy or commits a material breach of any provision of this Agreement in particular clause 10.1 which is capable of remedy but which the other Party has not remedied within 30 days of receipt of written notice requiring it to do so, and during which 30 day remedy period NGC reserves the right to suspend operation of this Agreement in whole or in part; 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);
- (c) the other Party is deemed for the purposes of any law to be unable to pay its debts as they fall due or insolvent; or it admits its inability to pay its debts as they fall due; or it suspends making payments on any of its debts or announces an intention to do so; or by reason of actual or anticipated financial difficulties, it begins negotiations with any creditor for the rescheduling of any of its indebtedness; or .
- (d) any of the following occurs in respect of the other Party:
 - a. any step is taken with a view to a composition, assignment, winding up or similar arrangement with any of its creditors;
 - b. a petition for or a declaration on its bankruptcy, including bankruptcy open to an arrangement, rehabilitation, administration or dissolution including liquidation or such a resolution is presented or adopted;
 - c. any liquidator or compulsory manager or any similar officer is appointed in respect of it or any of its assets; or
 - d. any other analogous step or procedure is taken in any jurisdiction.

12.2. In addition to the termination rights set out, NGC shall have the right to terminate the Agreement, with no liability whatsoever towards Operator, 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 NGC in accordance with this Agreement, or
- (c) any of the Channels ceases, for any reason, to be made available by NGC in the Territory, or
- (d) NGC's licensors terminate the license agreement(s) that allows NGC to use and commercialize the NGC Marks in the Territory;
- (e) NGC's licensors terminate the license agreement(s) that allows NGC to distribute the Channels in the Territory; or
- (f) NGC's broadcast license(s) for the Channels is/are suspended or revoked by an administrative body's order that is not caused by and/or connected to a NGC's breach or other act within the reasonable control of NGC.

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 Channels and shall promptly deliver up to NGC all promotional, Channels materials and other materials incorporating the NGC Marks in the Operator's possession together with the Loan Equipment in accordance with clause 6.6 of this Agreement.

12.5. The Parties shall have the right to exercise the termination right set forth in this Agreement either in relation to the entire agreement or only with respect to the channel which is the subject of the termination right. If the party elects to terminate this Agreement only with respect to the individual Channel which is the subject of the termination right, then this Agreement shall continue in full force and effect with respect to all other Channels that are not the subject of the termination right.

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 NGC 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-licence or otherwise transfer its rights or obligations under this Agreement. NGC may assign the benefit of this Agreement to any third party without the consent of the Operator. If NGC 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 section 13 of Schedule 1.

15.2 Notice given in accordance with Clause 15.1 will be deemed to have been duly given and received as follows:

- (a) if delivered personally or by commercial messenger or courier service, upon delivery at the address of the relevant Party;
- (b) if sent by prepaid, recorded delivery, first class post to and from addresses within England, two (2) Business Days after the date of posting;
- (c) if sent by prepaid, recorded delivery, air mail to and/or from addresses outside of England, seven (7) Business Days after the date of posting; and
- (d) if sent by fax, when dispatched, proven by a valid fax transmission sheet,

provided that, if, in accordance with the above provision, any such notice is given or would otherwise be deemed to be given or made outside of the hours of 0830 and 1800 on a business day, such notice will be deemed to be given or made at 0830 on the next business day.

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 beyond termination or expiry of this Agreement.

16.4 Without prejudice to any other rights or remedies that the disclosing Party may have, the receiving Party acknowledges and agrees that if the Confidential Information is used or disclosed other than in accordance with the terms of this Clause 16.1, the disclosing Party shall, without proof of special damage, be entitled to seek an injunction or other equitable relief for any threatened or actual breach of the provisions of this Clause 16, in addition to any damages or other remedy to which it may be entitled.

17. MISCELLANEOUS

17.1. Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between the Parties.

17.2. Neither Party shall not hold itself out as an agent for the other nor purport to bind the other in any way.

17.3. 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.

17.4. The Operator shall from time to time forthwith upon request from NGC 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 NGC to give full effect and meaning to this Agreement.

18. PUBLICITY

Neither Party shall make any announcement, or comment upon, or originate any publicity or press release or otherwise provide any information to any third person (other than to its legal advisers) concerning this Agreement without the prior written consent of the other Party.

19. LIABILITY

19.1 Each Party will only be liable for direct damages arising in relation to this Agreement and neither Party (including its Affiliates) will be liable whether based on a claim in contract, tort (including negligence), breach of statutory duty or otherwise arising out of, or in relation to, this Agreement, for any indirect or consequential loss of:

- (a) profit;
- (b) business goodwill;
- (c) business opportunity;
- (d) revenue;
- (e) data;
- (f) or any other indirect, consequential or punitive loss or damage.

19.2 Notwithstanding any other provision of this Agreement, NGC's total aggregate liability to Operator whether based on an action or claim in contract, tort (including negligence), breach of statutory duty or otherwise arising out of, or in relation to, this Agreement, will be limited to the aggregate amounts paid and/or payable to NGC.

19.3 Nothing herein is intended to limit the liability of Operator in respect of:

- (a) any intentionally harmful or fraudulent act or omission of Operator;
- (b) infringement of any intellectual property rights of NGC;
- (c) the indemnity obligations set out in this Agreement;
- (d) damage to, loss or destruction of real property or tangible personal property of NGC (if any) and the Loan Equipment;
- (e) fraudulent misrepresentation or misstatement;
- (f) death or personal injury caused by its negligence or that of its employees or authorised representatives; or
- (g) any liability that may not otherwise be limited or excluded by law.

19.4 Notwithstanding anything to the contrary in this Agreement, NGC shall not under any circumstances be liable for loss or damage 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 Operator in connection with or arising from any interruption or other failure to the transmission, reception or distribution of the Channels or resulting from breach of contract, negligence or any other tort on the part of NGC, its officers, employees or agents.

20. CHANGE OF CONTROL OF OPERATOR

20.1. In the event of a Change of Control of the Operator, Operator shall immediately notify NGC and NGC 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 Channels continue 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.

21. EXCLUSION OF THIRD PARTY RIGHTS

21.1 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 ("the 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.

22. ENTIRE AGREEMENT

22.1 Save in the case of fraud or fraudulent concealment, this Agreement constitutes the entire agreement and understanding between the Parties and supersedes any previous agreement between the Parties relating to the subject matter of this Agreement. In the event there is any inconsistency between the Agreement and the Special Conditions set out in section 15 of Schedule 1, the Special Conditions shall prevail.

23.2 Each Party acknowledges that it has not been induced to enter into this Agreement in reliance on, nor has it been given, any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever, other than as expressly set out in this Agreement and, to the extent that either Party has been so induced, it unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation to the same.

23. WAIVER

24.1 The failure to exercise, or delay in exercising a right or remedy provided by this Agreement or by law, does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement.

23.2 The rights and remedies provided under this Agreement:

- (a) are cumulative;
- (b) subject as otherwise provided in this Agreement, are not exclusive of any rights or remedies provided by law; and
- (c) may be waived only in writing and specifically.

24. INADEQUACY OF DAMAGES

24.1 Without prejudice to any other rights or remedies available to either Party, the Parties hereby acknowledge and agree that damages alone would not be an adequate remedy for breach of the provisions of this Agreement and that accordingly the non-breaching Party shall be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the provisions of this Agreement.

SCHEDULE 1

Deal Terms

Sect.	Definition	Description
1.	Agreed Tier	NGC: Basic Tier NGW: Basic Tier
2.	Channels	<u>NATIONAL GEOGRAPHIC CHANNEL</u> 24 hour English language television programme service currently known as The National Geographic Channel with a certain amount of programming voiced over in Czech and 95% of programming subtitled in Czech consisting of a block of documentary programmes repeated (and all associated advertising, if any, promotions, video, audio, text and VBI signals). <u>NATGEO WILD</u> 24 hour English language television programme service currently known as Nat Geo Wild 80% of programming subtitled in Czech consisting of a block of documentary programmes repeated (and all associated advertising, if any, promotions, video, audio, text and VBI signals).
3.	<i>Commencement Date</i>	<i>1 September 2011</i>
4.	<i>Loan Equipment</i>	<i>N/A</i>
5.	<i>Rights</i>	NGC grants the Operator the non-exclusive and limited right, and the Operator accepts the obligation, to receive the Channels from the Satellite and simultaneously with such reception to transmit the Channels, as and when delivered, by means of all the Cable Systems as part of the Agreed Tier in analogue form for reception by Subscribers in the Territory. The rights perceived by the local collecting societies in the Territory are excluded from this grant of rights.
6.	<i>Subscribers</i>	Residential Subscribers
7.	<i>Satellite</i>	National Geographic Channel: Astra 3A, 23.5° Nat Geo Wild: Telstar 12
8.	<i>Subscriber Fees</i>	<u>NATIONAL GEOGRAPHIC CHANNEL</u> The applicable monthly Subscriber Fees to the Channel due to NGC shall be by multiplying the Price for Subscriber per Month by the higher of: 1. the Actual Number of Subscribers to the Channel in a given month and 2. the Minimum Monthly Subscribers Number Guaranteed in accordance to the following specifications: The "Minimum Monthly Subscribers Number Guaranteed to each Channel" means: 500 subs "Price per Subscriber per month" for the channel means: From 1 September 2011 until 31 August 2012 - 0,20 EUROS (twenty Euro cents) From 1 September 2012 until 31 August 2013 - 0,21 EUROS (twenty one Euro cents) From 1 September 2013 - 0,22 EUROS (twenty two Euro cents) <u>NATGEO WILD</u> The applicable monthly Subscriber Fees to the Channel due to NGC shall be by multiplying the Price for Subscriber per Month by the higher of: 1. the Actual Number of Subscribers to the Channel in a given month and 2. the Minimum Monthly Subscribers Number Guaranteed in accordance to the following specifications: The "Minimum Monthly Subscribers Number Guaranteed to the Channel" means: 500 subs

		"Price per Subscriber per month" for each channel means: From 1 September 2011 until 31 August 2012 - 0,16 EUR (sixteen Euro cents) From 1 September 2012 until 31 August 2013 - 0,17 EUR (seventeen Euro cents) From 1 September 2013 till the end of the Term - 0,18 EUR (eighteen Euro cents)
9.	<i>Term</i>	3 years from the Commencement Date. The Term shall be automatically extended by successive one (1) year periods unless the Agreement has been terminated by either Party with three (3) months written notice prior to the end of the Term.
10.	<i>Territory</i>	<i>Slovak Republic</i>
11.	<i>Number of Subscribers as at the Commencement Date</i>	590
12.	<i>Security System</i>	analogue cable network
13.	<i>Address for Notices</i>	<u>Operator</u> Kalná KTR, s.r.o. Attention: Daniel Svorda General: email kalnaktr@kalna.eu, mobile: +421 0907 042862 Accounting: email kalnaktr@kalna.eu, mobile: +421 0907 042862 Legal: email kalnaktr@kalna.eu, mobile: +421 0907 042862 Technical: email kalnaktr@kalna.eu, mobile: +421 0907 042862 NGC Europe Limited 3rd Floor, Shepherds Building East, Richmond Way, Shepherds Bush, London W14 0DQ Fax: (+44 20 7751 7698) Attention: Director of Television Networks & Director of Finance
14.	<i>Details for invoicing (Operator) as shall appear on invoice.</i>	NAME: Kalná KTR, s.r.o. STREET: Červenej armády 55 CITY: Kalná nad Hronom POSTAL CODE: 93532 COUNTRY: Slovak Republic NIP: SK2021577437

The CABLE Systems

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

The CR222 systems licensed by this Agreement at the date of this Agreement are set out in the table below:		
<i>Name of System</i>	<i>Coverage Area</i>	<i>No of Subscribers of Agreed Tier as at commencement</i>
Kalná KTR, s.r.o.	Slovak Republic	590

Payment Terms

- 1. Calculation** - Following receipt of Operator's Subscriber Report in accordance with clause 5, NGC shall calculate the Subscriber Fees due to NGC by multiplying the Actual Number of Subscribers to each the Channel by the Price per Subscriber per Month.
 - 2. Failure to submit a report** - If the Operator fails to submit a Subscriber Report, NGC 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 NGC the full amount due.
 - 3.** If the Operator fails to deliver any Subscriber Report on time, NGC 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 NGC, it shall constitute a material breach of this Agreement incapable of remedy entitling NGC to terminate.
 - 4. Exclusive of VAT** - The expenses payable by the Operator to NGC are net amounts and shall be increased by any taxes due under the laws of Slovak Republic.
 - 5. Taxes** - Operator represents and warrants that it will pay and hold NGC harmless from any taxes, fees or other amounts, levied in the Territory, in respect of the amounts payable to NGC pursuant to this Agreement. If any such taxes, fees or other amounts, for which Operator is responsible under the preceding sentence, are required to be deducted from any amount required to be paid to NGC under any provision of this Agreement, then Operator shall make such deduction 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 NGC under this Agreement as may be necessary, so that after making all such required deductions NGC receive an amount equal to the amount NGC would have received had no such deductions been made.

In the event that any withholding tax is imposed on any amount of the Subscriber Fees required to be paid by Operator under this Agreement, Operator shall pay such withholding tax to the appropriate tax authorities and, provided that Operator forwards to NGC all required documentation under applicable tax treaties as soon as practicable thereafter, shall be entitled to deduct the amount of such withholding tax from payment of the Subscriber Fees required to be made by Operator under this Agreement. Operator agrees to indemnify and hold NGC harmless from any claims and liabilities for any such taxes, fees or other amounts that Operator fails to pay to the applicable taxing authority and any interest and penalties in connection with them.
 - 6. Payment** - Operator shall pay the amount payable to NGC within 30 days of the date of NGC's invoice. Interest may be charged by NGC on all late payments from the time such payment became due until full payment is made at the rate of 8% annually.
 - 7.** 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 Channels.
 - 8.** All Subscriber Fees shall be paid in Euro or US Dollars, or otherwise as required by NGC, into the following Bank Accounts:

NGC
US Dollar Account Number: 88817211
EURO Account Number: 64802566

Sort Code: 20-78-98
Bank Name: Barclays Bank plc
Bank Address: Media Banking Centre
27 Soho Square
London W1A 4WA
United Kingdom
- Operator shall include details of NGC's invoice reference number with each and every payment in order that NGC can track and maintain accurate payment records.**
- 9.** Acceptance by NGC of any payments shall not constitute acceptance of the correctness of that payment or of any Subscriber report submitted by the Operator.
 - 10. Increases** - NGC shall be entitled to increase the Subscriber Fees on 1 January each year of the Term by the lesser of:
 - a) an amount equal to the aggregate percentage increase in the UK Retail Price Index published for the period from the anniversary of the Commencement Date; and
 - b) 3% of the Subscriber Fees.
 - 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.

SCHEDULE 4

Definitions and Interpretation

Part 1 – Definitions

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

“**Affiliate**” means in relation to any Party, a person which, directly or indirectly: (i) is Controlled by that Party; (ii) Controls that Party; or (iii) is Controlled by a person referred to in (ii) above, and for this purpose Control means the power of a person to secure (whether by the holding of shares, possession of voting rights or by virtue of any powers conferred by articles of association, constitution, partnership agreement or other document regulating such person) that the affairs of another are conducted in accordance with its wishes and "Controlled" shall be construed accordingly.

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

"**Actual 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 and which must be subscribed to before those subscribers can receive any other tiers and/or services and/or channels and/or premium options after any of the Operator's "must carry" tiers provided that any "must carry" tiers will only comprise of national public broadcaster channels and/or channels which Operator is not required to pay for and do not include any channel or programme service that:

- (a) is international;
- (b) contains programming which is competitive to the Channel; or
- (c) is accessible via pay-per-view, near video on demand or video on demand or similar access systems.

In the event that there is more than one Basic Tier the Channels must be included in each such Tier. Channels in Basic Tier contain advertisement which is placed in programming schedule including within programs;

"**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 and IPTV systems and includes satellite delivery from any distribution point to any other distribution point in that transmission 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;

"**Channel**" means the television programme service described in section 2 of Schedule 1;

"**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.

"**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 Systems (each a "**Place of Multiple Occupation**")

"**Commencement Date**" is set out in section 3 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 and does not comprise premium channels; channels in Extended Basic Tier contain advertisement which is placed in programming schedule including within programs;

"**Force Majeure Event**" includes strikes, lockouts or other industrial disputes or action, acts of God, acts of governments or other prevailing authorities or regulatory bodies, inclement weather, satellite or technical failure;

"**NGC Marks**" means the trade mark, the logos and service marks, "National Geographic Channel" and "Nat Geo Wild" with and without the "Yellow Border Design" and all other intellectual property, logos, trademarks and theme music associated with the Channel;

"**Loan Equipment**" means the receiving or decoding equipment set out in section 4 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;

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

"**Place of Multiple Occupation**" shall mean a multiple residential or non-residential commercial or communal establishment and any multiple residential or non-residential unit (including for the avoidance of doubt hospitals, prisons, institutions, nursing homes, schools, bars, hotels, motels, guest houses, boarding houses or any similar establishment, but excluding the common areas of any such establishments and/or units).

"**Point of Delivery of the Channel or POD**" means the place where the Operator receives the encrypted Channel signal by a cable headend or other technical means for processing and distribution to the public;

"**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 a SMATV System, which is authorized to receive the Channels via the Cable Systems by virtue of a contract or arrangement with Operator that provides for a subscription/access fee charged for access to the Operator's services and/or offer.

"**Rights**" are defined in section 5 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 Channels; or
- (b) a payment is made in respect of that room for the Channels.

"Satellite" means the satellite described in section 7 of Schedule 1 or as designated by NGC from time to time for the transmission of the Channels;

"Security System" means the security system approved by NGC as set out in section 12 of Schedule 1.

"SMATV System" means a satellite master antenna television relay system.

"Subscriber" is defined in section 6 of Schedule 1;

"Subscriber Fees" means the sum payable by the Operator per subscriber per month to NGC as set out in section 8 of Schedule 1;

"Term" is set out in section 9 of Schedule 1;

"Territory" is set out in section 10 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.