



METHOD FOR ALLOCATING LISTINGS IN SKY'S EPG

MARCH 2010

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INTRODUCTION

This statement ("Listing Methodology") sets out Sky's method for allocating listings in its electronic programme guide ("EPG"), also known as "Sky Guide". This version of the Listing Methodology takes effect from 19 March 2010 and replaces all previous versions.

Sky allocates EPG listings to television channels, radio stations and interactive services (which together are referred to as "services" in this document). Where services are distributed on a pay TV basis, Sky usually enters into an agreement for EPG services with the company distributing such services (and in this document, references to the "distributor" are to be read as referring to such a pay TV distributor). In the case of free to air services, Sky enters into an EPG services agreement directly with the broadcaster of the service.

Sky will continue to update this Listing Methodology from time to time (in consultation with broadcasters) as its method for allocating EPG listings evolves.

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SECTION ONE: MINIMUM PROGRAMMING AND TECHNICAL REQUIREMENTS

Set out below are the minimum programming and technical requirements for standard definition (“SD”) channels, high definition (“HD”) channels and Planostereoscopic three dimensional (“3D”) channels.

1.1 Minimum non-repeating programming – all channels

In this section 1, “non-repeating programming” means programming which has not already been scheduled and broadcast on the relevant service during the relevant period.

Television channels and radio stations listed in the EPG, other than those of a type specified below, must broadcast no less than 12 hours of “non-repeating programming” in each 7 day period.

Channels in the Shopping genre of the EPG must broadcast no less than 6 hours of non-repeating programming in each 7 day period.

3D channels listed in the EPG must broadcast no less than 6 hours of non-repeating programming in each 7 day period.

Where a service is constituted by regional variants or viewer-type variants, the thresholds set out in this section must be met in respect of each variant.

The requirements in this section 1.1 shall not apply to those television channels and radio stations which are intended to provide viewers with information about the EPG or the platform (such as the Sky Intro channel), “barker” channels, channels available on a pay-per-view basis, and any television channel or radio station in respect of which regulatory restrictions prevent the broadcast of the requisite amount of non-repeating programming.

Sky does not consider that there is any ongoing justification for applying a different rule to channels in the Shopping genre of the EPG. Sky intends to remove the temporary concession granted to channels in the Shopping genre entirely in due course, such that they must broadcast no less than 12 hours of non-repeating programming in each 7 day period. However, before doing so, Sky will consult further with broadcasters of channels in the Shopping genre about the appropriate timing for removing the concession. Such consultation will not be conducted until some time after January 2011.

Sky anticipates that it may be appropriate to increase the minimum non-repeating programming requirements for 3D channels (as set out above) as the amount of available 3D content increases.

1.2 Treatment of simulcast programming

In this section 1.2, “programming which is simulcast” shall mean programming appearing on two or more services at the same time, or which appears on a second service within 15 minutes of appearing on the first service, whether those services are broadcast by the same or different broadcasters.

Television channels and radio stations consisting of programming which is simulcast on another television channel or radio station usually occupy an EPG channel number and use set top box memory without providing additional value to viewers.

In light of this, where programming is simulcast on a second (and any subsequent) television channel or radio station, for the purpose of section 1.1 of this Listing Methodology such programming will only count as “non-repeating programming” on one of such television channels or radio stations.

Unless otherwise agreed with the broadcaster(s) of the relevant television channels or radio stations, simulcast programming will only count as “non-repeating programming” for the first of the channels or stations, as determined by which comes first in the “All Channels” menu in the EPG. Accordingly, simulcast programming will be disregarded when considering whether the second (and any subsequent) channels or stations meet the thresholds described in section 1.1 above.

Sky will consider departing from this policy on a case-by-case basis as a strictly temporary measure if a broadcaster can demonstrate that exceptional circumstances require it to simulcast programming on two or more television channels or radio stations for a limited period.

This policy with regard to simulcasting does not apply to any programme which is a high definition simulcast or a 3D simulcast, or to any “out of area” regional variants which are listed in the EPG.

1.3 Result of not complying with the minimum programming requirements

Sky shall be entitled to suspend the provision of EPG services if a service fails to meet the relevant requirements set out in sections 1.1 and 1.2 (and Sky may permanently terminate such listing in accordance with the relevant EPG Services Agreement if the listing remains suspended for 30 days or more). Sky shall consult with the broadcaster and/or distributor before exercising its right to suspend an EPG listing.

1.4 Technical requirements for HD television channels

Broadcasters wishing to broadcast television channels in HD will only be allocated a listing in the EPG if they comply with the following technical requirements:

- (i) HD television channels must comply with the Technical Specifications and Broadcast Requirements notified by Sky from time to time in accordance with the relevant EPG Services Agreement. The Broadcast Requirements will require that the channel is broadcast in either “1080i/25” or “720p/50” format. Such formats are described in the technical recommendation “EBU – TECH 3299 – E”, and, in the case of 1080i/25, as further detailed in the specification “SMPTE 274M-2003” (in each case as amended from time to time);
- (ii) HD television channels must include a primary audio component encoded as a Dolby AC-3 audio stream, as described in “ETSI TR 101 154 - Annex C” (as amended from time to time), such that they are capable of delivering multi-channel audio in Dolby Digital 5.1;
- (iii) HD television channels broadcast in 1080i/25 format must be encoded for broadcast using a horizontal resolution sufficient to ensure that the level of visual detail is not materially degraded, when compared to the source material; and
- (iv) HD television channels must be broadcast using a video bitrate sufficient to ensure that minimal (or no) coding artefacts are introduced at the point of transmission. As a guide:
 - for the first generation of H.264 encoding technologies this would be no less than an average video bitrate of 15Mb/s for sport content, 11Mb/s for movie content and 13Mb/s for other content, when the HD channel is broadcast within a statistically multiplexed group of services sharing 36Mb/s of satellite transponder capacity for the video content; and

- for the second generation of H.264 encoding technologies this would be no less than an average video bitrate of 12Mb/s for sport content, 8.5Mb/s for movie content and 10.5Mb/s for other content, when the HD channel is broadcast within a statistically multiplexed group of services sharing 36Mb/s of satellite transponder capacity for the video content.
- for the subsequent generations of H.264 encoding technologies further efficiencies are anticipated. When Sky is in a position to provide further relevant guidance this section of the Listing Methodology may be revised accordingly.

It should be noted that where a constant bitrate is employed, the bitrate required to ensure that minimal (or no) coding artefacts are introduced at the point of transmission is normally higher than those stated above.

1.5. *Content standards for HD television channels*

In addition to meeting the technical requirements set out at section 1.4 above, HD television channels listed in Sky's EPG must broadcast a certain amount of "native HD" programmes.

In this context, "native HD" programmes means programmes in an HD format with a native resolution of no less than 720 lines in a 16:9 aspect ratio where intended for broadcast at 720p/50 or with a resolution of no less than 1080 lines in a 16:9 aspect ratio where intended for broadcast at 1080i/25, and in respect of which no less than 75% of the programme (measured by duration) has been:

- (i) acquired uncompressed; or
- (ii) acquired compressed on DVCProHD, AVC-Intra 100, AVC-Ultra, HDCamSR, HDD5, HDCam or DVC Pro 100, in each case at 720 or 1080 native resolution and where shot on a three image sensor camera with each image sensor being of one half inch or greater; or
- (iii) acquired compressed at a bitrate of no less than 50Mb/s on any other medium where shot on a three image sensor camera with each image sensor being of one half inch or greater; or
- (iv) shot on no less than 35mm film that has been transferred to 720 or 1080 at native resolutions,

and, in each case, which has been subsequently stored, at all stages prior to transmission, at either:

- (i) a bitrate of no less than 50Mb/s where inter-frame coding is utilised; or
- (ii) a bitrate of no less than 100 Mb/s where frame-based coding is utilised.

At the time of writing, the XDCam EX acquisition format does not support bitrates of 50Mb/s. Therefore, programmes acquired on this format do not constitute "native HD" programmes for the purposes of this policy.

In order to be listed in Sky's EPG, an HD channel must:

- (i) in the case of pay-per-view channels, consist of no less than 75% native HD programmes; and

- (ii) in the case of other channels, comply with any one (or more) of the options below:
- the channel may consist of no less than 75% native HD programmes; or
 - the channel may include no less than 320 hours of non-repeating native HD programmes in each 12 month period provided that the channel includes no less than 70 hours of non-repeating native HD programmes in each 3 month period; or
 - the channel may include no less than 500 hours of native HD content in each 3 month period (which may include repeated native HD content provided that the channel has a minimum of no less than 40 hours of non-repeating native HD programmes each calendar month).

Sky will consider departing from its requirement that all HD channels contain such minimum amount of HD programming on a cases-by-case basis as a strictly temporary measure if a broadcaster can demonstrate that exceptional circumstances have prevented it from broadcasting the minimum number of HD hours a channel is required to broadcast each quarter.

Broadcasters must inform Sky when they first start broadcasting in HD, and on each anniversary thereafter, which of the options above they are seeking to meet.

For the avoidance of doubt, the minimum number of HD hours requirements apply in addition to the minimum broadcast hour requirements set out in section 1.1 of the Listing Methodology.

Sky expects that it will be appropriate to modify the content requirements for HD television channels as both HD technology, and viewers' expectations, develop. Future requirements may include the requirement to broadcast content accompanied by multi-channel audio. Broadcasters and distributors will be consulted about any changes to the requirements.

1.6 Technical requirements for 3D channels

Broadcasters wishing to broadcast television channels in 3D will only be allocated a listing in the EPG if they comply with the following technical requirements:

- (i) 3D channels must comply with the Technical Specifications and Broadcast Requirements notified by Sky from time to time in accordance with the relevant EPG Services Agreement. The Broadcast Requirements will require that the channel is broadcast in "1080i/25" format. 1080i/25 is described in the technical recommendation "EBU - TECH 3299 - E", and further detailed in the specification "SMPTE 274M-2003" (in each case as amended from time to time);
- (ii) 3D channels must include a primary audio component encoded as a Dolby AC-3 audio stream, as described in "ETSI TR 101 154 - Annex C" (as amended from time to time), such that they are capable of delivering multi-channel audio in Dolby Digital 5.1;
- (iii) 3D channels must be encoded for broadcast using a horizontal resolution sufficient to ensure that the level of visual detail is not materially degraded, when compared to the post 3D-multiplexed source material; and
- (iv) 3D channels must be broadcast using a video bitrate sufficient to ensure that minimal (or no) coding artefacts are introduced at the point of transmission. As a guide:

- for the first generation of H.264 encoding technologies this would be no less than an average video bitrate of 15Mb/s for sport content, 11Mb/s for movie content and 13Mb/s for other content, when the 3D channel is broadcast within a statistically multiplexed group of services sharing 36Mb/s of satellite transponder capacity for the video content; and
- for the second generation of H.264 encoding technologies this would be no less than an average video bitrate of 12Mb/s for sport content, 8.5Mb/s for movie content and 10.5Mb/s for other content, when the 3D channel is broadcast within a statistically multiplexed group of services sharing 36Mb/s of satellite transponder capacity for the video content.

Whilst average bitrates have been provided as a guide above, care should be taken to ensure that the peak demands for bandwidth can also be accommodated to ensure consistency in maintaining the level of picture detail required by 3D. It should be noted that where a constant bitrate is employed, the bitrate required to ensure that minimal (or no) coding artefacts are introduced at the point of transmission is normally higher than those stated above.

1.7. *Content standards for 3D channels*

In addition to meeting the technical requirements set out at section 1.6 above, 3D channels listed in Sky's EPG must broadcast a certain amount of "Compliant 3D" programmes.

In this context, Compliant 3D programmes means programmes accompanied by multi-channel audio (as described in section 1.6(ii) above) in respect of which no less than 75% of the programme (measured by duration) has been shot using identical camera pairs each with a three image sensor array, with each image sensor being of one half inch or greater and in each case:

- (i) with a native resolution of 1920 by 1080 pixels and at a frame rate of 25 frames per second as 50 fields per second interlaced; or
- (ii) with a native resolution of 1920 by 1080 pixels and at a frame rate of 25 frames per second progressive,

and, in each case:

- (i) acquired uncompressed; or
- (ii) acquired compressed on HDCamSR 4:2:2 x 2 dual link synchronous records at 440 Mb/s; or
- (iii) acquired compressed on HDCamSR or HDCam with individual Left Eye/Right Eye tapes and synchronised identical timecode; or
- (iv) acquired compressed on DVCProHD, DVCPro 100, AVC-Intra 100 or HDD5 with individual Left Eye/Right Eye tapes and synchronised identical timecode; or
- (v) acquired compressed directly as MPEG2 Intra-frame at a bitrate of no less than 100Mb/s to a server based Stereoscopic playback device,

and, in each case, which has been subsequently stored, at all stages prior to transmission, at either:

- (i) a bitrate of no less than 50Mb/s where intra-frame coding is utilised; or
- (ii) a bitrate of no less than 100 Mb/s where frame-based coding is utilised.

For the avoidance of doubt, for a programme to remain a Compliant 3D programme, any two dimensional ("2D") source footage, or 2D source footage which has been artificially rendered to produce 3D like effects, must not exceed 25% of the total programme duration.

Note: Where an original production has been shot in 2D on no less than 35mm film and has been transferred to 1080 lines at native resolution or which has been produced entirely in the digital domain at equivalent resolution and has been subsequently processed as a whole to create a 3D counterpart then, on a case by case basis, Sky may, at its sole discretion, allow this content to be considered a Compliant 3D programme for the purposes of this section 1.7.

In order to be listed in Sky's EPG, a 3D channel must consist of no less than 90% Compliant 3D programmes.

Sky will consider departing from its requirement that all 3D channels contain at least 90% Compliant 3D programmes on a case-by-case basis as a strictly temporary measure if a broadcaster can demonstrate that exceptional circumstances have prevented it from broadcasting this percentage of Compliant 3D programmes.

Sky expects that it will be appropriate to modify the content requirements for 3D channels as both 3D technology, and viewers' expectations, develop. Broadcasters and distributors will be consulted about any changes to the requirements.

1.8 Result of not complying with the technical and content requirements

Sky shall be entitled to suspend the provision of EPG services for an HD channel or a 3D channel if it fails to meet the relevant requirements set out in sections 1.4, 1.5, 1.6 or 1.7 above (and Sky may permanently terminate such listing in accordance with the relevant EPG Services Agreement if the listing remains suspended for 30 days or more). Sky shall consult with the broadcaster and/or distributor before exercising its right to suspend an EPG listing. As part of such consultation, any HD channel which is already listed in the EPG as at the date of this Listing Methodology and any HD channel or 3D channel which has evolved from an SD channel, will be given the option of broadcasting the channel in SD. However, a channel that has launched into the EPG via the HD/3D launch queue, details of which are set out in section 4.3 of this Listing Methodology (the "HD/3D launch queue"), will not be given the option of broadcasting the channel in SD, as this would increase the amount of memory used by SD set top boxes and could result in significant memory constraints for certain Sky SD set top boxes.

SECTION TWO: EPG GENRES

Sky's EPG is divided into a number of different menus. In the EPG available on SD set top boxes, television channels and radio stations are listed in the TV Guide menu, and interactive services are listed in the Interactive Main Menu ("IMM").

In the EPG available on HD set top boxes there are separate menus for television channels (the TV Guide menu), radio stations (the Radio menu) and interactive services (the IMM).

2.1 TV Guide menu

The TV Guide menu contains an "All Channels" sub-menu, and, on the version of the EPG available on HD set top boxes, an "All HD Channels" sub-menu. The TV Guide menu also divides television channels and radio stations into the genres and sub-genres shown in the table below:

Genre	Sub-Genres
Entertainment	None
Lifestyle & Culture	None
Movies	Subscription & Free-to-air Movies Pay-per-view Movies
Sports	Subscription & Free-to-air Sports Pay-per-view Sports
News	None
Documentaries	None
Kids	None
Music	Music Audio
Radio*	None
Shopping	None
Religion	None
International	None
Gaming & Dating	Gaming Dating
Specialist	None
Adult	None

*The TV Guide menu in the EPG available on HD set top boxes has a separate top-level menu for radio stations, and does not list Radio as a genre within the TV Guide menu.

Within the EPG, genres and sub-genres are listed in the same order as they are listed in the table above. "Sub-genres" are sub-categories within certain genres. Sub-genres are not separately labelled on the EPG.

Assessing the relevant genre or sub-genre for a channel that is launching via the HD/3D launch queue or is launching following the transfer of the right to be listed in the EPG

Sky may make a preliminary assessment of the appropriate genre or sub-genre for a service before a service is launched into the EPG (whether via the HD/3D launch queue or following the acquisition by a broadcaster of the right to be listed in the EPG). Where such preliminary assessments are made, they will be communicated to the broadcaster or distributor.

The final decision as to the appropriate genre or sub-genre is made by Sky after reviewing:

- (i) scheduling, event and synopsis information for the first 14 days of the service's broadcast (this information must be transmitted to Sky at least 14 days before the service's launch into the EPG);
- (ii) any other information which Sky may request from the broadcaster or distributor and which the broadcaster or distributor wishes to provide: the information that Sky may request may include a preview tape showing a sample of the programming that will be broadcast on the service, information about the content to which the broadcaster has acquired rights and details of the broadcaster's target audience; and
- (iii) any relevant publicly available information: this may include information on the broadcaster's website, the broadcaster's marketing material and, if the service is already broadcasting via satellite or on another platform, the broadcast output itself.

In making its decision, Sky will give greater weight to its analysis of programming which is scheduled for broadcast at launch (and interactive content which can be accessed from the service) than to representations about content which is planned for the future.

Where a channel in the HD/3D launch queue has been allocated a launch date and the final decision as to the appropriate genre for that channel is different to any preliminary assessment previously communicated to the broadcaster or distributor, it may be necessary for the service to be launched at a later date. This action will be taken where there may not be enough EPG channel numbers left in a genre or sub-genre to accommodate the launch of (i) all channels in the HD/3D launch queue which are expected to launch into that genre or sub-genre and which have been allocated a launch date, and (ii) all channels which are expected to move into that genre or sub-genre as the result of the transfer of an EPG slot in accordance with section 4.2 of this Listing Methodology, and in respect of which all relevant documentation to effect the transfer has been signed by all parties. As Sky periodically re-organises the EPG to accommodate new channels in genres which are full, Sky would expect to need to take this action only rarely.

Where a launch is deferred, Sky will allocate a new EPG launch date to the service on a "*first-come, first-served basis*" if room becomes available at the bottom of the relevant genre or sub-genre.

Assessing channels that are currently listed in the EPG

Where it becomes apparent to Sky at any time that a service listed in the EPG would be more appropriately listed in a different genre, sub-genre or category, Sky may, after consulting with the broadcaster or distributor, move the service to the more appropriate genre, sub-genre or category. This may happen if the content on a service changes or if Sky changes the criteria for listing services in particular genres, sub-genres or categories.

Rules applicable to all services

The assessment of the appropriate genre or sub-genre, in light of the criteria set out below, is ultimately a matter for Sky. Sky will seek to be fair, reasonable and non-discriminatory in its approach to such assessment.

The following guidance explains the criteria applied by Sky in determining the relevant genre or sub-genre.

(a) Entertainment genre

A channel will be allocated a channel number in the Entertainment genre if its programming is predominantly of a general entertainment nature, is of appeal to a wide audience and is not more appropriately listed in another existing genre. (For example, a movie channel may carry programming which is of a general entertainment nature and appeals to a wide audience; nevertheless, such a channel is more appropriately listed in the Movies genre.)

(b) Lifestyle & Culture genre

A channel will be allocated a channel number in the Lifestyle & Culture genre if its programming is predominantly related to lifestyle and culture, including, without limitation, programming related to the arts, travel, design, the home, gardens, property, health, food or fashion.

(c) Movies genre

A channel will be allocated a channel number in the Movies genre if its programming is predominantly movies and pre-view/promotional material relating to movies. The genre is divided into a sub-genre for subscription and free-to-air channels and a sub-genre for pay-per-view channels.

(d) Sports genre

A channel will be allocated a channel number in the Sports genre if its programming is predominantly sports and/or sports related programming. The genre is divided into a sub-genre for subscription and free-to-air channels and a sub-genre for pay-per-view channels.

(e) News genre

A channel will be allocated a channel number in the News genre if its programming is predominantly news and/or current affairs.

(f) Documentaries genre

A channel will be allocated a channel number in the Documentaries genre if its programming is predominantly documentaries. In this context, “documentaries” might include factual programmes and “docudramas” focussing on the factual depiction of people, places, events, history or the environment.

(g) Kids genre

A channel will be allocated a channel number in the Kids genre if its programming is aimed at children aged 15 and under. Channels in this genre should not comprise any material unsuitable for children aged 15 or under.

(h) Music genre

Music sub-genre

A channel will be allocated a channel number in the Music sub-genre if its programming is predominantly music and music related programming, or if the channel has a strong music theme. Channels in this sub-genre must have video programming throughout the hours during which they broadcast; a channel will not be listed in this sub-genre if it comprises audio-only programming or audio-only programming with on-screen stills.

Audio sub-genre

A channel will be allocated a channel number in the Audio sub-genre if it comprises audio-only programming with on-screen stills. A channel will not be listed in this sub-genre if it comprises video programming (other than via any interactive application which may be launched from the channel).

(i) Radio genre

A service will be allocated a channel number in the Radio genre if it comprises audio-only programming and is licensed as a radio station rather than as a television channel. A service will not currently be listed in this genre if it comprises video programming or on-screen stills (other than via any interactive application which may be launched from the service).

(j) Shopping genre

A channel will be allocated a channel number in the Shopping genre if a substantial element of its programming is of a shopping or advertising nature and the channel would not be more appropriately listed in the Gaming sub-genre of the EPG.

In this context, a channel will have a “substantial element” of programming of the type described above, if:

- (i) fifty per cent or more of the programming on the channel is of a shopping or advertising nature; and/or
- (ii) more than 3 hours of programming of a shopping or advertising nature is broadcast on the channel per day between 10:00 and 24:00; and/or
- (iii) more than 9 hours of programming of a shopping or advertising nature is broadcast on the channel per day.

(k) Religion genre

A channel will be allocated a channel number in the Religion genre if its programming is predominantly related to religion.

(l) International genre

Subject to the exception set out below, a channel will be allocated a channel number in the International genre if it includes a significant amount of foreign language programming; that is, programming that is not in English (or Welsh), or another language which is indigenous to the UK, whether sub-titled or not. Sky considers that 15% or more of the programming would be a “significant amount” in this context.

In assessing the amount of foreign programming over a particular period, any single programme that comprises more than a minimal amount of content in any language other than English (or Welsh), or another language which is indigenous to the UK, will be regarded as foreign language programming.

However, a channel that includes more than 15% foreign language programming will not be listed in the International genre, but will instead be listed in the Movies genre, where the following circumstances apply:

- (i) the programming broadcast on the channel is predominantly movies and pre-view/promotional material relating to movies;
- (ii) all foreign language content on the channel is sub-titled in English (or Welsh), or another language which is indigenous to the UK, and such sub-titles appear by default and do not require viewer activation;
- (iii) all preview and other promotional material on the channel (other than film clips) is in English (or Welsh), or another language which is indigenous to the UK; and
- (iv) the broadcaster can satisfy Sky that the channel is predominantly directed at an audience that would not understand the foreign language content if it were not sub-titled in English (or, as the case may be, Welsh or another language which is indigenous to the UK).

In making its decision as to whether criteria (iv) applies, Sky would consider representations from the broadcaster, marketing materials in respect of the channel, the channel output and any publicly available information about the channel.

(m) Gaming & Dating genre

Gaming sub-genre

A channel will be allocated a channel number in the Gaming sub-genre if there is a substantial element of programming on the channel which falls into one or both of the following categories:

- (i) programming which includes the presentation of virtual events on which viewers can place bets or otherwise gamble (whether on a “for real” or “for fun” basis); and/or
- (ii) programming that features or promotes services that are intended predominantly for adults and that allow viewers to participate in a competition (e.g. play along poker).

In this context, a channel will have a “substantial element” of programming of the type described above, if:

- (i) such programming constitutes fifty per cent or more of the programming on the channel; and/or
- (ii) more than 3 hours of such programming is broadcast on the channel per day between 10:00 and 24:00; and/or
- (iii) more than 9 hours of such programming is broadcast on the channel per day.

For the purposes of this section, a “virtual event” shall include any event the outcome of which is determined by means of a random number generator, whether electronic or otherwise (including roulette wheels, tombolas, balls machines and the like).

A channel will also be allocated a channel number in the Gaming sub-genre if its programming is predominantly related to gambling or similar themes.

Dating sub-genre

A channel will be allocated a channel number in the Dating sub-genre if its programming is predominantly of a kind which offers viewers the opportunity to arrange a date or otherwise communicate with each other (e.g. via on-screen text messages), or of a kind which offers viewers the opportunity to communicate privately with the programme's presenters or others (but which is not more appropriately listed in the Adult genre).

(n) Specialist genre

A channel will be allocated a channel number in the Specialist genre if its programming does not appeal to a wide audience or is predominantly directed towards specific, focussed or niche groups of viewers. This may include programming that offers a service to viewers (e.g. information about job vacancies) or programming about a special interest or programming that is of interest to a limited number of viewers.

A channel will also be allocated a channel number in the specialist genre if there is a substantial element of programming on the channel which is comprised of psychics communicating with viewers. In this context, a channel will have a "substantial element" of programming of this type if:

- (i) such programming constitutes fifty per cent or more of the programming on the channel; and/or
- (ii) more than 3 hours of such programming is broadcast on the channel per day between 10:00 and 24:00; and/or
- (iii) more than 9 hours of such programming is broadcast on the channel per day.

A channel will also be allocated a channel number in the Specialist genre if it comprises programming which is not appropriate to any other genre or sub-genre.

(o) Adult genre

A channel will be allocated a channel number in the Adult genre if, in Sky's reasonable opinion, the channel should be located in the Adult genre.

In determining whether a channel should be located in the Adult genre Sky will have regard to the amount of and nature of any programming of an adult nature on the channel. In this context, programming of an adult nature will include any programming which features the depiction (particularly when that depiction is lascivious) of behaviour of a sexual or sexually suggestive nature, including the exhibition of breasts, genitals or sexual activity of any kind.

If Sky determines that an existing channel listed in another genre of the EPG is most appropriately located in the Adult genre, but there are no available channel numbers for additional channels in the Adult genre, because:

- (i) the genre is full; or
- (ii) Sky has reserved a channel number in the Adult genre for a channel on the launch queue; or

- (iii) Sky has reserved a channel number in the Adult genre for a channel that is expected to move from another genre into the Adult genre following the transfer of an EPG slot in accordance with section 4.2 of this Listing Methodology, and in respect of which all relevant documentation to effect the transfer has been signed by all parties,

then Sky shall be entitled to suspend the EPG listing for the channel until either such a number becomes available, or until the content on the channel changes such that it is no longer most appropriately located in the Adult genre. Sky will consult with the broadcaster or distributor before exercising its right to suspend an EPG listing under this section.

Sky shall be entitled not to list in the “HD” tab, which is accessible in the EPG available to HD set top boxes, HD channels or 3D channels that are listed in the Adult genre.

2.2 IMM

Interactive platforms are divided into two categories for the purpose of allocating EPG listings in the IMM:

- (i) broad interactive platforms, which are platforms that offer access (whether directly or indirectly) to 5 or more different kinds of interactive services (banking, shopping, e-mail etc); and
- (ii) niche interactive platforms, which are platforms that offer access (whether directly or indirectly) to fewer than 5 different kinds of interactive services.

Broad interactive platforms are listed above niche interactive platforms in the IMM.

2.3 Radio menu

As noted above, the new version of the EPG software (which is only available to HD set top boxes) has a separate top-level menu for radio stations. The Radio menu will not contain any genres, sub-genres or categories.

A service will be allocated a channel number in the Radio menu if it comprises audio-only programming and is licensed as a radio station rather than as a television channel. A service will not currently be listed in this genre if it comprises video programming or on-screen stills (other than via any interactive application which may be launched from the service).

SECTION THREE: ALLOCATION OF CHANNEL NUMBERS

3.1 *Allocation of channel numbers*

Where a new service launches, or where it moves between genres, sub-genres or categories, the service will generally be allocated the next available channel number within the genre, sub-genre or category (that is, on a “*first-come, first-served*” basis). Accordingly, where a channel number is vacated by a service which has either ceased broadcasting or moved to another genre, the vacated channel number will not generally be re-allocated.

Sky may, from time to time, after consulting with broadcasters, fill any unallocated channel numbers within a genre or sub-genre by moving services listed below the unallocated channel numbers up the EPG, or move the services within a genre or sub-genre to a new number range. In so doing, Sky generally will retain the relative order of the services moved. In carrying out such a move Sky may, depending on the circumstances, allow broadcasters to elect to retain the existing channel number for their services, provided that they consent to other services listed below their service in the EPG prior to the move, and those launching into the genre or sub-genre subsequently, being listed above their service following the move.

There are exceptions to the “*first-come, first-served*” rule, and these are set out in the sub-section entitled “Multiplexes” and “Listing of public service channels” below.

In the IMM available on SD set top boxes, interactive services are allocated a different type of number to those allocated to television channels and radio stations; as a consequence of this difference, an interactive service’s number will change when any preceding interactive services are added into or taken out of the IMM. In the IMM available on HD set top boxes, interactive services are not allocated a number.

3.2 *Multiplexes*

When a new television channel (referred to as a “principal” channel in this section 3.2) launches into or moves from elsewhere in the EPG into either the Documentaries genre or the Subscription & Free-to-air Sports sub-genre, Sky currently reserves an empty channel number below such channel.

Sky’s current policy is to allocate these reserved channel numbers to “multiplexes” of the principal channel. In this context, Sky regards a multiplex as a channel that either launches into the EPG or that moves into the Documentaries genre or the Subscription & Free-to-air Sports sub-genre from elsewhere in the EPG and which:

- (i) is a timeshift of the principal channel (e.g. Discovery and Discovery + 1); or
- (ii) is manifestly linked by theme to the principal channel (e.g. EurosportUK and Eurosport2UK).

For the avoidance of doubt, multiplexes must by their nature be under common editorial control with the principal channel. Accordingly, multiplexes must either be broadcast by the broadcaster of the principal channel or by another broadcaster within the same wholly owned corporate group as the broadcaster of the principal channel.

Sky will cease to reserve channel numbers for multiplexes in a genre or sub-genre if it anticipates that it is likely to run out of room for new channels at the end of that genre or sub-genre. In this case, Sky may also withdraw unallocated channel numbers which have been reserved for multiplexes by moving channels in the genre or sub-genre up to fill any vacant channel numbers.

The principles that Sky will apply to the trading of multiplex channels may be found in section 4 below.

3.3 *Listing of public service channels*

In this section, “public service channels” are those channels identified as such in accordance with section 310 of the Communications Act 2003, or, in the case of channels licensed by the Broadcasting Commission of Ireland, those channels which are regulated in an equivalent or similar manner in Ireland.

When allocating listings to public service channels, Sky seeks to give such channels an appropriate degree of prominence.

Each public service channel is different and, therefore, different analysis is applied in determining the appropriate channel number for each such channel. Nevertheless, Sky anticipates taking the following into account when allocating channel numbers to public service channels:

- (i) the launch date or intended date of launch of the channel into the EPG;
- (ii) the nature of the programming on the channel;
- (iii) the channel numbers which are available at the time of the launch into the EPG: it would generally be unfair and disproportionate to permit a public service channel to take over an EPG channel number which has been allocated to another channel; and
- (iv) the territory within the UK or Ireland in respect of which the broadcaster’s public service obligations extend. For example, it may be appropriate to allocate different channel numbers to a channel in different parts of the UK when its public service obligations extend only to part of the UK (provided that the broadcaster has acquired the necessary conditional access (regionalisation) service from Sky to enable this). Sky does not consider it appropriate to give prominence to the UK public service channels in the channel line-up(s) associated with Ireland, or to give Irish public service channels prominence in any of the channel line-up(s) associated with the UK.

Regional variants of a channel (including “out of area” regional variants) are listed in the same EPG genre. Out of area services may, however, be listed towards the end of the EPG rather than at the next available channel number.

Viewers with an access card should be able to view the correct regional variant of a public service channel (where regional variants exist) at the “primary” EPG listing for that channel (provided that the broadcaster has acquired the necessary conditional access (regionalisation) service from Sky to enable this).

SECTION FOUR: LAUNCHING A CHANNEL / TRANSFERRING AN EPG LISTING

4.1 Introduction

There are a number of ways in which a broadcaster can launch a channel into the EPG:

- (i) First, by acquiring the rights and obligations associated with an EPG listing from an existing broadcaster on the Sky platform. See section 4.2 below for further detail; and
- (ii) Second, for HD channels or 3D channels, by applying to Sky for a listing via the new HD/3D EPG launch queue that Sky intends to open. See section 4.3 below for further detail.

Sky will also facilitate the launch of service variants, interactive applications, and interactive services, subject to certain conditions and restrictions. See section 4.4 below for further detail.

4.2 Acquiring the rights and obligations associated with an EPG Listing from an existing broadcaster

Sky will allow a broadcaster to transfer its right to have a service listed in the EPG, subject to its contractual rights and to the then current Listing Methodology. This section 4.2 sets out Sky's current policy with regards to transferring EPG slots. It is recommended that broadcasters review this section 4.2 prior to contacting Sky to request Sky's consent to the transfer.

4.2.1 Waiver of existing content rules

Most existing EPG Services Agreements restrict a broadcaster's ability to substantially change a service immediately before and immediately after the broadcaster undergoes a change of control, and immediately before and immediately after the transfer or assignment of the right to list the service in the EPG. More specifically, most existing EPG Services Agreements state that the name, description shown on the EPG, branding and content of a service affected by such a transaction must remain substantially the same for the period starting 28 days prior to such a transaction, and ending 90 days after such a transaction.

Subject to the other rules set out in this section 4.2, Sky agrees to waive such provisions for so long as this version of the Listing Methodology remains in force. Accordingly, where there is a transfer of a right to be listed in the EPG or a change of control of a broadcaster, then, subject to the rules in sections 4.2.2 and 4.2.7, the new broadcaster or new owner of the service is free to change the service proposition from the date of the transfer or change of control (or at any other time).

4.2.2 Notice and other conditions

Where a broadcaster wishes to transfer its contractual right to have a service listed in the EPG, the broadcaster is required to give notice to Sky of such intent and to request Sky's consent to the transfer. While the EPG Services Agreement requires broadcasters to request Sky's consent to a transfer 28 days prior to the proposed transfer date, the time taken to complete an EPG transfer may vary depending on the specific circumstances of the transfer. In certain circumstances, it may be possible to shorten the amount of time required to transfer an EPG listing, especially where the transferor and the transferee promptly provide Sky with all relevant information and arrange execution of the relevant documentation in a timely manner. Broadcasters requesting a transfer in a period of less than 28 days are encouraged to provide Sky with reasons why the notice period should be reduced/waived and to provide Sky with supporting documentation showing the necessity for such reduction/waiver. Broadcasters wishing to have the notice period reduced/waived should also ensure that all information and documentation requested by Sky is provided in a timely fashion.

Broadcasters who require that Sky makes operational changes as a consequence of an EPG transfer should note the indicative timelines set out in section 4.2.9(e) below.

As places in the HD/3D launch queue are not transferable, consent to transfer an HD/3D channel listing should not be requested until the channel has been launched.

The EPG Services Agreement also requires a broadcaster to give Sky 28 days' notice of a change of control. Sky agrees to waive this notice requirement where a broadcaster or distributor undergoes a change of control for so long as this version of the Listing Methodology remains in force.

As further detailed below, Sky also requires notice where a broadcaster or distributor wishes to change the name or description for a service, and where one licensed service is to be substituted with another.

4.2.3 Substitution of one service with another

Subject to sections 4.2.7 and 4.2.8, Sky agrees to allow broadcasters or distributors to substitute one service in the EPG with another service broadcast under a different broadcasting licence, for so long as this version of the Listing Methodology remains in force. Sky will permit broadcasters or distributors to substitute one television channel with another, one radio station with another, and one interactive service with another. However, substitutions of different types of services, such as a radio station with a television channel, will not be permitted.

A broadcaster or distributor wishing to substitute one service with another must provide Sky with a copy of the replacement broadcasting licence. Where the services are broadcast by the same broadcaster, Sky will usually require the broadcaster or the distributor of the service to enter into an agreement amending the existing EPG Services Agreement to reflect the change. Where a substitution occurs at the same time as a transfer of the right to have a service listed in the EPG from one broadcaster or distributor to another, such amendments can be provided for in the legal documentation effecting the transfer. Sky advises broadcasters wishing to substitute one service with another that it may take around 28 days from the date of the request to the actual date of substitution. In certain circumstances, it may be possible to shorten the amount of time required, especially where the broadcaster or distributor promptly provide Sky with all relevant information and arrange execution of the relevant documentation in a timely manner.

Where the entity which has the agreement with Sky for EPG services is the distributor of the service (rather than the broadcaster of the service), Sky will require the agreement of both the broadcaster and the distributor before effecting any substitution of the type described in this section 4.2.3.

4.2.4 Swapping EPG channel numbers

Subject to sections 4.2.7 and 4.2.8, Sky will allow any two services in the same genre / sub-genre (or category in the IMM) to swap channel numbers (or positions in the IMM), whether they are broadcast by the same or different broadcasters.

Sky will usually require the broadcaster(s) to enter into an agreement amending the existing EPG Service Agreement(s) to reflect the change. Sky advises that such swaps may take around 28 days from the date of the request to the actual date of the swap. In certain circumstances, it may be possible to shorten the amount of time required to complete the swap, especially where the broadcaster(s) provide to Sky all relevant information and arrange execution of the relevant documentation in a timely manner.

Where the entity which has the agreement with Sky for EPG services is the distributor of the service (rather than the broadcaster of the service), Sky will require the agreement of both the broadcaster and the distributor before effecting any swap of the type described in this section 4.2.4.

4.2.5 “Partial” transfers

The Sky EPG allows for different channels to be listed at the same EPG number in different regions. Sky recognises that an existing broadcaster may wish to transfer its contractual right to have a service listed in the EPG to a third party only in respect of a listing in a given region(s). Following such transfer, the existing broadcaster’s channel would continue to be listed only in the EPG in the regions which were not subject to the transfer; the third party broadcaster’s channel (in respect of which that broadcaster must hold its own, separate broadcast licence) would only be listed in the EPG in the region(s) which were subject to the transfer.

The same principle could be applied to transfer the right to be listed in the EPG versions available to particular types of viewers (e.g. those in residential or commercial premises).

Sky will not unreasonably withhold its consent to a proposed “partial” transfer of an EPG listing as described above. However, Sky will only provide its consent to such transfer provided that:

- (i) the requirements set out at section 4.2.2 have been met; and
- (ii) Sky is satisfied that such transfer will have minimal impact on set top box memory/capacity constraints.

Partial transfers of this type will be carried out in a strictly controlled manner to minimise their impact. Sky will cease permitting transfers of the nature described in this section 4.2.5 if it considers that they pose an issue for set top box memory or other capacity constraints.

The existing broadcaster and the third party broadcaster would each need to acquire conditional access (regionalisation) services from Sky in order to enable such arrangements. Sky would generally expect that, following the transfer, the two channels will be listed in the same EPG genre and will share an EPG channel number. However, where a “public service channel” (as defined in section 3.3 of the Listing Methodology), which has acquired its channel number by virtue of being a public service channel enters into a partial transfer of its EPG listing with a broadcaster of a channel which is not a public service channel, Sky shall be entitled to move the non-public service channel to the bottom of the relevant genre or sub-genre in the regions in which it is listed.

4.2.6 Move to another EPG genre, sub-genre or category

Where, following any type of transaction described in paragraphs 4.2.2, 4.2.3, 4.2.4 or 4.2.5, the content of a service changes such that it is no longer most appropriately listed in its existing genre, sub-genre or category, Sky is entitled to move the service to the next available channel number at the bottom of the most appropriate genre, sub-genre or category (see section 2 of the Listing Methodology for further information on the categorisation of channels within the EPG). Subject to Sky’s other rights to move services within the EPG, and to paragraph 4.2.8 below, if a broadcaster or distributor acquires an EPG listing from an existing broadcaster or distributor and continues to broadcast a service most appropriately listed in the same genre, sub-genre or category as the EPG listing acquired, it will retain the acquired EPG channel number.

4.2.7 Multiplexes

If a channel in such a genre or sub-genre acquired its position in the EPG on or after 1 January 2008 by virtue of being a multiplex channel, then:

- (i) the multiplex EPG position will be forfeited if the principal channel and the multiplex channel cease to be under common editorial control. This means that if the EPG listing

for either channel transfers to a different broadcaster, the multiplex channel must move to the first available channel number at the bottom of the relevant genre or sub-genre;

- (ii) Sky will allow the broadcaster to substitute either the principal channel or multiplex channel with a different licensed channel only if, following such substitution, the channel occupying the multiplex EPG position continues to be a multiplex of the preceding channel; and
- (iii) Sky will allow the broadcaster to swap the channel numbers of the principal channel and/or the multiplex channel with the channel numbers of other channels only if, following such a swap, the channel occupying the multiplex EPG position continues to be a multiplex of the preceding channel.

Any channel which acquired a position in the EPG by virtue of being a multiplex prior to 1 January 2008 shall not be subject to the rules set out above; the EPG listing for such a channel may be traded in the same way as that of any other service.

The rules in this section 4.2.7 shall only apply in the Documentaries genre and the Subscription & Free-to-air Sports sub-genre for so long as Sky continues to reserve channel numbers for multiplexes, and allocate channel numbers to multiplexes, in such genre and sub-genre.

4.2.8 Public service channels

It may not in all cases be fair to enable channel numbers which have been allocated to particular public service channels pursuant to section 3.3 of the Listing Methodology to be transferred to other channels. Accordingly, if a service has been allocated a channel number in accordance with section 3.3 of the Listing Methodology by virtue of it being a public service channel (as defined in section 3.3 of the Listing Methodology), and the broadcaster of the channel enters into any transaction of the type described in sections 4.2.1 to 4.2.5 (inclusive) which would result in a channel which is not a public service channel occupying the channel number, then Sky shall be entitled to move such channel to the bottom of the relevant genre or sub-genre. If, instead, the channel which would occupy the relevant channel number following such a transaction is another public service channel, Sky will consider whether, in light of the criteria in section 3.3 of the Listing Methodology and Sky's obligation to give the service an appropriate degree of prominence, the channel is most appropriately listed at that channel number or elsewhere, and Sky shall be entitled to move the channel to elsewhere in the EPG if it deems such a move appropriate.

4.2.9 Practical requirements for the transfer of EPG listings

Set out below is a summary of the various practical requirements associated with the transfer of the right to have a service listed in the EPG

For the purposes of this section 4.2.9:

- (i) the broadcaster/distributor with rights to an EPG listing is the "Transferor"; and
- (ii) the broadcaster/distributor proposing to acquire the EPG listing from the Transferor is the "Transferee".

(a) Consent to transfer

Prior to transferring its EPG listing, the Transferor must first send Sky a written request to transfer the listing to the Transferee. Sky will generally provide its consent to the proposed transfer, provided the following conditions have been met:

- (i) Sky has been provided with licence details for the service to be broadcast by the Transferee, to include either: (a) written evidence of any necessary regulatory consents for the transfer of the Transferor's existing licence to the Transferee; or (b) a copy of the Transferee's own, separate broadcast licence in respect of the channel it proposes to launch following completion of the transfer. See paragraph (b) below for further detail;
- (ii) there are no subsisting breaches of the EPG Agreement or any other agreement for platform services (namely, EPG, conditional access or access control services) held by the Transferee and, specifically, there are no charges overdue in respect of such services;
- (iii) all invoices issued to the Transferor in respect of the EPG listing, whether overdue or not, are paid in full. See paragraph (c) below for further detail;
- (iv) if required, the Transferee has paid Sky a deposit in respect of future charges payable under the EPG Services Agreement; and
- (v) the Transferor has paid to Sky the transfer fee in accordance with paragraph (d) below.

(b) Broadcast licence

Where the Transferor intends to transfer its broadcast licence to the Transferee, the date of such transfer should coincide with the date of the transfer of the EPG listing. In the event that the Transferor transfers its broadcast licence prior to the transfer of the EPG listing, it would cease to have a licence for the service listed in the EPG pursuant to its EPG Services Agreement, which entitles Sky to terminate such agreement with immediate effect.

(c) Payment of invoices

Sky invoices monthly in advance for EPG services. Therefore, it is likely that some of the invoices payable by the Transferor in respect of the EPG listing will relate to periods following the effective date of the transfer. Sky will not refund to the Transferor any sums which relate to periods following the effective date of the transfer. The Transferor and the Transferee will need to reconcile these payments between themselves if they so wish.

Where the Transferee pays any EPG fees on behalf of the Transferor prior to the date of the transfer, it does so as agent for the Transferor. Sky will not reimburse the Transferee for such payments in the event that the transfer does not occur. The parties will need to reconcile such payments between themselves if they so wish.

(d) Transfer fee

Under the EPG Services Agreement, Sky may require the payment of its reasonable costs in preparing the legal documentation to effect a transfer of an EPG listing. Sky has determined that its reasonable costs for the preparation of such documentation amount to at least £2,000 (plus VAT). Sky requires the Transferor to pay £2,000 (plus VAT) to Sky prior to Sky undertaking any work relating to the transfer of the EPG listing.

If the transfer of the EPG listing does not proceed, Sky may make a partial or total refund of the transfer fee to the Transferor if it has not incurred such costs. Sky will generally consider that it has incurred such costs if it has sent the legal documentation for the transfer to the parties

(e) Operational changes

The Transferee may require Sky to carry out one or more of the following operational changes in connection with the transfer of the EPG listing:

- (i) change of satellite capacity provider;
- (ii) change of EPG scheduling provider; or
- (iii) change of channel name and/or description.

Sky requires a period of time in order to carry out these operational changes and broadcasters should be aware that if the Transferee requires that the changes happen simultaneously with the transfer then it may be necessary to delay the date of the transfer in order to accommodate the changes. An indicative timeline for each type of operational change is set out below. Sky may also advise the Transferee of interim operational milestones that the Transferee will be required to meet in order to carry out the operational changes detailed below. Broadcasters should note that it may not be possible to carry out the operational changes described below on a Friday, Saturday, Sunday or public holiday or during a platform freeze (details of the annual platform freeze are set out in section 6.2 below). If any operational changes are required, Sky may arrange a technical conference call to discuss these with the Transferee.

Change of satellite capacity provider

Sky generally requires at least **4 weeks'** notice where the Transferee intends to use a different satellite capacity provider or make any technical changes to the satellite capacity currently being used by the Transferor. Such notice period shall commence from receipt by Sky of an engineering set-up form from the Transferee's satellite capacity provider. If the notice period overlaps with a platform freeze, the notice period shall stop at the start of the platform freeze and shall not re-commence until the end of the platform freeze.

Change of EPG scheduling provider

Sky generally requires at least **4 weeks'** notice where the Transferee intends to use a different scheduling provider to that currently being used by the Transferor. Such notice period shall commence on the first working day after the Transferee confirms its new schedule provider.

Change of channel name and/or description

Where the Transferee wishes to change the channel name or description, the Transferee will need to obtain Sky's prior consent to the new name. Please note that Sky will not agree to a name change unless the name matches or closely matches that which appears on the relevant broadcasting licence. Sky shall consent or decline a request for a name change within 10 working days and make such change (where consent is granted) within 5 days. Accordingly, if the Transferee wishes to change the channel name or description as part of the EPG listings transfer, it should provide the proposed new name/description to Sky at least two weeks in advance of the proposed transfer date.

(f) Change of EPG schedules

If the Transferee plans to change the broadcast schedule of the channel following transfer of the EPG listing, it will need to download new EPG schedules into Sky's systems. EPG schedules must be downloaded into Sky's systems at least **2 weeks** prior to broadcast. The Transferee may download new schedules prior to the effective date of the transfer of the EPG listing; however, the Transferee should not download new schedules for the channel until either the Transferor has obtained the relevant regulator's consent to transfer its existing licence to the Transferee or the Transferee has obtained its own separate broadcast licence for the channel, as there is a risk that the Transferee will not have received the relevant documentation by the time the new schedules go live.

(g) Documentation

Transfer information form

Sky requires certain information in order to prepare both the legal documentation to effect the transfer and to arrange for any operational changes. Therefore, Sky will require the Transferor to complete a standard form (as amended from time to time) to provide Sky with such information.

Non-disclosure agreement

Following receipt of the completed transfer information form, Sky will usually require the Transferee to enter into a non-disclosure agreement with Sky if the Transferee has not already signed such a non-disclosure agreement with Sky. Sky will provide a copy of the non-disclosure agreement to the Transferee, which must be signed prior to Sky entering into any discussions with the Transferee about the proposed transfer.

Legal documentation to effect the transfer

Following receipt of the completed transfer information form and, if required, a non-disclosure agreement signed by the Transferee, Sky will send the draft transfer documentation to the Transferor and Transferee for review.

Sky's standard practice for transferring an EPG listing from one broadcaster to another is to terminate the right of the Transferor to have a service listed in the EPG and to enter into a new EPG Services Agreement (on Sky's then current terms) with the Transferee in respect of the EPG listing.

Once the transfer documentation has been agreed by the Transferor and Transferee, and the conditions specified at paragraph 10(a) above have been satisfied, Sky will issue execution versions of the documentation for signature.

(h) Transfers must be completed within six (6) months

A transfer must be completed within six (6) months of Transferor's first written request for such. Where a transfer does not occur within such period, the Transferor will need to re-notify Sky of its wish to transfer the EPG listing if the parties still wish to transfer the EPG listing and to follow the standard process for the transfer of an EPG listing, generally including the payment of a fresh transfer fee.

4.2.10 Deposit policy

A broadcaster or distributor may be required to provide a deposit for the charges payable under their EPG Services Agreement. Sky's deposit policy from time to time is set out at section 5 of the Listing Methodology.

4.3 *HD/3D launch queue*

4.3.1 *Opening of HD/3D launch queue*

The HD/3D launch queue will open on a date and at a time to be notified by Sky to all broadcasters and distributors and published on Sky's website, http://corporate.sky.com/about_sky/regulatory_information.htm.

4.3.2 *Adding a channel to the HD/3D launch queue*

In order for a channel to be added to the HD/3D launch queue, a broadcaster of an HD channel or a 3D channel or person appointed by the broadcaster (including a distributor) must send the following documentation via email to an email address nominated by Sky in such notice:

- (i) the name of the proposed HD channel and/or the 3D channel;
- (ii) the broadcaster and (where applicable) the distributor of the proposed HD channel and/or the 3D channel;
- (iii) the name and contact details of persons representing the broadcaster and (where applicable) the distributor of the proposed HD channel and/or the 3D channel;
- (iv) a copy of the broadcasting licence (or equivalent authorisation) permitting the broadcast of the proposed HD channel and/or the 3D channel by satellite in the region where the channel will be available via the EPG;
- (v) the registered company number for the broadcaster, if it is incorporated in England and Wales, and a copy of the certificate of incorporation, if it is not incorporated in England and Wales; and
- (vi) sample schedules for 7 days' programming for the proposed HD channel and/or the 3D channel.

Any application made by a broadcaster or distributor to add a channel to the HD/3D launch queue will be disregarded if:

- (i) that broadcaster or distributor has any overdue debts to Sky for EPG, conditional access and/or access control services; or
- (ii) it is made prior to the opening of the HD/3D launch queue; or
- (iii) it is made other than via email to the nominated address.

In the event that a broadcaster or distributor makes an application that is disregarded for any of the aforementioned reasons, Sky shall notify the broadcaster or distributor as soon as reasonably practicable and in any case within 5 working days that the application has been disregarded.

Should the broadcaster or distributor wish to make a fresh application, it may do so, for so long as the HD launch queue remains open. Sky shall consider that application afresh and in accordance with the rules set out in the then current Listing Methodology.

Sky will notify a broadcaster or distributor as soon as reasonably practicable and in any case within 5 working days of receipt of a valid and complete application to add a channel(s) to the HD/3D launch queue that its channel(s) has/have been added to the HD/3D launch queue.

Channels will be added to the HD/3D launch queue in the order in which valid and complete applications are received by Sky.

Broadcasters should be aware that **there is no guarantee that any channel added to the HD/3D launch queue will launch**. Sky will not launch a channel where a launch poses an unacceptable risk to set top box memory.

4.3.3 Informing broadcasters/distributors of the position of their channel(s) in the HD/3D launch queue

Due to inherent uncertainty relating to the capacity constraints of certain set top boxes, it will not be possible for Sky to provide broadcasters/distributors with an estimate of when a channel in the HD/3D launch queue may launch. However, Sky will inform broadcasters/distributors, on request, of the position of their channel(s) in the HD/3D launch queue.

4.3.4 Allocation of launch dates and timelines for launch

Sky will contact the broadcaster or distributor of a channel in the HD/3D launch queue with a proposed launch date for its service no less than 16 weeks prior to such date. The broadcaster or distributor must confirm their acceptance of the intended launch date by (i) signing a standard acceptance form and (ii) completing and returning to Sky a standard information form, within a specified deadline.

Sky will not allocate EPG launch dates which fall during the annual platform freeze (see section 6.2 for further detail of the annual platform freeze).

If the broadcaster or distributor is required to pay a deposit in accordance with Sky's deposit policy from time to time (see section 5 of the Listing Methodology), the broadcaster or distributor must also pay such deposit and sign a deposit agreement within the specified deadline.

If a broadcaster or distributor does not by the specified deadline (i) sign the standard acceptance form; (ii) complete and return to Sky the standard information form; and (iii) pay the deposit (where required), the service will be removed from the HD/3D launch queue.

Once a broadcaster or distributor has accepted an EPG launch date, Sky will inform the broadcaster or distributor of the operational deadlines that must be met in order to ensure the launch of their service into the EPG on such date. If a broadcaster or distributor:

- (i) does not comply with such operational deadlines; or
- (ii) does not launch its service into the EPG within 7 days of the intended launch date; or
- (iii) has not provided sufficient funds to clear any debts owed by the broadcaster or distributor to Sky as at the date of the proposed launch for EPG, conditional access and/or access control services,

it will forfeit its launch date, and the affected service will be removed from the HD/3D launch queue.

The broadcaster or distributor of the service must enter into an EPG Services Agreement with Sky before the intended launch date.

4.3.5 Removing channels from the HD/3D launch queue

Where a channel is removed from the HD/3D launch queue, either by Sky in accordance with this section 4.3 or at the broadcaster or distributor's request, and the broadcaster or distributor wishes to

add that channel back onto the HD/3D launch queue (assuming the HD/3D launch queue is open at that time), then the broadcaster or distributor must make a fresh application in accordance with the rules of the then-current published Listing Methodology.

4.3.6 Transferring places in the HD/3D launch queue

Places in the launch queue have been allocated to a given broadcaster or distributor in respect of a specified channel. Whilst Sky will not require that the channel proposition at launch (including the name of the channel) is identical to the one put onto the launch queue, Sky will not launch a channel into the EPG where either:

- (i) the broadcaster of the channel has changed (other than where the new broadcaster is under common ownership with the original broadcaster); or
- (ii) the broadcasting licence for the service has been substituted with another.

Where a broadcaster or distributor has more than one channel in the HD/3D launch queue, it may swap the positions of such channels with the prior written consent of Sky. Where a distributor wishes to swap the HD/3D launch queue positions of services broadcast by different broadcasters, the prior agreement of the broadcasters will also be required.

4.3.7 Compliance with rules applying to HD/3D channels

Channels that launch into the EPG in accordance with section 4.3 of this Listing Methodology must meet the minimum programming and technical requirements as set out in Section 1.

4.4 Service variants, interactive applications, and interactive services

The memory issues affecting set top boxes described above are impacted not only by the launch of new channels, but also by the launch of other new services which are allocated a service ID by Sky. This includes service variants and some interactive applications. As the number of service IDs which Sky is able to allocate is finite, Sky needs to closely monitor and control the allocation of service IDs going forward.

4.4.1 Service variants

Sky allows broadcasters to make different variants of their services available via a single channel number (whether to different regions or different categories of viewers). Sky will continue to facilitate the launch of service variants provided that any new variant simply replaces the service available in the EPG at the relevant channel number in a given region or in respect of particular types of viewers. Sky will generally allocate a launch date to a service variant on a first-come-first served basis, but reserves the right not to allocate a launch date if Sky reasonably considers that the launch of the new variant will not provide sufficient additional value to viewers to justify the allocation of an additional service ID. Such launches will continue to be made in a controlled manner to minimise their impact on set top box memory. Broadcasters wishing to launch service variants should discuss their requirements with Sky.

4.4.2 Interactive Applications and Interactive Services

Sky plans to operate a queue of interactive applications requiring new service IDs. Sky will generally allocate a launch date to an interactive application on a first-come-first served basis, but reserves the right not to allocate a launch date if Sky reasonably considers that the launch of the new interactive application will not provide sufficient additional value to viewers to justify the allocation of an additional service ID. Broadcasters wishing to launch new interactive applications should discuss their requirements with Sky.

The launch of interactive services in the IMM of the EPG does not, of itself, materially adversely impact set top box memory. However, an interactive service requires an associated interactive application, which may affect set top box memory as described above. Sky will facilitate the launch of new interactive services into the IMM if the broadcasters of such services already run an interactive application on the Sky platform or Sky has agreed to the broadcaster launching a new interactive application as described in this section 4.4. Broadcasters wishing to launch an interactive service should discuss their requirements with Sky.

SECTION FIVE: DEPOSIT POLICY FOR NEW LAUNCHES AND EPG AGREEMENT RENEWALS & TRANSFERS

A broadcaster or distributor may be required to provide a deposit to Sky as security for the charges payable under their EPG Services Agreement. This section 5 sets out Sky's policy in relation to deposits for EPG Services Agreements.

5.1 Deposit payable prior to launch into the EPG

Any broadcaster or distributor which does not hold a current EPG Services Agreement, or which has such an agreement but which does not have an acceptable payment history with Sky for platform services (as described below), may be required to pay a deposit equal to 3 months' charges for EPG services (including VAT) prior to launch of their service into the EPG.

A broadcaster or distributor will generally be considered to not have an acceptable payment history with Sky for platform services if the broadcaster or distributor (or any closely connected company to such broadcaster or distributor) has, on 2 or more occasions in the past 3 years, failed to pay any invoice issued to it for EPG, conditional access or access control services within 60 days of the due date for such invoice. A company will be considered to be closely connected to another if they have any common major shareholders or common directors.

Where a broadcaster or distributor is required to pay a deposit, Sky will send the broadcaster or distributor a standard deposit agreement when it allocates the EPG launch date. The broadcaster or distributor must sign the agreement and pay the deposit within 21 days of being allocated its launch date. If the broadcaster or distributor fails to sign the agreement and pay the deposit within such period, the service will be permanently removed from the EPG launch queue.

Where the broadcaster or distributor has accepted the intended launch date and paid the required deposit, but fails to launch the service on or within 7 days of the intended launch date, then the deposit will be reimbursed to the broadcaster/distributor. In such a case the service will be permanently removed from the EPG launch queue.

5.2 Deposit payable upon transfer or renewal of an EPG Services Agreement

Before renewing an EPG Services Agreement, Sky will review whether the broadcaster or distributor has an acceptable payment history with Sky for platform services. If the broadcaster or distributor does not have an acceptable payment history with Sky for platform services, Sky may require the broadcaster or distributor to pay a deposit equal to 3 months' EPG charges (including VAT) prior to renewal of the relevant EPG Services Agreement.

When the right to an EPG listing transfers between entities, Sky will review whether the transferee has an acceptable payment history with Sky for platform services. If the transferee:

- (i) does not have an acceptable payment history with Sky for platform services; or
- (ii) does not hold a current EPG Services Agreement,

then Sky may require the transferee to pay a deposit equal to 3 months' EPG charges (including VAT) prior to renewal or transfer of the relevant EPG Services Agreement.

5.3 Interest on deposits

Sky shall pay interest at the equivalent of the base rate from time to time of HSBC Bank plc, unless specified otherwise in a Broadcaster's EPG Services Agreement. The sum earning interest will be the

deposit, minus the average EPG charges which have not been paid by their due date during the term of the EPG Services Agreement.

5.4 Refund of deposits

Sky will refund the deposit and any interest payable, less any outstanding charges, upon expiry or earlier termination of the relevant EPG Services Agreement.

SECTION SIX: OTHER

6.1 Allocation of any additional EPG positions in the future

It is possible that Sky will, at some time in the future, be in a position to launch additional services into the EPG, either because existing SD and/or HD and/or 3D services cease to be so listed, or because technological developments permit a greater number of SD services to be listed without adversely affecting set top box memory.

In the event that additional EPG positions do become available, such that Sky is able and proposes to facilitate the launch of additional services, Sky will, as soon as reasonably practicable, consult with broadcasters about the methodology that it proposes to apply in allocating such additional EPG positions to prospective new services.

If broadcasters decide to purchase EPG positions from other broadcasters, they should recognise that, were circumstances to allow a significant number of EPG positions to be made available in the future, the amounts they have paid in purchasing EPG positions may not be reflective of the future value of those positions.

6.2 Annual platform freeze

Sky implements an annual platform freeze for approximately 3 weeks over the Christmas period, during which Sky ceases service launches and limits or ceases any other non-essential changes to the EPG. Sky may also implement platform freezes at other times if it is concerned about the stability, safety or integrity of Sky's digital satellite platform.