



**INFORMATION AND COMMUNICATIONS
TECHNOLOGY AUTHORITY**

LICENCE TO GRACE BROADCASTING LTD.

Date: 6 October 2011



LICENCE ISSUED TO
Grace Broadcasting Limited
under Part III of
THE INFORMATION AND COMMUNICATIONS
TECHNOLOGY AUTHORITY LAW (2010 REVISION)

The Information and Communications Technology Authority, in exercise of the powers conferred on it by Section 23 of the Information and Communications Technology Authority Law (2010 Revision), grants to Grace Broadcasting Limited a Licence to establish, operate and maintain the Information and Communications Technology Networks and/or Services as these terms are defined in the Conditions of this Licence, subject to the Conditions, all lawful directions of the Information and Communications Technology Authority, all applicable laws and regulations of the Cayman Islands and applicable tariffs.

GRANTED BY THE INFORMATION AND COMMUNICATIONS
TECHNOLOGY AUTHORITY, the Cayman Islands, on this
6 October 2011.

Chairman (Acting)
Information and Communications Technology Authority

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PART I: THE LICENCE

1 DEFINITIONS AND INTERPRETATION

- 1.1 A word or expression used in the Licence and the Conditions and also used in the ICTA Law has the meaning ascribed to that word or expression by the ICTA Law. In addition, the following expressions shall have the following meanings given to them.

"Affiliate" in relation to the Licensee, means any holding company of the Licensee, any subsidiary of the Licensee or any subsidiary of any holding company of the Licensee.

"Annex" means one or more attachments to this Licence, all of which constitute a part of and are unique to this Licence.

"Authorised Frequencies and Transmitters" means those frequency bands of the spectrum and transmitters set forth in Annex 4;

"Authority" means the Information and Communications Technology Authority;

"Compliance Plan" means a plan submitted to the Authority in accordance with Condition 9.5 and containing the information noted therein.

"Conditions" means all the clauses of this Licence, including any and all Annexes, as may be amended, revoked or added to in accordance with Condition 14 of this Licence.

"Development Plan" means a plan submitted to the Authority in accordance with Condition 9.4 and containing the information noted therein.

"Facility" or "Facilities" means any component of an ICT Network.

"Force Majeure" means any cause affecting the performance by the Licensee of its obligations arising from acts, events, omissions, occurrences or non-occurrences beyond its reasonable control, including (but without limiting the generality thereof) governmental regulations, fire, flood or any disaster or an industrial dispute affecting a third party for which a substitute third party is not reasonably available.

"ICTA Law" means the Information and Communications Technology Authority Law (2010 Revision) and any amendments or revisions thereto.

"Licence" means this licence authorising and requiring the Licensee specified herein to establish, operate and maintain the specified Licensed ICT Networks and/or the specified Licensed ICT Services, subject to the Conditions.

"Licence Commencement Date" means the date specified in Condition 13.

"Licence Fee" means the fee or fees prescribed by the Authority under the provisions of Section 30 of the ICTA Law and payable to the Authority by the Licensee.

"Licensed ICT Network" means an ICT network or Facilities specified by the Authority in a Notice published in the Gazette in accordance with Section 23(2) of the ICTA Law as requiring a Licence.

"Licensed ICT Service" means an ICT service specified by the Authority in a Notice published in the Gazette in accordance with Section 23(2) of the ICTA Law as requiring a Licence.

"Licensee" means Grace Broadcasting Limited.

"Other Licensee" means any person, other than the Licensee, who has the benefit of a Licence granted under Part III of the ICTA Law.

"Term" means, pursuant to Section 28(a) of the ICTA Law, the period of time during which this Licence is valid as specified in Annex 1.

"Terms of Service" means the terms and conditions pursuant to which the Licensee shall make all services available to a User.

"Universal Service" means any of the categories of service specified by regulation made under Section 40 of the ICTA Law, when promulgated, and as further defined in Annex 3.

"Universal Service Fund" means the fund which may be established by the Authority to compensate Licensees for carrying out the Universal Service Obligations;

"Universal Service Obligations" means the obligation to provide universal service as set out in Part II of this Licence and as set forth in Annex 3.

"User" means a natural person who uses or listens to the networks or services of the Licensee, but is not necessarily a subscriber.

1.2 In the Licence and these Conditions, unless the context indicates a contrary intention:

- (a) references to paragraphs and subparagraphs are to paragraphs and subparagraphs of the Conditions, as varied from time to time;

- (b) a document will be incorporated into and form part of the Conditions if it is referred to in the Conditions and reference to such a document is to that document as varied from time to time;
- (c) headings used for Conditions, paragraphs and subparagraphs are for ease of reference only and will not affect the interpretation of the Conditions;
- (d) references to any law, rule, regulation or other legal instrument includes any modification, re-enactment or legislative provisions substituted for the same;
- (e) use of the word "includes" or "including" should be construed as being without limitation; and
- (f) the masculine gender shall include the feminine and neuter, and the singular shall include the plural, and vice versa, and words importing persons shall include firms or companies.

2 SCOPE OF THE LICENCE

- 2.1 In accordance with Section 23 of the ICTA Law, this Licence authorises and requires the Licensee to operate the Licensed ICT Networks and/or supply the Licensed ICT Services specified in Annex 1 for the Term specified in Annex 1 subject to Conditions of this Licence and all applicable laws of the Cayman Islands. The requirement for the Licensee to operate the Licensed ICT Networks and/or ICT Services means, at a minimum, that the Licensee will, unless otherwise agreed to by the Authority, meet the roll out plan specified in Annex 1A.
- 2.2 In accordance with Section 23 of the ICTA Law, this Licence authorises the use by the Licensee of the Authorised Frequencies and Transmitters listed in Annex 4 for the Term listed in Annex 1. Unless otherwise authorized in writing by the Authority, the Licensee shall only use the Authorised Frequencies and Transmitters in the location and with the equipment and configuration specified in Annex 4. In accordance with Annex 2, the Licensee shall pay an annual fee to the Authority for the use of the authorised frequencies. The Authority retains ownership of the radio frequency spectrum set forth in Annex 4, and the Licensee agrees that it will abide by any and all radio frequency spectrum reallocation or diminution as required by the Authority.
- 2.3 All ICT Services and all ICT Networks subject to licensure under the ICTA Law and operated by the Licensee are subject to regulation by the Authority. Nothing in this Licence shall be taken to mean or imply any derogation of, or limitation on, the exercise by the Authority of all its duties, functions and responsibilities contained in the ICTA Law.

- 2.4 The Licensee shall comply with any other requirement in law or practice to obtain any additional consents, permissions, authorisations or licences as may be necessary for the provision of the Licensed ICT Network or Licensed ICT Services and for the exercise of its rights or discharge of its obligations under this Licence and the ICTA Law.
- 2.5 The Licensee shall:
- (a) maintain sufficient information systems, located in the Cayman Islands, as are reasonably necessary to enable the Licensee to respond in a timely manner to the information requirements of the Authority, including without limitation information relevant to business conducted between the Licensee and its Affiliates; and
 - (b) maintain within the Cayman Islands management systems and management (including an officer of the Licensee) accountable for meeting its obligations under this Licence.
- 2.6 All representations made by the Licensee in the Application for ICT Licences constitute fundamental terms of the Licences granted. Any material deviation from these representations necessitates the filing of an application to amend the Licences granted.

3 LICENCE FEE

- 3.1 The Licence Fees payable by the Licensee for the operation of the Licensed ICT Networks and/or Licensed ICT Services specified in this Licence under the provisions of Section 30 of the ICTA Law shall be as specified in Annex 2.
- 3.2 The Licence Fees for each class of Licensee shall be non-discriminatory.
- 3.3 The Licence Fees referred to in Condition 3.1 shall be payable directly by the Licensee to the Authority on or before the payment dates specified in Annex 2, and in the case of those due at commencement of the licence, if any, the fees shall be paid prior to commencement of operations by the Licensee of the Licensed ICT Networks and/or Licensed ICT Services specified in this Licence, and thereafter for the Term(s).
- 3.4 The Authority may delegate the collection of any or all Licence Fees due in accordance with the provision of Condition 3.1 to an administrative unit of the Cayman Islands Government, and the Licensee shall pay to such unit any and all fees owed on the same date as the fees are due to the Authority.
- 3.5 Without prejudice to any other remedies of the Authority under this Licence or the Laws of the Cayman Islands, if the Licensee fails to pay any amount due to the Authority or delegated administrative unit of the Cayman Islands Government under this Condition 3 by the due date, the

unpaid amount will accrue interest daily from the due date to the date of payment at three percentage points above the published Cayman Islands Dollar Prime Rate published from time to time by the Authority's bankers, the Bank of Butterfield International (Cayman) Limited.

4 PROVISION OF INFORMATION

- 4.1 Any and all aspects of the Licensee's business shall be subject to examination, investigation and audit by the Authority. The Licensee shall provide to the Authority in the manner and at the times required by the Authority, on reasonable notice, any documents, accounts, returns, estimates, reports or other information so required, including but not limited to the documents, accounts, returns, estimates, reports and other information specified in this Licence.
- 4.2 Where the Licensee operates an ICT Network which makes use of a portion of the free space electromagnetic spectrum between 3 KHz and 300 GHz, the Licensee shall, on the first business day of July of every year, provide the Authority with a comprehensive report on its anticipated use of the radio frequency spectrum for the following year and shall update the report as requested by the Authority from time to time.
- 4.3 The Authority may conduct, from time to time, or may delegate to a suitably qualified person as the Authority may decide, an examination, investigation or audit of any aspect of the Licensee's business or of its relationship with any Affiliate of the Licensee and of its compliance with the Conditions and the Laws.
- 4.4 The Authority shall notify the Licensee of the objectives and scope of any examination, investigation or audit carried out under Condition 4.3 in advance of the commencement of such examination, investigation or audit, except where the Authority has reasonable grounds for believing the Licensee is or has been acting fraudulently or contrary to law.
- 4.5 The scope of any examination, investigation or audit carried out under Condition 4.3 shall be no wider than is necessary to fulfil the objectives of the said examination, investigation or audit.
- 4.6 Any audit ordered under Condition 4.3 shall be limited to any activities or information relating to the Licensee's information no earlier than three (3) years prior to the date the audit is commenced under Condition 4.3.
- 4.7 The Licensee shall provide any and all assistance requested by the Authority in relation to any such examination, investigation or audit, such request to be made on reasonable notice, except where the Authority has reasonable grounds for believing the Licensee is or has been acting fraudulently or contrary to law.

- 4.8 The Authority may issue directions with regard to the manner in which such examination, investigation or audit is to be carried out and with which the Licensee shall fully comply.
- 4.9 Where the Authority conducts or delegates an examination, investigation or audit in accordance with Conditions 4.1 and/or 4.3, the Licensee shall allow the authorised representative of the Authority, or of its delegate as the case may be –
- (a) to attend at, enter and inspect any premises which are under the control of the Licensee or of any of its Affiliates;
 - (b) to take copies of any documents; and
 - (c) to acquire any information in the control of the Licensee or any of its Affiliates as may be required in order to carry out the examination, investigation or public interest audit;
 - (d) require that any information be formatted and conveyed in any manner deemed appropriate.
- 4.10 The Authority or such other person who has been delegated by the Authority to conduct an examination, investigation or audit under Condition 4.3 as the case may be and the Licensee shall each bear its own costs incurred in connection with the examination, investigation or audit, provided that, in the event the examination, investigation or audit reveals a material breach of the Licence, the ICTA Law or of any applicable regulations, the Licensee shall bear all reasonable costs associated with any reporting, examination, investigation or audit.

5 COMPLIANCE

- 5.1 In addition to complying with the Conditions of this Licence, the Licensee shall comply with:
- (a) any obligation imposed on it by any law, regulation or rule of the Cayman Islands that is applicable;
 - (b) any direction, determination, decision request or order duly issued by the Authority under the ICTA Law, this Licence, or any law, regulation or rule of the Cayman Islands that is applicable;
 - (c) the Plans submitted pursuant to Condition 9; and
 - (d) applicable tariffs, if any.

6 EXCEPTIONS TO AND LIMITATIONS ON THE LICENSEE'S OBLIGATIONS

- 6.1 If the Licensee is prevented from performing any of its obligations under this Licence because of *force majeure* -

- (a) the Licensee shall notify the Authority of the obligations which it is prevented from performing, and the reason why, as soon as reasonably practicable; and
- (b) the Authority may suspend those obligations and the Licensee will not be liable to perform those obligations, for so long as the force majeure continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this Licence or other reasonable precautions and the inability cannot reasonably be circumvented by the Licensee at its expense through the use of alternate sources, work-around plans or other means.

7 DURATION AND RENEWAL

- 7.1 This Licence commences on the Licence Commencement Date and continues, subject to the Licensee's compliance with the Conditions and the Laws of the Cayman Islands, directions issued by the Authority and applicable tariffs, if any, and subject to any revocation or suspension by the Authority, for the Term.
- 7.2 Pursuant to Section 29 of the ICTA Law, the Licensee may serve notice on the Authority requesting a renewal of this Licence.
- 7.3 Within one hundred and eighty days of receiving a notice under Condition 7.2, or such further period as may be agreed with the Licensee, the Authority shall notify the Licensee whether it agrees to a renewal of the Licence subject to the same Conditions or any modified, amended or additional Conditions, and subject to the Licensee providing all necessary information to the Authority to enable it to make the notification within the required time.

PART II: SERVICE OBLIGATIONS

8 UNIVERSAL SERVICE

- 8.1 Pursuant to Section 42 of the ICTA Law and, in the event the Authority issues a directive, rule or regulation pursuant to the provision of Universal Service, the Licensee may be obligated to provide some or all of the services classified as Universal Services. In the event of such obligation, the Licensee will be designated a Universal Service provider for those services. The Authority may, following a public consultation process require the licensee to undertake a Universal Service Obligation, the terms for which will be incorporated into this Licence as an amended Annex 3.

- 8.2 Pursuant to Section 43 of the ICTA Law and, in the event the Authority issues a directive, rule or regulation pursuant to the provision of Universal Service, the Licensee shall contribute to the cost of the provision of the Universal Service Obligation as, and if, required by the Universal Service Regulations, unless the Licensee is exempt from that requirement in accordance with a directive from the Authority to that effect. The Authority may, following a public consultative process, require the Licensee to contribute to the cost of Universal Service at any time during the Term of the Licence, the terms for which will be incorporated into this Licence as an amended Annex 3.

9 DEVELOPMENT OF LICENSED ICT NETWORKS AND LICENSED ICT SERVICES

- 9.1 The Licensee shall develop and operate the Licensed ICT Networks and Licensed ICT Services according to standards of performance in line with international best practices.
- 9.2 The Licensee shall comply at all times with relevant standards established by the Authority.
- 9.3 The Licensee shall submit to the Authority a Development Plan and a Compliance Plan, together known as "the Plans". Any and all matters to be included in these plans may be added to, deleted or substituted by the Authority at any time during the Term of this Licence. The Plans may be submitted in confidence in accordance with the Confidentiality Rules.
- 9.4 The Development Plan shall describe the following:
- a) planned nature and extent of Caymanian participation as set out in Annex 1B;
 - b) contact coordinates of key management responsible for and authorised to respond to the Authority in such areas as network operations and maintenance, legal, regulatory and corporate affairs;
 - c) the target levels of quality of service performance which the Licensee will achieve with the Licensed ICT Networks and Licensed ICT Services, the estimated timeframe within which those targets will be achieved and how the achievement of those target levels of performance will be monitored;
 - d) anticipated introduction of new Facilities and new ICT services, including geographic coverage;
 - e) the manner in which financial data will be captured, and reported and verified for purposes of the Licence Fee, including providing the Authority with audited financial statements within a time frame that is no later than three (3) months from financial year end;

- f) the Licensee's internal rules and procedures for the treatment of User confidential information; and
 - g) such other matters as required by the Authority from time to time.
- 9.5 The Compliance Plan shall describe the manner in which the Licensee has complied with the terms of its Licence and shall also address:
 - (a) the extent to which it has met, exceeded or failed to meet the various categories in the Development Plan.
 - (b) whether it has provided and continues to provide all financial data pertinent to the amount of Licence Fees to be paid;
 - (c) infrastructure arrangements and disputes;
 - (d) significant differences between target levels of performance and performance levels achieved over a sustained period of time, and major service interruptions and reasons therefore;
 - (e) broad categories of User complaints, the manner resolved and the time frames involved;
 - (f) confidentiality of information and the extent to which it has been safeguarded; and
 - (i) such other matters as required by the Authority from time to time.
- 9.6 The Authority may direct the Licensee to update and resubmit the Plans from time to time.
- 9.7 The Authority may direct the Licensee as to matters to be included in the Plans and may amend or replace such direction from time to time.
- 9.8 The Authority may include as a Condition of this Licence the targets specified by the Licensee in the Plans and the Licensee shall be deemed to be in breach of its Licence if such target levels are repeatedly not achieved.
- 9.9 Within fifteen days of the end of each twelve-month period during the Term, the Licensee shall, unless otherwise approved or directed by the Authority, provide the Authority with the Plans whereby the Development Plan will address the subsequent twelve months and the Compliance Plan will address the preceding twelve months.
- 9.10 The Licensee shall comply with any directions issued by the Authority from time to time regarding any other quality of service indicators, measurement methods and compliance requirements, as may be reasonably required, for the Licensed ICT Networks and Licensed ICT Services.

- 9.11 The Licensee shall on request by the Authority supply the results of its measurements of actual performance against any quality of service indicators and measurements which the Authority may publish or require publication of such information as it considers appropriate.

10 LICENSEE'S OBLIGATIONS TO USERS

- 10.1 The Licensee shall, in accordance with the ICTA Law, take such steps as are reasonably necessary to ensure that, in relation to its Licensed ICT Networks and/or Licensed ICT Services as applicable, Users can reasonably and reliably have access to information services to assist them with queries relating to the Licensed ICT Services.
- 10.2 The Licensee shall use its best endeavours to meet the quality of service commitments set out in the Development Plan and Conditions 9.8 and 9.10. A repeated failure to meet such quality of service obligations shall be regarded as a breach of this Licence.
- 10.3 The Licensee shall, prior to the provisioning of ICT Services to Users, develop, implement and publish procedures for responding to complaints from and disputes with Users related to the quality of any Licensed ICT Services and the Licensee shall respond quickly and adequately to any complaints but, in no event, later than one (1) month after the filing of such complaint with the Licensee.
- 10.4 The Licensee, and its Terms of Service, shall be subject to the Authority's Dispute Resolution Rules for resolving such complaints from and disputes with Users.
- 10.5 Prior to the provisioning of ICT Services to Users, the Licensee shall develop listener feedback procedures for the provisioning of Licensed ICT Services to Users which, at a minimum, comply with the Listener Feedback Procedures stipulated in Annex 5.
- 10.6 The Authority may issue directives, rules or regulations which shall replace Annex 5 in whole or in part. The Licensee shall comply with every such directive, rule or regulation.

11 REGULATORY TREATMENT

- 11.1 Market conditions may require the Authority to issue directives, rules or regulations concerning the regulatory treatment of the Licensee. In such event, the Licensee shall comply with any such directives, rules or regulations as issued by the Authority.

Part III: General Provisions

12 ASSIGNMENT

- 12.1 The Licensee may not assign, convey or transfer this Licence, in whole or in part, without the prior written consent of the Authority.
- 12.2 Condition 12.1 shall not apply where the assignment, conveyance or transfer results from an internal reorganization of a body corporate that involves no change in the beneficial ownership thereof. The Licensee shall give prior notification to the Authority of the nature and extent of such assignment, conveyance or transfer.

13 LICENCE COMMENCEMENT DATE

- 13.1 This Licence shall take effect on the date granted by the Authority.

14 AMENDMENTS

- 14.1 Subject to Section 31 of the ICTA Law, no amendments or additions to this Licence shall be valid unless in writing and signed on behalf of the Authority.

15 COMPLIANCE WITH LAWS

- 15.1 The Licensee shall comply at all times with applicable laws and regulations of the Cayman Islands.
- 15.2 The Licensee, in accordance with subsection 23(4) of the ICTA Law, may be exempt from complying with the Local Companies (Control) Law (2007 Revision). Nonetheless, the Licensee shall comply with the level and degree of Caymanian participation stipulated in Annex 1B.

Annex 1

1 LICENCED ICT NETWORK AND ICT SERVICES

- 1.1 The Licensee is authorized to operate the following ICT Networks as defined by the Authority under the provisions of Section 23(2) and published in a Notice in the Gazette:

Type	Description	Term
F	Broadcast Network	6 October 2011 to 5 October 2016
S	Spectrum*	Annual

* See Annex 4.

- 1.2. The Licensee is authorized to supply the following ICT Services as defined by the Authority under the provisions of Section 23(2) of the ICTA Law and published in a Notice in the Gazette:

Type	Description	Term
8	Sound Broadcasting*	6 October 2011 to 5 October 2016

* The Authority shall have the right to impose upon the Licensee additional obligations concerning the Type 8 ICT Service which may include obligations pertaining to such matters as programming and content.

Annex 1A

Roll Out Plan

ICT Network

The Licensee's Licensed ICT Network will be fully deployed in Grand Cayman as of 7 January 2012 if not before.

ICT Service(s)

The Licensee's Licensed ICT Service identified as Big Fish Radio FM will be offered on Grand Cayman as of 7 January 2012 if not before.

Annex 1B

Caymanian Participation

The following identifies the nature and extent of Caymanian participation, including without limitation, the level of beneficial ownership by Caymanians, if any, and any participation by Caymanians as directors, management or otherwise and the dates upon which such participation will be achieved.

Equity participation: 100% Caymanian as of the Licence Commencement Date.

Employees: 60% Caymanian as of the Licence Commencement Date.

Directors: 66% Caymanian as of the Licence Commencement Date.

ANNEX 2

1 LICENCE FEES

1.1 Definitions:

“Annual Revenue” means, for any Licensee Financial Year, the Annual Turnover less:

- (a) payments made to Other Licensees for interconnection, infrastructure, and wholesale services and settlement payments made to international carriers for international traffic, including adjustments to payments for such traffic (if any of these payments are made to an Affiliate, they shall be excluded from Annual Revenue only to the extent that those payments are made at open market value on an arm’s-length basis.); and
- (b) Non-recurring extra-ordinary items of receipt (including real estate) not made in the ordinary course of business.

“Annual Turnover” means the total amount of receipts in money or money’s worth received by the Licensee from all sources arising out of or in connection with the Licensee’s business in or from the Cayman Islands in any Licensee Financial Year of this Licence;

“Audit” means an audit performed by a professionally qualified external auditor and certified by an independent firm of chartered accounts.

“Audited Financial Statements” means audited: balance sheet, profit and loss statement, cash flow statement, detailed Annual Turnover and Annual Revenue statements and such other statements as the Authority may reasonably prescribe, all in respect of the Licensee’s business in the Cayman Islands for a Licensee Financial Year during the Term of the Licence.

“Dispute Notice” shall have the meaning set out in section 2.1.

“ICT Sector One” shall mean all those activities identified as ICT Services and ICT Network in the Section 23(2) Notice.

“Licensee Financial Year” means the Licensee’s financial year.

"Quarter" or "Quarterly" means a period of three (3) calendar months commencing 1 July, 1 October, 1 January and 1 April. For purposes of the initial quarter it shall mean the period from the Licence Commencement Date to the end of the applicable Quarter.

"Quarterly Revenue" means the Quarterly Turnover less:

- (a) payments made to Other Licensees for interconnection, infrastructure and wholesale services and settlement payments made to international carriers for international traffic, including adjustments to payments for such traffic (if any of these payments are made to an Affiliate, they shall be excluded from Annual Revenue only to the extent that those payments are made at open market value on an arm's-length basis); and
- (b) Non-recurring extra-ordinary items of receipt (including real estate) not made in the ordinary course of business.

"Quarterly Turnover" means the total amount of receipts in money or money's worth received by the Licensee from all sources arising out of or in connection with the Licensee's business in or from the Cayman Islands in any Quarter.

"Regulated Financial Year" means a period of twelve (12) months commencing 1 July and ending on 30 June.

"Regulatory Fee" means a fee payable to the Authority which is determined by multiplying the Authority's costs, for a Quarter, which the Authority has determined should be paid by Licensees in ICT Sector One, by the Quarterly Revenue of the Licensee, divided by the total Quarterly Revenue of all licensees in ICT Sector One. The amount of the fee shall be established and published by the Authority thirty (30) days prior to each Quarter, and shall be based on data from the Quarter immediately preceding the Quarter in which the date of publication falls. The specific calculation and filing procedures shall be prescribed and published by the Authority in a licence fee guidelines document to be issued within sixty (60) days from the Licence Commencement Date. At the same time the Authority shall publish the Regulatory Fees payable for the Quarter beginning July 1, 2003. For the Licensee, this fee shall not exceed six hundred thousand Cayman Islands dollars (CI\$600,000.00) for any Regulated Financial Year.

"Turnover" shall mean Quarterly Turnover and/or Annual Turnover, as applicable in the circumstances.

“Unaudited Financial Statements” means a balance sheet, profit and loss statement and a cash flow statement, that have not been audited, all in respect of the Licensee’s business in the Cayman Islands.

1.2 Licence Fee Procedures and Payment

(a) Not later than fifteen (15) calendar days following the end of the Quarter the Licensee shall deliver to the Authority a licence fee report showing the amount of Quarterly Turnover broken down in a manner prescribed by the Authority, Quarterly Revenue and all calculations applied, and Unaudited Financial Statements. The said licence fee report shall be may require the Licensee to provide further information in respect of the Licence Fee calculated.

(b) At the same time as provision of the information specified in subsection (a) the Licensee shall deliver a cheque payable to the Authority which shall be equal to six per cent (6%) of the Quarterly Revenue together with an amount equal to the Licensee’s Quarterly Regulatory Fee.

(c) The Licensee shall include, when providing the information specified in subsections (a) and (d), an affidavit signed by an officer of the Licensee attesting to the veracity and completeness of the information provided and that the Licensee has reported all Turnover.

(d) The Licensee shall deliver to the Authority within three (3) months of the end of the Licensee’s Financial Year a full set of Audited Financial Statements. If the Audited Financial Statements, as accepted by the Authority, show that the Licensee has under paid the Licensee Fee a further sum in the amount of the under payment shall be paid to the Authority. In the event the Audited Financial Statements show that the Licensee has overpaid a credit shall be applied to the subsequent years License Fee.

2. Dispute Resolution

2.1 Within 28 days of the receipt by the Authority of the Licensee’s Unaudited Financial Statements in accordance with clause 1.2(a) of this Annex or the receipt of the Licensee’s Audited Financial Statements in accordance with clause 1.2(d) hereof (as the case may be), the Authority may serve the Licensee with a Dispute Notice stating the grounds upon which the Authority disputes the exclusion of any item from Turnover or the inclusion of any item as a deductible from Turnover for the purposes of calculating Quarterly Revenue or Annual Revenue as (the case may be) in accordance with the terms of this Annex.

- 2.2 The Licensee and the Authority shall thereupon use their reasonable endeavours to reach a settlement in writing of the said Dispute Notice provided that where such dispute has not been resolved to the reasonable satisfaction of the Authority within 28 days of the receipt by the Licensee of the Dispute Notice the dispute shall be referred to an independent accountant to be agreed between the Licensee and the Authority within 14 days thereafter.
- 2.3 In the event that the Authority and the Licensee are unable to agree on the identity of such independent accountant the Licensee and the Authority shall refer the choice of accountant to the President for the time being of the Cayman Islands Chamber of Commerce whose decision shall be final and binding.
- 2.4 The decision of the independent accountant in respect of the Dispute Notice shall be final and binding and the costs of the referral of the said Dispute Notice including the fees charged by the independent accountant for adjudicating on the Dispute Notice shall be awarded by the independent accountant to the party in whose favour the said Dispute shall be resolved.

3. Authorised Frequencies Fee

- 3.1 Notwithstanding Clause 2.2, the Licensee shall pay an annual Authorised Frequency Fee not exceeding Ninety Cayman Islands Dollars (CI\$90) per radio transmitter per year for the first five years following the Licence Commencement Date.
- 3.2 The Authorized Frequencies Fees are to be set on the following principles:
- (a) The total amount collected each Regulated Financial Year for Authorized Frequency Fees from all Licensees (including the Licensee) shall not exceed the Authority's annual estimated cost of electromagnetic spectrum management and other related activities.
 - (b) The Authorised Frequencies Fee shall be set to be the same for all transmitters, irrespective of the use of the transmitter or the type of spectrum used by the transmitter.

Annex 3

UNIVERSAL SERVICE

This Annex is reserved for terms and conditions pertaining to any Universal Service Obligation or contribution to the cost of Universal Service which the Authority may, following a consultative proceeding, require in accordance with Condition 8 of the Licence.

Annex 4

Authorized Frequencies and Transmitters

Frequency	Description	Transmitter & Antenna Information	
95.5 MHz	Big Fish Radio 95.5 FM (Broadcast Signal – Grand Cayman)	<i>Type:</i> <i>Location:</i> <i>Height:</i> <i>Power:</i>	Harris Z3.5 FM Transmitter Caycom Tower Savannah (46 Ranch Road) Latitude: 19.280944 N Longitude: 81.301417 W 4 dipole antennas 235 feet 3 KW
951.5 MHz	Transmitter-to-Studio Link	<i>Type:</i> <i>Location:</i> <i>Height:</i> <i>Power:</i>	MARTI Grand Cayman n/a n/a

Type S Licence

Type S Licenses are issued annually on the basis of the number of transmitters and frequencies.

Annex 5

LISTENER FEEDBACK PROCEDURES

The Licensee shall adopt the following guidelines for handling listener complaints and comments ("listener feedback").

The Licensee's listener feedback system shall:

- 1) be easily accessible and well publicized;
 - 2) be simple to understand and use;
 - 3) allow speedy handling, with established time limits for action where appropriate;
 - 4) respect a client's desire for confidentiality;
 - 5) provide an effective response to complainants; and
 - 6) provide information to management so that services can be improved.
1. The Licensee's listener feedback system shall include easily accessible and well-publicized mechanisms for receiving and resolving listener feedback.
 - The Licensee shall provide and publicize information about how and to whom listeners may provide their feedback, including a contact, a phone number and an address for the Licensee.
 - The Licensee's listener feedback system shall enable listeners to provide feedback in a variety of ways – in person, in writing, by fax and by telephone.
 - The Licensee shall provide information that a listener may seek assistance from the ICT Authority if the listener's complaint or comment is not satisfactorily addressed.
 2. The Licensee shall handle listener feedback according to clearly established procedures that are simple for listeners to understand and use.
 3. The Licensee's listener feedback system shall include provisions allowing its employees to handle listener feedback quickly and include established time limits for action, where appropriate.
 - The Licensee shall ensure its staff are trained to handle listener feedback quickly.
 - The Licensee's listener feedback system shall include established time limits for action with regards to dealing with listener complaints and comments, where appropriate.

4. The Licensee's listener feedback system shall respect an individual listener's confidentiality.
 - The Licensee shall ensure its employees are trained to deal with individual listener feedback in confidence.
5. The Licensee's listener feedback system shall include provisions to allow its employees to provide an effective response to complaints.
 - The Licensee's feedback procedures shall provide a response to all complaints.
 - The Licensee shall provide an explanation to listeners who are still dissatisfied that no further redress is available from the Licensee and, if appropriate, how the listener may pursue the issue with the ICT Authority.
 - Licensee's listener feedback system shall allow employees to express regrets spontaneously, regardless of the nature of the complaint.
6. The Licensee's listener feedback system need to provide information to management so the quality of its programs can be monitored and improved.
 - The Licensee shall develop and maintain a system for recording listener feedback, including information on the numbers and types of comments and complaints.
 - The Licensee shall periodically review trends in the types and nature of listener comments and complaints received.
 - The Licensee shall monitor the effectiveness of staff training in handling listener feedback.