

Method for allocating listings in Sky's EPG

1. 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 14 January 2008 and replaces all previous versions.

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

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 distributor of such services (and in this document, references to the "distributor" are references to such pay TV distributor). In the case of free to air services, Sky enters into an agreement directly with the broadcaster of the service.

2. Launching into the EPG

2.1 Closure of the EPG launch queue

Every additional service listed in the EPG increases the amount of set top box memory needed to display the EPG. The amount of memory contained in each set top box is, however, finite. While Sky continues to take steps to ensure that memory is used efficiently, there are very significant memory constraints in several models of boxes which are currently in use by viewers. In order that Sky can continue to provide a high quality viewer experience and a stable environment for all platform users, Sky ceased to accept applications for places in the EPG launch queue on 3 October 2007. Sky will, for the time being, continue to launch services into the EPG which had a place in the launch queue on 3 October 2007, but will proceed with extreme caution. If Sky determines that it is unable to launch any services in the EPG launch queue, it will notify affected broadcasters/distributors.

Where a broadcaster or distributor in the EPG launch queue does not launch its service into the EPG when offered the opportunity to do so by Sky, that service will be permanently removed from the EPG launch queue.

2.2 Lead time for launching into the EPG

Due to the nature of the capacity constraints affecting some set top boxes, Sky is closely monitoring new EPG launches, but there are a number of uncertainties involved. Accordingly, Sky will not provide broadcasters or distributors with an estimate of when services in the EPG launch queue may launch, but will tell broadcasters/distributors on request where their services are in the EPG launch queue.

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 the digital satellite platform.

2.3 Allocation of launch dates and timelines for launch

Sky will generally allocate EPG launch dates in the order in which services joined the EPG launch queue.

Sky will contact the broadcaster or distributor of a service in the EPG launch queue with a proposed launch date for its service no less than 15 weeks prior to such date. The broadcaster or distributor must confirm their acceptance of the intended launch date by signing a standard acceptance form and

filling in a standard information form and returning these to Sky within a specified deadline. If the broadcaster or distributor is required to pay a deposit in accordance with section 11 below, 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 accept the intended launch date for its service, or does not pay the deposit (where required), the service will be permanently removed from the EPG 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 does not comply with such operational deadlines, or does not launch its service into the EPG within 7 days of the intended launch date, it will forfeit its launch date, and the affected service will be permanently removed from the EPG launch queue.

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

2.4 Transferring places in the EPG launch queue

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

- (i) the broadcaster of the service 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 service in the EPG launch queue, it may swap the positions of such services. Where a distributor wishes to swap the EPG launch queue positions of services broadcast by different broadcasters, the prior agreement of the broadcasters will also be required.

2.5 Service variants

Some broadcasters wish to make different variants of their services available via a single channel number (whether to different regions or different categories of viewers). Those broadcasters acquire conditional access (regionalisation) services from Sky to enable this. Where such broadcasters wish to launch such a service variant, then, 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, such launches are expected to have a minimal impact on set top box memory. Accordingly, Sky anticipates that, after it completes the software download currently scheduled to start in the first half of 2008, it will continue to launch service variants fitting this description. Such launches will continue to be made in a controlled manner to minimise their impact. For the avoidance of doubt, service variants of the type described in this paragraph will not need to join the EPG launch queue.

Broadcasters wishing to launch service variants should discuss their requirements with Sky. Sky will promptly inform the broadcaster of the launch date for their variant.

3. Transferring an existing EPG listing

In light of the memory constraints affecting some set top boxes, Sky considers that the fairest and most efficient way to enable broadcasters to list new propositions in the EPG is to allow them to enter into trading arrangements with broadcasters of services already listed in the EPG.

The principles that Sky will apply in enabling the trading of EPG listings are set out below.

3.1 *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 section 3, Sky will no longer seek to enforce such provisions. 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 3.2 and 3.6, the new broadcaster or new owners of the service are free to change the service proposition from the date of the transfer or change of control (or at any other time).

3.2 *Notice and other conditions*

Sky still requires no less than 28 days' notice of a proposed transfer of a contractual right to have a service listed in the EPG. As places in the EPG launch queue are not transferable, such consent should not be requested until the channel has been launched. Sky will not unreasonably withhold consent to a proposed transfer, but may require that the parties enter into a tripartite deed of novation on Sky's standard terms (which will be provided on request), providing for the transfer of the rights and obligations under the EPG Services Agreement from the transferor to the transferee. Sky may require the payment of its reasonable costs in preparing the deed of novation or other legal documentation.

Where the transferee is also acquiring the broadcasting licence for an EPG listed service, Sky will, prior to the transfer taking effect, require a copy of any regulatory consents which the transferor is required to obtain (such as a copy of Ofcom's consent to the transfer of the TLCS licence to the new broadcaster). The novation of the EPG Services Agreement will generally take effect on the same date as the transfer of the broadcasting licence.

Sky will not agree to a transfer where either the transferor or the transferee have any overdue debts to Sky for platform services (and in the case of the transferor, all invoices issued to it in respect of platform services provided by Sky in respect of the EPG listing subject to the transfer, whether or not overdue, must have been paid in full). If required pursuant to section 11, the proposed transferee must also pay a deposit in respect of future charges payable under the EPG Services Agreement.

Sky will no longer require notice where a broadcaster or distributor undergoes a change of control (and such contractual notice provisions are hereby waived). However, as further detailed below, Sky does require 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.

Where the entity which has the agreement with Sky for EPG listing 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 transfer of a right to be listed in the EPG as contemplated in this section 3.

3.3 Substitution of one service with another

In the past, Sky has not permitted broadcasters or distributors to substitute one service in the EPG with another service broadcast under a different broadcasting licence, except in exceptional circumstances (such as where a company moves its operations from one country to another, resulting in a change in the relevant licensing authority).

Subject to sections 3.6 and 3.7, Sky will now 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 no less than 28 days prior to the proposed substitution. Sky will usually require the broadcaster or the distributor of the service to enter into an agreement amending the existing EPG Service 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.

Where the entity which has the agreement with Sky for EPG listing 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 3.3.

3.4 Swapping EPG channel numbers

In the past, Sky has considered on a case-by-case basis requests by broadcasters wishing to swap the channel numbers of services they broadcast (and which are listed in the same genre or sub-genre). Sky has not generally agreed to different broadcasters exchanging EPG channel numbers.

Subject to sections 3.6 and 3.7, Sky will now allow any two services in the same genre/ sub-genre (or category in the Interactive menu) to swap channel numbers, whether they are broadcast by the same or different broadcasters.

Broadcasters wishing to swap channel numbers must provide Sky no less than 28 days' notice. Where the entity which has the agreement with Sky for EPG listing 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 3.4. Sky will usually require the relevant parties to enter into agreements amending the existing EPG Services Agreements to reflect the change.

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

Where, following any type of transaction described in sections 3.1, 3.2 or 3.3, 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 6 below). Subject to Sky's other rights to move services within the EPG, and to section 3.7 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.

3.6 *Multiplexes*

Section 9 below explains Sky's policy on "multiplexes". As set out in that section, Sky currently continues to reserve channel numbers for multiplexes, and allocate channel numbers to multiplexes, in the Documentaries genre and the Subscription & Free-to-air Sports sub-genre. If a channel in such a genre or sub-genre acquires 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 3.6 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.

3.7 *Public service channels*

Section 10 explains how Sky allocates EPG listings to 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 10 to be transferred to other channels. Accordingly, if a service has been allocated a channel number in accordance with section 10 by virtue of it being a public service channel (as defined in section 10), and the broadcaster of the channel enters into any transaction of the type described in section 3.1 to 3.4 (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 10 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. Allocation of any EPG positions becoming available 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 services cease to be so listed, or because technological developments permit a greater number of services to be so listed.

In the event that additional EPG positions do become available, such that Sky is able and proposes to launch a greater number of services than are in the EPG launch queue, 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.

5. Programming and broadcast hours

5.1 *Minimum non-repeating programming*

In this section 5, “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 which are listed in the Shopping genre, must broadcast no less than 12 hours of non-repeating programming in each 7 day period.

In January 2007 Sky agreed to provide a temporary concession to channels in the Shopping genre, by agreeing to provide an EPG listing for channels listed in that genre which were broadcasting no less than 3 hours of non-repeating programming in each 7 day period.

Sky does not consider that there is any ongoing justification for applying a different rule to channels in the Shopping genre of the EPG. However, the broadcasters of such channels will be allowed a period in which to increase the amount of non-repeating programming they broadcast.

In the period prior to 1 July 2008, channels in the Shopping genre must continue to broadcast no less than 3 hours of non-repeating programming in each 7 day period. From 1 July 2008, Sky will only provide an EPG listing to channels in the Shopping genre of the EPG which broadcast no less than 6 hours of non-repeating programming in each 7 day period. 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 channels in the Shopping genre about the appropriate timing for removing the concession. Such consultation will not be conducted until some time after 1 July 2008.

The only television channels and radio stations which will not be required to meet the requirements in this section 5.1 are those which are intended to provide viewers with information about the EPG or the platform (such as the Customer 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.

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.

5.2 Treatment of simulcast programming

In this section 5.2, “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 59 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 5.1 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 5.1 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 of a standard definition programme, or to any “out of area” regional variants which are listed in the EPG.

5.3 High definition channels

Sky has issued a consultation proposing that channels broadcast in high definition (“HD”) format meet certain technical and content requirements. Once finalised, these requirements will be set out in a supplement to this Listing Methodology. For the avoidance of doubt, the requirements set out in sections 5.1 and 5.2 apply equally to HD channels, subject to the specific proviso in section 5.2.

5.4 Result of not complying with the technical standards and the content standards

Sky shall be entitled to suspend the provision of EPG services if a service fails to meet the relevant requirements set out in sections 5.1 and 5.2 (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 under this section 5.4.

6. Determination of appropriate menu, genre and/or category

Sky’s EPG is divided into a number of different menus. At present, television channels and radio stations are listed in the TV Guide menu, and interactive services are listed in the Interactive menu.

Sky expects to introduce a new version of its EPG software for HD set top boxes at some time during 2008. The new version of the EPG software will have separate menus for television channels (the TV Guide menu), radio stations (the Radio menu) and interactive services (the Interactive menu).

6.1 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 new version of the EPG software (which will only be made available to HD set top boxes) will have a separate top-level menu for radio stations, and will 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.

Sky may make a preliminary assessment of the appropriate genre or sub-genre for a service before allocating an EPG launch date to the broadcaster or distributor. This allows Sky to forecast how many EPG channel numbers will be needed in each genre and sub-genre to accommodate services waiting to launch. 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) rather than to representations about content which is planned for the future.

If the final decision as to the appropriate genre is different to any preliminary assessment previously communicated to the broadcaster or distributor, it may be necessary for Sky to withdraw an EPG launch date allocated to a service. 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 all services in the launch queue which are likely to launch into such genre or sub-genre. If Sky withdraws an EPG launch date under this section, it will allocate a new EPG launch date to the service if room becomes available at the bottom of the relevant genre or sub-genre.

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.

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.)

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.

Movies genre

A channel will be allocated a channel number in the Movies genre if its programming is predominantly feature-length 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.

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.

News genre

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

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.

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.

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).

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 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).

Shopping genre

A channel will be allocated a channel number in the Shopping genre if its programming is of a shopping or advertising nature. Channels in this genre are those which are not required to comply with licensing requirements limiting the amount or scheduling of broadcast advertising.

Religion genre

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

International genre

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.

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 determining whether a channel has a “substantial element” of programming of the type described above, Sky will consider the number of hours of such programming on the channel and the degree of emphasis placed on such programming, such as whether it is scheduled at peak times, is cross-promoted, or is given prominence in other ways. Generally, a channel broadcasting 3 hours or less of such programming per 24 hours of programming will not be considered to have a “substantial element” of such programming.

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).

Specialist genre

A channel will be allocated a channel number in the Specialist genre if its programming is predominantly directed towards a specific, focussed or niche group of viewers. This may include programming that offers a service to viewers (e.g. information about job vacancies) or programming about a special interest.

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.

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, 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.

6.2 Interactive menu

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

- (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 Interactive menu.

6.3 Radio menu

As noted above, the new version of the EPG software (which will only be made available to HD set top boxes) will have 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

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).

7. Movement to another genre

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.

8. 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.

The exceptions to the “*first-come, first-served*” rule are set out in sections 9 to 10 below.

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 Interactive menu.

9. Multiplexes

When a new television channel (referred to as a “principal” channel in this section 9) 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 be 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.

Section 3.6 sets out in detail the rules that apply when trading multiplex channels.

10. 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).

11. Deposit policy

A broadcaster or distributor may be required to provide a deposit for the charges payable under their EPG Services Agreement. This section 11 sets out Sky’s deposit policy.

11.1 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.

For the purpose of this section 11, 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 90 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.

11.2 Deposit payable upon novation 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. Similarly, 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 broadcaster or distributor does not have an acceptable payment history with Sky for platform services, or in the case of a transfer, if the transferee does not hold a current EPG Services Agreement, then Sky may require the broadcaster/distributor to pay a deposit equal to 3 months' EPG charges (including VAT) prior to renewal or novation of the relevant EPG Services Agreement.

11.3 Interest on deposits

Sky shall pay interest at the rate of 1% above the base rate from time to time of HSBC Bank plc. 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.

11.4 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.

Sky

14 January 2008