

FRANCHISE AGREEMENT

This agreement is entered into on this day of _____ 2018,

BETWEEN

Delinet Broadband Private Limited, a service provider registered and incorporated under Companies Act, 2013, having its registered office at A-53, First Floor, Yojna Vihar Delhi-110092, India, Corporate and correspondence address at c-110, Level-3, Industrial Area Phase-7, Mohali, Punjab-160055, India. (hereinafter referred to as the "**SERVICE PROVIDER**") through its authorized signatory/ representative Mr. _____, duly authorized in this regard and will include its nominees, successors, assignees and authorized representatives.

And

M/s....., through Mr..... S/o Shri _____, R/o _____, (the "Franchisee"), including its nominees, successors, assignees and authorized representatives.

The above are hereinafter referred individually and collectively as 'party' or 'parties' respectively.

WHEREAS:

1. The Service Provider has set up a Headend at Mohali for the purpose of creating next generation networks and providing video and audio content to the subscribers in India. The Service Provider with its team of highly trained and experienced professionals is competent to provide services through different distribution methods like Internet Protocol Television (IPTV), Content Delivery Network (CDN) for handheld devices as well as Over-The-Top (OTT services) value added services (intranet services) using various telecom and intranet technologies.
2. The Franchisee is an Internet Service Provider (ISP) Category_____ and has a direct subscriber base of about_____ subscribers. The Franchisee has expressed a desire to be appointed as a Franchisee of Service Provider.
3. The Franchisee and the Service Provider have agreed that the Service provider shall provide its services to the Franchisee on non-exclusive basis on terms and conditions as agreed between the parties hereinafter.
4. The Service Provider shall provide services to the Franchisee in accordance with the Scope of Work as listed in Clause below.

NOW THIS AGREEMENT WITNESSETH AN UNDERSTANDING BETWEEN THE PARTIES HERETO AS PER THE TERMS AND CONDITIONS HEREINAFTER APPEARING:

5. COMMENCEMENT AND DURATION.

- a. This agreement will be an agreement in perpetuity without any time period being stipulated as limitation.
- b. This agreement shall be effective from _____ unless terminated earlier in accordance with terms and conditions provided herein.

6. SCOPE OF WORK

SERVICE PROVIDER the Service Provider has set up a Headend at Mohali for the purpose of creating next generation networks and providing video and audio content to the subscribers in India. The Service Provider will provide its services to the Franchisee through different distribution methods like Internet Protocol Television (IPTV), Content Delivery Network (CDN) for handheld devices as well as Over-The-Top (OTT services) using various telecom and intranet technologies.

a) OBLIGATIONS OF THE SERVICE PROVIDER

- i. The Service Provider shall provide all the services as required to the Franchisee including IPTV and OTT.
- ii. The Service Provider shall provide the content for these service platforms mainly India Specific TV Channels which will be a mix of Free-To-Air and Paid Channels.
- iii. The Service Provider will provide one server (as Edge Server) per 2000 active subscribers for which Franchisee will have to pay a sum of Rs 150,000 (Rupees One Lakh Fifty Thousand only) as the cost of the server.
- iv. The Service Provider shall be responsible for provisioning STBs for IPTV service for the end users.
- v. The Service Provider shall be responsible for providing a Customer Support Call Centre to facilitate these services.
- vi. The Service Provider shall be responsible for upkeep and maintenance of interconnectivity between the Headend and the Edge Server at the Franchisee end.

b) OBLIGATIONS OF THE FRANCHISEE

- i. The Franchisee shall pay a Non-Refundable Fee of Rs. 50,000 plus applicable taxes as a signing up amount.

- ii. The Franchisee shall undertake to start the services with a minimum number of 100 subscribers for which he shall buy 100 Consumer Premises Equipment (CPEs) as provided by the Service Provider at a rate specified at the time of procurement.
- iii. The payment method would be on Pre-Paid basis. Billing system will generate tokens which will be bought by the Franchisee every month in advance.
- iv. At any given time the Franchisee will maintain a balance of 50 tokens in hand. The Franchisee shall make sure that from the third month of starting the services he adds a minimum of 30 subscribers every month.
- v. At the time of installation the Franchisee is at liberty to charge installation charges to the subscriber and retain the entire amount. However, he will ensure that the advance subscription charges collected from the customer are paid as per the ratio given in the clause below.
- vi. The Franchisee shall pay to the Service Provider, 30% of the subscription fee and charges, for the services provided. To start with the services shall consist of basic package and later on would add the premium paid channels on Reference Interconnect Offer (RIO) basis.
- vii. The subscription fee sharing for paid channels would be decided after the MRP for the paid channels under RIO scheme have been declared by TRAI.
- viii. Franchisee will ensure that he maintains a minimum stock of CPEs for one month as a safety margin.
- ix. Each Party is responsible for the payment of taxes, insurance and other fees that are attributable to the payments made.
- x. The Franchisee agrees that in case the amount recoverable from the client by the Service Provider is not paid, the Service Provider shall be at liberty to disconnect the services to the Franchisee by giving him one month's notice.
- xi. Similarly, if the Franchisee is not able to maintain the deployment rate of 30 CPEs per month continuously for three months the Service Provider will be at liberty to disconnect his services with immediate effect. However, the Service Provider shall provide due caution and notice to the Franchisee at the end of the second month in this regard.
- xii. The Franchisee, if so desires, can also operate his own dedicated channel for which the Service Provider will provide all the required support and for which there shall be a separate agreement entered into between the two parties.
- xiii. Franchisee shall be responsible to pay for the Peer-to-Peer link between the Service Provider's Headend and his Edge servers.
- xiv. The Franchisee shall be responsible to fulfill all the regulatory and other compliances as required under the laws.

- xv. For managing the services the Franchisee undertakes to comply with the specifications, requirements, compliances as notified by the Service Provider from time to time.
- xvi. The Franchisee shall at all time during the tenure of this agreement shall continue to submit to the Service Provider sales report, subscriber report, billing report and any other report as required by the Service Provider.
- xvii. Franchisee shall only operate and manage the business from the Premises mentioned in this agreement and shall not shift from or modify the Premises without the prior written permission of Service Provider.
- xviii. The Franchisee is under obligation to abide by any change in the rate and amount of the fee charged by the Service Provider or the bandwidth provider or the software provider.

7. INDEMNIFICATION

- a) Franchisee hereby indemnifies, holds harmless and undertakes to defend the Service Provider, its promoters, directors, affiliates, employees and officers etc. against any claim, damages, costs, expenses by a third party, including statutory authority/s, as a result of such claim with regard to the following;
 - b) Infringement of any third party's Intellectual Property Rights by Franchisee.
 - c) Any damages for bodily injury (including death) and damage to real
 - d) property and/or tangible personal property caused by Franchisee;
 - e) Any claim or action by or on behalf of Franchisee's personnel based on his or her employment with client, including but not limited to claims arising under occupational health and safety, worker's compensation, provident fund or other applicable laws or regulations;
 - f) Claims by government regulators or agencies for fines, penalties, sanctions or other remedies arising from or in connection with Franchisee's failure to comply with its regulatory / legal requirements and compliances.
 - g) Any claim on account of breach of confidentiality and security of data occurring as a result of acts of omissions or commission of Franchisee, its employees, officer, agent or sub-contractors.
 - h) Any claim occurring on account of misconduct, negligence or wrongful acts of omission and commission by either Franchisee or employee(s) of Franchisee, and/or its agent.
 - i) Any claim arising on account of misuse or negligent application, misuse of systems, failure to follow established procedure by Franchisee or its employee or its agent.

8. CONFIDENTIALITY AND NON-DISCLOSURE.

- a) Franchisee undertakes and agrees to regard and preserve as confidential, all confidential information of the Service Provider, which may be obtained from any source as a result of this agreement. In maintaining confidentiality hereunder, the Franchisee agrees that it shall not disclose or make available or divulge to any third party, person, firm or enterprise, reproduce or transmit, or use (directly or indirectly) for its own benefit or the benefit of others or

otherwise, any confidential information of Service Provider.

- b) "Confidential Information" means and includes:
- c) "any documents, data, or information related to the service provider's business that is not generally known to the public including, but not limited to, all tangible, intangible, visual, electronic, present, or future information such as
 - i. Financial information;
 - ii. Technical information, including formulas, layouts, research, development, procedures, data, designs, and know-how;
 - iii. Business information, including operations, planning, marketing interests, and products disclosed by service provider to the client;
 - iv. Personal information of any customer
 - v. All information or data which client has access in connection with performance of the present agreement, whether before or after execution of the present agreement
 - vi. All confidential or proprietary concepts, documentation, reports, lists, files, data, specifications, customer software, source code, object code, flow charts, databases, data files, inventions, information, know-how and trade secrets, whether or not patentable or copyrightable".
- d) The Franchisee acknowledges the exclusive right of Service Provider to the proprietary right of its information and agree that nothing in this agreement shall be construed as giving rise to any right of lien or set off by any Service Provider on the proprietary right on the information of Service Provider.
- e) The Franchisee agrees to implement appropriate measures designed to ensure the security and confidentiality of confidential information, to protect such information against any anticipated threats or hazards to the security or integrity of such information, and to protect against unauthorized access to, or use of, confidential information that could result in substantial harm or inconvenience to the Service Provider or any customer or any of its subsidiaries, affiliates, or licensees; the Franchisee further agrees to cause all its employees, agents, representatives, subcontractors, or any other party to whom Franchisee may provide access to or disclose confidential information to implement appropriate measures designed to meet the objectives set forth in this paragraph; and the Franchisee shall provide to the Service Provider copies of audits and test result information sufficient to assure the Service Provider that the security measures implemented are consistent with this paragraph.
- f) On the expiry or termination of this agreement, the Service Provider shall hand over or cause to be handed over all such Confidential Information and all other related materials in its possession to the authorized officer of the Franchisee and/or destroy the same in consultation with the Service Provider.
- g) In the event of a breach or threatened breach by Franchisee of this clause, monetary damages may not be an adequate remedy; therefore, the Service Provider shall be entitled to injunctive

relief to restrain the Franchisee from any such breach, threatened or actual.

- h) Notwithstanding the other provisions of this paragraph, neither party shall be prevented from disclosing confidential information:
- i. that, at the time of disclosure, was in the public domain,
 - ii. that was lawfully disclosed on a non-confidential basis by a third party who is not bound by a confidentiality agreement with either party,
 - iii. that is disclosed with the parties' prior written approval or
 - iv. to the recipient party's attorney, auditors, insurers, subcontractors and employees who have a need to access such confidential information in connection with their employment (or engagement, if applicable) by the recipient party;
 - v. that is in response to valid legal process, whether issued by a court or administrative or regulatory body. If confidential information is required to be disclosed pursuant to a requirement of a legal process, the party required to disclose the confidential information, to the extent possible, shall provide the other party with timely prior notice of such requirement and shall coordinate with such other party in an effort to limit the nature and scope of such required disclosure.
- i) The contents of this Agreement shall be deemed to be confidential.
- j) This clause i.e. "CONFIDENTIALITY AND NON-DISCLOSURE" shall survive expiry or termination of this Agreement.

9. PERFORMANCE OF ASSIGNMENT.

The Franchisee shall during the term of this Agreement make sure that the services, to the extent possible, are performed by the Franchisee personally, though the Franchisee can use its discretion to assign or appoint any other person, service provider or organisation for the performance of the services without affecting the Quality of Service.

10. LIMITATION OF LIABILITY.

Under no circumstances, the Service Provider shall be liable to the Franchisee or any other person for any indirect, direct, special, punitive, incidental, consequential damages of any character, whatsoever, that may arise from the any act(s) or omission(s) of the Franchisee, its employees, agents etc. or any other users of the services provided by the Service Provider. It is specifically understood by the Franchisee, that Franchisee shall be solely responsible for all acts or omissions within his designated area. In respect of any liability arising out of non-performance, under-performance or wrong performance of any technical staff working in this area, the Service Provider shall not be liable for the same. The Franchisee alone shall be responsible for any such liability arising thereof.

11. DISPUTES AND RESOLUTION.

Both the parties undertake to complete their obligations under this agreement for the entire tenure of the present agreement. If any dispute arises between the parties with regards to the performance of this agreement or any other agreement subservient hereto, shall be tried to be resolved by the parties by way of mutual understanding, preferably within seven days of such dispute arising.

If the parties fail to arrive at a mutual conclusion of the dispute, the parties shall serve a notice of demand on either party and shall refer the matter before a sole arbitrator, mutually agreed by the parties. The arbitration shall be governed by The Arbitration and Conciliation Act, 1996 with the seat of arbitration at New Delhi, India.

12. MODIFICATIONS.

The Agreement cannot be modified, varied or terminated except in writing. Any variation of the Agreement, including Addendum Agreements, Annexure, schedules or any other document, called by whatever name, but executed relating to this agreement, shall be mutually agreed to in writing and executed by or on behalf of the Parties.

13. BINDING EFFECT.

This agreement modifies all prior understanding of the parties as to the subject matter hereof and shall not be amended except in writing by both the parties. Any other understanding between the parties (if any) with regard to any other matter such as Internet, etc. or any accrued rights and obligation of the Parties, if any, shall continue to be in full force and effect.

14. LOCK IN PERIOD & TERMINATION.

This agreement shall remain valid and binding for a minimum period of 18 months commencing from..... Day of 2018 (hereinafter referred to as "Effective date").

The initial period of 18 months, from the date of commencement of this agreement shall be a lock in period and save as otherwise provided in this agreement, this agreement cannot be terminated prior to the expiry of the lock in period. If the Franchisee desires to exit this agreement before the expiry of the lock in period, it shall be permitted to do so on payment of % of the monthly revenue of the preceding month.

This Agreement may be terminated by either party by giving one month notice in writing to other party after expiry of the lock-in period and giving due reasoning.

Notwithstanding what is stated herein above, Service Provider shall have the sole right to terminate this Agreement forthwith by giving notice in writing addressed to Franchisee at its address, in case of happening or occurrence of any of the events including but not restricted to the following:

- a) Prosecution for any criminal offence of the partner/s, director/s, sole proprietor etc. of Franchisee.
- b) Breach of any of the terms or conditions of this Agreement by Franchisee.
- c) False claims towards sales incentives, commissions, refunds, credits, warranty claims, false financial information reports or any other data including but not limited to reporting requirements of Service Provider.
- d) If Franchisee has any overdue payments towards Service Provider during the subsistence of this agreement.
- e) If the appointment or continuance of Franchisee under this Agreement is likely to result in, at the sole decision of Service Provider, in loss of goodwill or reputation of Service Provider.
- f) If Franchisee commits any misconduct, fraud, cheating, misappropriation or any act lacking in good faith.
- g) If Franchisee becomes insolvent or if the audited financial results of the business of the Franchisee disclose that the total liabilities of the business of the other party exceed its all assets.
- h) If the Franchisee enters into an arrangement or composition with its creditor(s) or if a receiver of the other party's property or any part thereof, is appointed.
- i) If a resolution is passed to wind-up the Franchisee's business or if a receiver is appointed for any part of the Franchisee's property.
- j) Failure of the Franchisee to obtain or maintain any license or the suspension or revocation of any necessary license, sanctions, approvals, registrations for the conduct of the business of the other party pursuant to this agreement.

Service Provider shall not be liable to Franchisee or any other party, by virtue of termination of this agreement for any reason whatsoever or for any claim for loss or profit or on account for any expenditure, investment, capital improvements or any other commitments made by client in connection with their business made in reliance upon or by virtue of client's appointment under this agreement.

15. MISCELLANOUS

Nothing contained herein shall constitute either Party as the agent or partner or the representative of the other for any purpose and neither Party shall have the right or authority to assume, create or incur any liability or obligation of any kind, express or implied, in the name of or on behalf of the other Party.

The parties shall also bind their employees, officers, advisors, associates, contractors, agents, authorized persons and other similar persons to whom the above-mentioned information may be disclosed, to the obligations of confidentiality as prescribed in clause 6 above.

This Agreement shall be governed by Indian laws and the courts of Delhi.

This agreement has been concluded in two counterparts of which each party has taken one.

For Delinet Broadband Pvt. Ltd. (Service Provider)	XYZ (Franchisee)
Signature:	Signature:
Name:	Name:
Designation:	Designation:
Date:	Date: