
Proposed agreed merger of Carlton Communications Plc and Granada Plc

Undertakings given by Carlton Communications Plc and Granada Plc to the Secretary of State for Trade and Industry pursuant to section 88(2) of the Fair Trading Act 1973

Consultation draft 27 October 2003

WHEREAS:

- (a) On 16 October 2002, Carlton Communications plc and Granada plc announced a proposed agreed merger;
- (b) On 11 March 2003 the Secretary of State for Trade and Industry referred the proposed merger to the Competition Commission under sections 64, 69(2) and 75 of the Fair Trading Act 1973 (the 'Act');
- (c) The report of the Competition Commission (the 'Report') was presented to Parliament in October (Cm 5952) and sets out such conclusions as are mentioned in section 73(1) of the Act;
- (d) Pursuant to a request by the Secretary of State, the OFT has consulted with Carlton and Granada with a view to obtaining from them undertakings to take action in accordance with section 88(1) of the Act;

NOW THEREFORE Carlton and Granada hereby give to the Secretary of State the following undertakings (the 'Undertakings') pursuant to section 88(2) of the Act for the purpose of remedying or preventing the adverse effects on the public interest specified in the Report.

Effective date of these Undertakings

1. These Undertakings shall take effect from the date that, having been signed by Carlton and Granada, they are accepted and dated by the Secretary of State.

Other Licensees

2. Carlton and Granada shall, directly or indirectly,
 - (a) convene the Network Council at least twice a year to: (i) consult the Other Licensees; and (ii) ensure that the Other Licensees are properly and fully informed of the Channel 3 Network's broadcasting and programme strategy, as presently referred to in Clause 4 of the Network Supply Contract. They shall circulate in good time the agenda and supporting papers for such meetings, and provide minutes of such meetings to the Regulator in a form approved by it from time to time;
 - (b) ensure that any Other Licensee's contribution to the Network Programme Budget in any year does not represent an increase in its contribution from that in 2003 (apart from for Exceptional Events) by more than the cumulative rate of inflation since December 2002 as measured by reference to the Retail Prices Index, save to the extent necessary to meet a fair and reasonable share of the increased costs occasioned by Exceptional Events which is, at the date hereof, deemed to be the Agreed Share as defined in the Network Supply Contract;
 - (c) not make the commissioning or broadcasting of a programme conditional on using Carlton and/or Granada for Programme Compliance for that programme;
 - (d) at no extra cost provide Grampian TV, Scottish TV and Ulster TV (and any future Licensee for the respective Regional Channel 3 services authorised by such companies' Licences at the date of entry into force of these Undertakings) with a Clean Broadcast Feed from the Channel 3 Network to the extent and on the same basis as it is provided at the date hereof (save as amended from time to time by mutual agreement);
 - (e) offer the Licensee for Ulster (currently Ulster TV) equivalent terms to those made available to Scottish TV following devolution in Scotland, if its local programming obligations set out in its Licence change as a result of devolution in Northern Ireland;
 - (f) report the number of Network Hours commissioned from the Other Licensees annually to the Regulator; and
 - (g) use their best endeavours to procure any changes to the Networking Arrangements required to enable them to comply with the Undertakings.
3. Carlton and/or Granada shall offer to each Other Licensee, for the duration of its Licence from time to time, terms similar to those in effect on 1 November 2003 (as amended from time to time by mutual agreement) between it and Carlton and/or Granada for the sale of Commercial Airtime and programme sponsorship.
4. Carlton and/or Granada shall offer to any future Licensee for a Regional Channel 3 service currently supplied by any Other Licensee, for the duration of its Licence from time to time, the terms last agreed between that Other Licensee and Carlton and/or Granada for the sale of Commercial Airtime and programme sponsorship (which may be amended from time to time by mutual agreement).

The sale of Commercial Airtime

5. The conclusion of any contract for the sale of Commercial Airtime with Carlton and/or Granada is without prejudice to Clauses [12-18] below.
6. Carlton and Granada shall offer to all persons that hold or have held a Protected Contract the option of contracting for the purchase of Commercial Airtime on the same terms (including duration) as those contained in such Protected Contract. Carlton and/or Granada shall make this offer at least one month before any contract for the supply of Commercial Airtime expires. Each such offer shall remain open until accepted or a new agreement for the sale of Commercial Airtime with Carlton and/or Granada enters into force.
7. If a Protected Contract contains any Share of Broadcast provisions, such shares will be revised annually in direct proportion to changes in Carlton's and/or Granada's share of Commercial Impacts, calculated against the base level of the average share of Commercial Impacts achieved by Carlton and/or Granada in 2002, or the relevant Base Year defined in Annex [1].
8. Such revised shares shall not at any time exceed the Share of Broadcast specified in the relevant Protected Contract.
9. The revised Share of Broadcast shall be weighted by the mix of demographic audience, regions and specific time periods contracted for. Annex [1] states how this shall be calculated.
10. Carlton and Granada agree that:
 - (a) they must offer Commercial Airtime on fair and reasonable terms to any person, including any person seeking to vary a contract for the sale of Commercial Airtime. Any Protected Contract existing on 1 November 2003 (or as modified in relation to any Share of Broadcast provision pursuant to Clause [7]) is presumed to be fair and reasonable;
 - (b) where an Advertiser under an Umbrella Agreement switches to a new Media Buyer, that Media Buyer may apply the terms of its Protected Contract to the purchase of Commercial Airtime on behalf of that Advertiser, where the terms of the Protected Contract so provide, or otherwise with the consent of Carlton and/or Granada as the case may be. They may withhold consent only:
 - (i) to avoid Overtrading to a material extent;
 - (ii) to avoid materially increasing existing Overtrading;
 - (iii) if such switching would put Carlton and/or Granada as the case may be in breach of pre-existing contractual arrangements relating to the use of particular advertising slots; or
 - (iv) if such switching would result in a material reduction of the Advertiser's Share of Broadcast commitment;

Should Carlton and/or Granada withhold consent in the circumstances detailed in Clause [10(b)], they shall nevertheless offer fair and reasonable terms to the new Media Buyer with the aim of accommodating such Advertiser and shall offer for such terms to become part of the new Media Buyer's Protected Contract.

- (c) where an Advertiser under a Line-by-Line Agreement switches between Media Buyers, Carlton and/or Granada shall offer the same terms for that Advertiser to the new Media Buyer that that Advertiser enjoyed with its previous Media Buyer;
- (d) a person, who has not done so since 31 December 2000, may purchase Commercial Airtime by agreement with a Media Buyer and benefit from such Media Buyer's Protected Contract with Carlton and/or Granada, subject to Carlton's and/or Granada's approval which they may only withhold: (i) to avoid Overtrading to a material extent; (ii) to avoid materially increasing existing Overtrading; or (iii) if such agreement would put Carlton and/or Granada in breach of pre-existing contractual arrangements relating to the use of particular advertising slots;
- (e) a person that holds or has held a Protected Contract may agree with Carlton and/or Granada that a new or replacement contract, or any variation to its Protected Contract, becomes its Protected Contract. Carlton and/or Granada shall not unreasonably withhold or delay their agreement;
- (f) Advertisers, which hold Line-by-Line Agreements, that cease to be distinct may:
 - (i) apply to those Advertisers the terms for the supply of Commercial Airtime enjoyed by the larger or largest Advertiser with Carlton and/or Granada (calculated by reference to spend on Commercial Airtime), although Carlton and/or Granada may decline to provide Commercial Airtime on that basis: (aa) to avoid Overtrading to a material extent; (bb) to avoid materially increasing existing Overtrading; or (cc) if to do so would put Carlton and/or Granada in breach of pre-existing contractual arrangements relating to the use of particular advertising slots;
 - (ii) apply the weighted average (calculated by annual spend on Commercial Airtime) of those Advertisers' terms contained in their Protected Contracts, or
 - (iii) exercise their rights under Clauses [6 and 10(c)] for each Protected Contract separately;
- (g) Media Buyers that cease to be distinct may:
 - (i) apply the weighted average (calculated by annual spend on Commercial Airtime) of the terms of their Protected Contracts; or
 - (ii) exercise their rights under Clause [6] for each Protected Contract separately; and

- (h) they shall not change their Current Airtime Sales System in a way that materially alters the basis on and the way in which they offer Commercial Airtime for sale.
11. The Undertakings in Clauses [5 to 10] inclusive only apply to Commercial Airtime sales in relation to the Regional Channel 3 Services provided by Licensees.

Adjudication

12. Carlton and Granada agree to comply with and fulfil any obligations placed upon them under the CRRA Scheme and the CRRA Rules.
13. Any decision of the Adjudicator shall bind Carlton and/or Granada as the case may be. Notwithstanding any conflicting provision contained in a contract with Carlton and/or Granada, they shall offer such terms as are required to comply with the Adjudicator's decision.
14. Carlton and Granada shall at all times expressly maintain the offer (whether or not such offer has previously been rejected) to insert the following clause into all contracts with Media Buyers and Advertisers for the sale of Commercial Airtime:

'In the event of any inconsistency between this paragraph and any other provision [in these Terms and Conditions/of this Agreement], the provisions of this clause shall prevail.

As regards any dispute between the parties arising out of the interpretation or exercise of the rights given to or obligations upon Advertisers, Media Buyers, Carlton and Granada in relation to contracts for the sale of Commercial Airtime pursuant to the undertakings given by Carlton Communications Plc and Granada Plc to the Secretary of State for Trade and Industry dated [COMPLETE] 2003 (the "Undertakings"), including any dispute relating to the interpretation, termination or enforcement of such contracts to the extent referable to such Undertakings, the interpretation of any provision of the Contracts Rights Renewal Adjudication Rules, the Contracts Rights Renewal Adjudication Scheme, or the Adjudicator's jurisdiction to determine the dispute, the dispute shall be referred to the Contracts Rights Renewal Adjudicator for determination in accordance with the Contracts Rights Renewal Adjudication Scheme and Contracts Rights Renewal Adjudication Rules annexed to the Undertakings and as amended from time to time.'

15. If an Advertiser or Media Buyer accepts this offer and accordingly to be bound by the CRRA Scheme and CRRA Rules, disputes referred to in Clause [14] shall be referred to the Adjudicator.
16. Carlton and/or Granada shall offer for the following disputes to be referred to the Adjudicator for determination in accordance with the CRRA Scheme and CRRA Rules:
- (i) if a person considers that Carlton and/or Granada have not offered it fair and reasonable terms under Clause [10(a)];

- (ii) if an Advertiser considers that Carlton and/or Granada have not complied with their obligations under Clause [10(b)]; and
 - (iii) if an Other Licensee considers that Carlton and/or Granada have not complied with their obligations under Clause [3].
17. If a person, Advertiser or Other Licensee accepts this offer and to be bound by the CRRA Scheme and CRRA Rules, the dispute shall be referred to the Adjudicator.
 18. Carlton and Granada consent to the Regulator providing the Adjudicator with any documents and information received from them relevant to the operation of the CRRA Scheme and CRRA Rules.

Compliance

19. Carlton and Granada shall provide to the OFT or the Regulator such documents and/or information as they may from time to time require for the purposes of ascertaining whether Carlton and Granada have complied with these Undertakings.
20. Carlton and Granada shall deliver a report to the OFT and the Regulator annually, on, or if not a business day on the next business day following, the anniversary of these Undertakings coming into force. It shall include a detailed and accurate account of:
 - (a) steps taken during the year to ensure compliance with the Undertakings;
 - (b) instances where a breach or potential breach of the Undertakings has been identified;
 - (c) how the report was compiled.
21. Carlton and Granada shall comply promptly with such written directions as the OFT may from time to time give:
 - (a) to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these Undertakings; or
 - (b) to do or refrain from doing anything so specified or described which they might be required by these Undertakings to do or to refrain from doing.

Interpretation

22. The Interpretation Act 1978 shall apply to these Undertakings as it does to Acts of Parliament.
23. Any word or expression used in these Undertakings shall, unless otherwise defined herein and/or the context otherwise requires, have the same meaning as it has in the Fair Trading Act 1973 or the Enterprise Act 2002, as the case may be.

24. Further, in these Undertakings:

'Advertiser' means a purchaser of Commercial Airtime for the purpose of broadcasting advertisements;

'Adjudicator' means the Adjudicator established under these Undertakings;

'Carlton' means Carlton Communications plc and:

- (a) any person who directly or indirectly controls Carlton Communications plc from time to time; and
- (b) any person directly or indirectly controlled by Carlton Communications plc from time to time; and
- (c) any person that from time to time is directly or indirectly controlled by any person falling within paragraph (a) above;

where such person is a Licensee or carries on any activity that involves or is related to or connected with the broadcast or sale of Commercial Airtime;

'Channel 3 Network' means the nationwide system of television broadcasting services to be provided by Licensees under the Networking Arrangements;

'Clean Broadcast Feed' means the provision of a broadcast transmission feed of the Channel 3 Network schedule of all programmes including end credits but free from all end credit promotions and end credit announcements, commercials, other promotions, interstitial material and continuity announcements not relevant to the regions served;

'Commercial Airtime' means the television transmission time that a television channel may sell to third parties to show advertisements in relation to the Regional Channel 3 Services provided by Licensees;

'Commercial Impact' means the viewing by one member of the target audience of an advertisement (including an interactive advertisement), as currently measured by BARB (the Broadcasters' Audience Research Board);

'CRRRA Rules' means the rules set out in Annex [2] as amended from time to time;

'CRRRA Scheme' means the scheme set out in Annex [3] as amended from time to time;

'control' shall be construed in accordance with section 65 of the Act, and

'controlled' and **'controlling'** shall be construed accordingly;

'Current Airtime Sales System' means the features and processes currently used by Carlton and Granada in relation to the sale of Commercial Airtime. This includes: the use of SAP, the sale of Commercial Impacts in all regions by all demographic audiences and specific time periods as currently sold by Carlton and Granada, and the current limited sale of 'specials' outside contracts for the sale of Commercial Airtime between Carlton or Granada and Advertisers and Media Buyers;

'Exceptional Events' means UK parliamentary elections, international conflicts or major international sporting events (namely the Olympics, European Athletics

Championships, Football World Cup, European Football Championships, Cricket World Cup and Rugby World Cup);

'Grampian TV' means Grampian Television Limited;

'Granada' means Granada plc and:

- (a) any person who directly or indirectly controls Granada plc from time to time; and
- (b) any person directly or indirectly controlled by Granada plc from time to time; and
- (c) any person that from time to time is directly or indirectly controlled by any person falling within paragraph (a) above;

where such company is a Licensee or carries on any activity that involves or is related to or connected with the broadcast or sale of Commercial Airtime;

'ITV Network' means ITV Network Limited or any successor body which is responsible for the provision of the Networking Arrangements;

'Licence' means a licence granted by the Regulator to provide a Regional Channel 3 service;

'Licensee' means a person holding a Licence;

'Line-by-Line Agreement' means a type of agreement between a Media Buyer and a particular channel or sales house where the agreement specifies the specific Share of Broadcast commitment and the discount level received by some or all of the Advertisers on whose behalf the Media Buyer is contracting;

'Media Buyer' means a purchaser of Commercial Airtime on behalf of an Advertiser;

'Network Council' means the council of ITV Network as constituted under the ITV Network Memorandum and Articles of Association, or any successor body carrying out the same, or similar, functions;

'Network Hour' means an hour of transmission of Channel 3 Network programming, measured in terms of 'slot times' i.e., including advertising breaks, programme trailers and presentation material during and at the end of programmes;

'Network Programme Budget' means for each financial year of ITV Network the total amount of money to be raised for the purposes of the Channel 3 Network for that year by the payment by each Licensee of its agreed share, as currently set out in Clauses 8 and 9 of the Network Supply Contract;

'Network Supply Contract' means the agreement between the Licensees and ITV Network entered into under the Networking Arrangements which, inter alia, authorises ITV Network, acting on behalf of the Licensees, to commission and acquire ITV Network programmes, to procure that these programmes are made available by ITV Network to each of the Licensees and to set out the financial contributions to be made by each Licensee to ITV Network in relation to such network programmes;

'Networking Arrangements' means, prior to the entry into force of section 291 of the Communications Act 2003, such networking arrangements as are for the time being approved by the Regulator under section 39 of the Broadcasting Act 1990 (as amended), and otherwise approved networking arrangements within the meaning of section 291(2) of the Communications Act 2003 or networking arrangements imposed pursuant to section 292 of the Communications Act 2003, without prejudice to the operation of paragraph 36 of Schedule 18 to that Act;

'Other Licensees' means any Licensee other than one controlled by Carlton and/or Granada;

'Overtrading' means a situation in which Carlton and Granada are or would become unable to meet their contractual obligations in relation to the supply of Commercial Impacts. This may occur on a total national basis, or for a particular region, for a particular demographic audience, or specific time period;

'Programme Compliance' means procedures for the verification of the rights underlying particular programming or the availability of cash-flow finance or production monitoring or for ensuring that a programme complies with the relevant statutory and regulatory provisions, for example the Regulator's Programme Code;

'Protected Contract' means a contract for the purchase of Commercial Airtime:

- (i) between an Advertiser or Media Buyer and Carlton or Granada that has been in force between 1 January 2001 and 1 November 2003 inclusive. Where an Advertiser or Media Buyer has had more than one such contract, or its terms have been altered during this period, the most recent such contract or set of terms is the Protected Contract; or
- (ii) concluded between a person and Carlton and/or Granada who has not held a contract with Carlton or Granada that has been in force between 1 January 2001 and 1 November 2003 inclusive, provided that, without prejudice to Clause [COMPLETE], where an Advertiser or Media Buyer enters into more than one such contract or varies its terms, only the first such contract, or contract as unvaried, shall be a Protected Contract.

Where Carlton and/or Granada have terminated a Protected Contract lawfully due to a breach by an Advertiser or Media Buyer, such contract shall no longer be a Protected Contract;

'Regional Channel 3 service' has the meaning ascribed to it in section 14(6) of the Broadcasting Act 1990 (as amended);

'Regulator' means the Independent Television Commission ('ITC') and/or the Office of Communications ('Ofcom'), as the context requires and their statutory powers and duties require and/or permit;

'Scottish TV' means Scottish Television Limited;

'Share of Broadcast' means the proportion of an Advertiser's or Media Buyer's total TV advertising spend that it has committed, as part of its contract, to a particular channel or sales house in return for a given discount and which may be

specified by reference to any one or more of a total share on a national basis, or for a particular region or regions, or for a particular demographic audience or audiences or for a particular time period or periods;

'Station Average Price' or 'SAP' means a benchmark price for delivery of a specific target audience. It is defined for each target audience and for each region and time period sold. It is calculated as:

$$\text{SAP}_{\text{Demographic A}} = \frac{\text{Total Revenue committed to that station (all audiences)}}{\text{Total number demographic A impacts}}$$

'Ulster TV' means Ulster Television Limited;

'Umbrella Agreement' means a type of agreement between a Media Buyer and a particular channel or sales house, where the agreement specifies the Media Buyer's Share of Broadcast commitment and the discount level it will receive in aggregate; and

unless the context requires otherwise, the singular shall include the plural and vice versa.

SIGNED FOR AND ON BEHALF OF CARLTON COMMUNICATIONS PLC

... .. Signature Signature

... .. Name Name

... .. Title Title

... .. Date Date

AND GRANADA PLC

... .. Signature Signature

... .. Name Name

..... Title

..... Title

..... Date

..... Date

ANNEXE 1 - Weighted Impact Share

Under a given Protected Contract a Media Buyer or Advertiser will have purchased Commercial Airtime in the Current Year against n different demographic audiences with Carlton and Granada, where $n \geq 1$. For audience a let S_a be the share of the total revenue committed by the Media Buyer or Advertiser against a given audience under that Protected Contract in the Current Year, calculated as follows:

$$S_a = \frac{\text{Sum of all REVENUES bought against Audience } a \text{ committed in the Current Year by the Advertiser or Media Buyer under the Protected Contract in the Regions and, where relevant, in the Time Periods to which the Protected Contract relates.}}{\text{Sum of all REVENUES bought against all } n \text{ Audiences committed in the Current Year by the Advertiser or Media Buyer under the Protected Contract in the Regions and, where relevant, in the Time Periods to which the Protected Contract relates.}}$$

Such that

$$\sum_{a=1}^n S_a = S_1 + S_2 + S_3 + \dots + S_n = 100\% \quad \text{of the total spend committed by the Advertiser or Media Buyer under the Protected Contract in the Current Year}$$

For these same n audiences, the relevant share of Commercial Impacts, or SOCI% across year y (where y may be the Current Year, the Base Year or Year 2002, as explained below), is calculated from BARB data (subject to note 1 below) as follows:

$$I_a^y = \frac{\text{Sum of all Commercial Impacts for Audience } a \text{ generated by Commercial Airtime in Year } y \text{ in the Regions, in the months and, where relevant, in the Time Periods to which the Protected Contract relates.}}{\text{Sum of all Commercial Impacts for Audience } a \text{ generated by all television channels in the Current Year in the Regions, in the months and, where relevant, in the Time Periods to which the Protected Contract relates.}}$$

The CRR Ratchet

The ratchet R to be applied to the Initial Share of Broadcast Commitment(s) (SOB_{Initial}) will be used to determine the Revised SOB Commitment for the year in which the Protected Contract is to be renewed, as shown in the calculation below.

For the given Protected Contract across n demographic audiences given S_a and I_a^y (as defined above) and *Current Year* and *Base Year* (as defined below)

$$R = \frac{(S_1 \cdot I_1^{\text{Current}}) + (S_2 \cdot I_2^{\text{Current}}) + (S_3 \cdot I_3^{\text{Current}}) + \dots + (S_n \cdot I_n^{\text{Current}})}{(S_1 \cdot I_1^{\text{Base}}) + (S_2 \cdot I_2^{\text{Base}}) + (S_3 \cdot I_3^{\text{Base}}) + \dots + (S_n \cdot I_n^{\text{Base}})}$$

Unless R is greater than the Cap C in which case R is capped at C i.e.

If $R > C$ then $R = C$

The Cap

The Cap C to be applied to the ratchet R is used to ensure that independent of a Media Buyer or Advertiser's base year the ratchet effect is capped at the 2002 SOCI %, so that the 2003 Share of Broadcast Commitment will never be exceeded.

For the given Protected Contract across n demographic audiences given S_a and I_a^y (as defined above) and *Current Year* and *Year 2002* (as defined below)

$$C = \frac{(S_1 \cdot I_1^{2002}) + (S_2 \cdot I_2^{2002}) + (S_3 \cdot I_3^{2002}) + \dots + (S_n \cdot I_n^{2002})}{(S_1 \cdot I_1^{Base}) + (S_2 \cdot I_2^{Base}) + (S_3 \cdot I_3^{Base}) + \dots + (S_n \cdot I_n^{Base})}$$

Unless C is less than 1 in which case $C = 1$ i.e. **If $C < 1$ then $C = 1$**

Calculation of Revised SOB Commitment

The Revised SOB Commitment shall be calculated as follows:

Revised SOB Commitment = $R \times \text{SOB}_{\text{Initial}}$

Definitions

Base Year means the following:

Where a Protected Contract came into force prior to 1 January 2004, Base Year is the calendar year 2002 if the Protected Contract runs on a calendar year basis, or, if the Protected Contract runs on any other basis, 2002-2003 on that same basis;

Where a Protected Contract came into force on or after 1 January 2004, Base Year is the 12 month period prior to the Protected Contract coming into force.

Current Year means the 12 month period ending on the date of expiry of the Media Buyer's or Advertiser's Protected Contract which is to be renewed pursuant to the Undertakings.

Initial Share of Broadcast Commitment(s) ($\text{SOB}_{\text{Initial}}$) means the following:

Where a Protected Contract came into force prior to 1 January 2004, $\text{SOB}_{\text{Initial}}$ is the Share of Broadcast committed by the Media Buyer or Advertiser to Carlton and Granada (including to individual regions) under that Protected Contract in the final 12 months of that Protected Contract;

Where a Protected Contract came into force on or after 1 January 2004, $\text{SOB}_{\text{Initial}}$ is the Share of Broadcast committed by the Media Buyer or Advertiser to Carlton and Granada (including to individual regions) in the first 12 months of that Protected Contract;

Region means an ITV franchise region which is available individually to Advertisers and Media Buyers for purchase of Commercial Airtime.

Revised SOB Commitment means the Share of Broadcast Commitment(s) (as defined in the Undertakings) which will apply following renewal of a Media Buyer's or Advertiser's Protected Contract pursuant to clause 5 of the Undertakings. For the avoidance of doubt, although the Revised SOB Commitment will apply during the year for which the Protected Contract is renewed, the Initial Share of Broadcast Commitment in the Protected Contract will remain unchanged for the purposes of clauses 7 and 8 of the Undertakings.

Time Period means any period of time of less than a week which is specified in the Protected Contract as the sole time period for which the Advertiser or Media Buyer will purchase Commercial Airtime against a given audience (including without limitation peak, off-peak, weekend, weekday, children's airtime).

Year 2002 means the calendar year 2002 where the Protected Contract runs on a calendar year basis, or, if the Protected Contract runs on any other basis, 2002-2003 on that same basis.

For the purposes of these definitions, a Protected Contract will be treated as having come into force on its starting date, even if it is subsequently renewed or varied pursuant to these Undertakings.

Explanatory Notes

Note 1:

BARB does not report multichannel impacts by region. The data processing organisation, DDS, uses a series of factors to impute impacts at a regional level and, in the future, other organisations may provide such a service.

Note 2:

Where the Protected Contract contains a Share of Broadcast Commitment specific to a particular Region or Time Period, then the Ratchet shall be calculated at the level at which that Share of Broadcast Commitment is contracted. Where the Protected Contract contains any other form of specific quantified commitment to a particular Region or Time Period, the Ratchet will be weighted to reflect the form of this commitment.

Note 3:

Carlton and Granada undertake to provide Media Buyers and Advertisers with the most accurate forecasts of Commercial Impacts available to them at least two months prior to the expiry date of the Media Buyer's or Advertiser's Protected Contract and updates upon request of the Media Buyer or Advertiser throughout the negotiations. Where the Revised SOB Commitment is calculated on the basis of an estimated level of Commercial Impacts, the Revised Share of Broadcast Commitment shall be subsequently adjusted once the Commercial Impacts figures are finalised.

ANNEXE 2

Contracts Rights Renewal Adjudication Rules under the undertakings given by Carlton Communications Plc ('Carlton') and Granada Plc ('Granada') to the Secretary of State for Trade and Industry pursuant to Section 88 [2] of the Fair Trading Act 1973 dated [] 2003 (the 'CRRA Rules')

([Date] 2003, Edition v.1)

Definitions

1. Except where the context otherwise requires or as otherwise defined herein, words and expressions used in this document shall have the same meaning as in the undertakings given by Carlton and Granada to the Secretary of State for Trade and Industry dated [] 2003 (the 'Undertakings').

Authority

2. In relation to the exercise of its powers and fulfilling its obligations under the CRRA Rules, in this document references to the Office of Communications ('Ofcom') shall mean Ofcom after any consultation which Ofcom deems appropriate with the Independent Television Commission (the 'ITC').

Application

3. The following Rules as amended from time to time may be incorporated by reference into any contract for the sale of Commercial Airtime between Carlton and/or Granada and any Advertiser or Media Buyer and any reference to the 'Contracts Rights Renewal Adjudication Rules' in such contract shall mean, in relation to any adjudication, the most recent edition hereof as at the date of the Notice of

Adjudication. These Rules may also apply in the circumstances set out in Clause [16] of the Undertakings.

The Adjudicator

4. The Adjudicator shall be appointed and exercise his functions in accordance with the Undertakings, the CRRA Scheme and the CRRA Rules annexed to the Undertakings as each may be amended from time to time. In the case of any inconsistency or conflict between the provisions of the CRRA Scheme and the CRRA Rules, the provisions of the CRRA Scheme will prevail; and, in the case of any inconsistency or conflict between the provisions of either or both of the CRRA Scheme and the CRRA Rules and the Undertakings, the provisions of the Undertakings shall prevail.

Notice of Adjudication

5. Any party to a contract with Granada and/or Carlton concerning the sale of Commercial Airtime in the United Kingdom who has agreed to be bound by the CRRA Scheme and the CRRA Rules, or any other person who has agreed to be bound by the CRRA Scheme and the CRRA Rules under paragraph [17] of the Undertakings (the 'Referring Party') may apply to the Adjudicator, by giving written notice (the 'Notice of Adjudication'). The Notice of Adjudication shall request the Adjudicator to determine any dispute arising out of the interpretation or exercise of the rights given to, or obligations upon, Advertisers, Media Buyers, Carlton and Granada or any such other person in relation to contracts for the sale of Commercial Airtime pursuant to the Undertakings, including any dispute relating to the interpretation, termination or enforcement of such contracts to the extent referable to such Undertakings, the interpretation of any provision of these Rules or the CRRA Scheme, or his jurisdiction to determine the dispute (a 'Dispute').

6. The Notice of Adjudication and all accompanying documents shall at the same time be given by the Referring Party to every other party to the contract or Dispute.
7. The Notice of Adjudication shall set out briefly:
 - (a) the nature and a brief description of the Dispute, details of the contract under which it arises, if any (and of any related contract) and of the parties involved, and shall be accompanied by copies of the relevant television advertising airtime sales contract or contracts and such other documents as the Referring Party intends to rely upon.

Although the Referring Party must send copies of all such documents to the Adjudicator with the Notice of Adjudication, in sending the Notice of Adjudication to the other parties to the Dispute, it may omit any such copies or redact them for reasons of commercial confidentiality, subject to the right of the Adjudicator to direct disclosure of any such material to the other parties if he deems it appropriate. The fact that redacted copies of any documents have been served on other parties to the Dispute shall be drawn to the attention of the Adjudicator when the Notice of Adjudication is given to him, together with copies of any such redacted documents;
 - (b) details of where and when the Dispute has arisen;
 - (c) the nature of the redress which is sought; and
 - (d) the names and addresses of the parties to the Dispute (including, where appropriate, the addresses which the parties have specified in any contract for the giving of notices).
8. (1) The Adjudicator shall confirm in writing within two working days of receiving a Notice of Adjudication whether or not:
 - (a) he is able and willing to act; or
 - (b) he considers the Notice of Adjudication discloses no reasonable grounds for him to act and/or it is an abuse of the CRRA Scheme and/or the CRRA Rules for him to

proceed to determine the Dispute. If he so considers, the Adjudicator shall issue a written, reasoned decision to the parties.

- (2) Ofcom shall have the power to set at its discretion a reasonable but minimal fee to be paid by a Referring Party and this fee shall be paid to the Adjudicator at the same time as the Notice of Adjudication is despatched to him.
- 9. Where in relation to a particular Dispute the Adjudicator indicates to the parties that he is unable or unwilling to act, or where he resigns pursuant to paragraph 12, or fails to respond in accordance with paragraph 8(1), the Referring Party may request Ofcom to, or Ofcom may on its own initiative, select a person to act as substitute Adjudicator.
- 10. (1) The Adjudicator may adjudicate at the same time on one or more Disputes under the same contract.
- (2) The Adjudicator may, with the consent of all the parties to any related Disputes, adjudicate at the same time on such related Disputes under different contracts, and shall do so where different contracts provide for joinder of Disputes.

Notice of Reply

- 11 Unless the Adjudicator otherwise directs, within five working days of receiving the Notice of Adjudication, the other party or parties shall give a Notice of Reply. This shall contain their response to the Notice of Adjudication and be accompanied by copies of any documents upon which the other party or parties intend to rely. Although the other party or parties must send copies of all such documents to the Adjudicator with the Notice of Reply, in sending the Notice of Reply to the Referring Party and any other party to the Dispute, it or they may omit any such copies or redact them for reasons of commercial confidentiality, subject to the right of the Adjudicator to direct disclosure of any such material to the Referring Party and any

other party to the Dispute if he deems it appropriate. The fact that redacted copies of any documents have been served shall be drawn to the attention of the Adjudicator when the Notice of Reply is given to him together with copies of any such redacted documents. The Notice of Reply shall be served by the relevant party on the Adjudicator, the Referring Party and any other party to the Dispute simultaneously.

12. The Adjudicator shall resign from determining any particular Dispute or Disputes as soon as:

- (a) he becomes aware of a conflict of interest; or
- (b) he is not competent to decide the dispute; or
- (c) he becomes aware that a dispute varies significantly from the dispute referred to him in the Notice of Adjudication and for that reason he is not competent to decide it.

Powers of the Adjudicator

13. (1) The Adjudicator shall act fairly and impartially in carrying out his duties and shall do so in accordance with the CRRA Rules, the CRRA Scheme, the Undertakings and any relevant terms of any contract, having regard to the relevant Budget, and shall reach any decision concerning a Dispute as expeditiously as possible in accordance with the applicable law in relation to the contract or Dispute.
- (2) The Adjudicator shall take the initiative in ascertaining the facts and the law necessary to determine the Dispute, and shall decide on the procedure to be followed. In particular he may:
- (a) request any party to the Dispute to supply him with such documents and information as he may reasonably require (other than documents that would be privileged from production to a court) including, if he so directs, any written statement from any party to the Dispute supporting or supplementing the Notice of Adjudication or Notice

of Reply and any other documents given under paragraphs 7(a) and 11, and to draw such inference as may seem proper from any imbalance in such documentation that may become apparent;

- (b) meet and question any of the parties to the Dispute and their representatives;
 - (c) obtain and consider such representations and submissions as he requires, and appoint experts, assessors or legal advisers;
 - (d) give directions as to the timetable for the adjudication, any deadlines, or limits as to the length of written documents or oral representations to be complied with; and
 - (e) issue other directions relating to the procedure and timetable for the adjudication and the conduct of the adjudication generally.
14. The parties shall comply with any request or direction of the Adjudicator in relation to the adjudication.
15. If, without showing sufficient cause, a party fails to comply with any request, direction or timetable of the Adjudicator made in accordance with his powers, fails to produce any document, information or written statement requested by the Adjudicator, or in any other way fails to comply with a requirement under these provisions relating to the adjudication the Adjudicator may:
- (a) continue the adjudication in the absence of that party or of the document, information or written statement requested;
 - (b) draw such adverse inferences from that failure to comply as may, in the Adjudicator's opinion, be justified;
 - (c) make a decision on the basis of the information before him attaching such weight as he thinks fit to any evidence submitted to him outside any period he may have requested or directed; and
 - (d) refuse to determine the matter or matters in dispute.

16. Subject to any agreement between the parties to the contrary, any party to the Dispute may be assisted by, or represented by, such advisers or representatives (whether legally qualified or not) as it considers appropriate.
17. The Adjudicator shall consider any relevant documents and information submitted to him by any of the parties to the Dispute and shall make available to them any documents and information to be taken into account in reaching his decision.
18. (1) Subject to paragraph 18(2), the Adjudicator and any party to the Dispute shall:
- (a) keep the fact that a Notice of Adjudication has been received, the fact that the Dispute is taking place, and the matters in Dispute confidential; and
 - (b) not disclose to any other person, including the ITC and Ofcom, any information or document provided to it or him in connection with the Dispute which is confidential, except to the extent that disclosure by the Adjudicator is necessary for the purposes of, or in connection with, any decisions the Adjudicator takes in relation to the Dispute and any review thereof in accordance with paragraph 23 of these Rules or in order for the Adjudicator to fulfil his reporting functions set out in paragraph 22 of the CRR Scheme.
- (2) The Adjudicator has the authority to disclose the nature of the Dispute and his determination.
19. (1) Subject to the power of the Adjudicator alone to make a direction otherwise in exceptional circumstances, the Adjudicator shall give his decision not later than:
- (a) fifteen working days after the date of the Notice of Adjudication; or
 - (b) twenty working days after the date of the Notice of Adjudication, if the Referring Party consents to such an extension of time; or
 - (c) such period exceeding twenty working days after the date of the Notice of Adjudication as all the parties to the Dispute and the Adjudicator may agree; or

- (d) in the case of joinder of Disputes, a date agreed between the Adjudicator and all the parties.
- (2) Where the Adjudicator fails, for any reason, to deliver his decision in accordance with paragraph 19(1):
 - (a) any of the parties to the Dispute may serve a fresh Notice of Adjudication under paragraph 5 and shall request Ofcom to name a substitute Adjudicator to determine the Dispute in accordance with these Rules; and
 - (b) if requested by the substitute Adjudicator, and in so far as it is reasonably practicable, the parties shall supply him with copies of all documents and information which they had made available to the previous Adjudicator.
- (3) As soon as possible after he has reached a decision, the Adjudicator shall deliver a copy of that decision to each of the parties.

Adjudicator's Decision

- 20. In the adjudication of a Dispute, the Adjudicator shall decide all the matters in dispute as identified in the Notice of Adjudication. He may take into account any other matters which the parties to the Dispute agree should be within the scope of the adjudication, or which are matters which he considers are necessarily connected with the Dispute, but only insofar as such matters relate to the subject matter of the Dispute as identified in the Notice of Adjudication.
- 21. (1) In the absence of any directions by the Adjudicator relating to the time for performance of his decision, Carlton and/or Granada as the case may be shall be required to comply with any decision of the Adjudicator immediately on delivery of the decision to the parties, subject to any outstanding review brought under paragraph 23 below, and the other parties to the adjudication (the 'Other Parties')

shall be required to comply with any decision of the Adjudicator in accordance with paragraph 21(2).

- (2) The Other Parties shall be required to comply with any decision of the Adjudicator either:
 - (a) within five working days of the delivery of the decision to such parties, if a Review Notice has not been lodged in compliance with paragraph 23(2) or;
 - (b) immediately upon Ofcom, in accordance with paragraph 23(2), informing the parties that it has decided not to review the relevant determination of the Adjudicator; or immediately upon Ofcom issuing a final determination of the Dispute after reviewing the relevant decision of the Adjudicator.
- 22. The Adjudicator shall provide a written decision including reasons for his decision.

Effects of Decision

- 23. (1) The decision of the Adjudicator shall be final and binding on Granada and/or Carlton as the case may be. The decision of the Adjudicator shall be binding (but not final) on the Other Parties, any one or more of whom shall have the right if dissatisfied to request Ofcom to review the decision of the Adjudicator in accordance with paragraph 23(2) provided that where the context permits, any one or more of such Other Parties may elect to revert to the terms of its or their previous Protected Contract or to keep to the terms of its or their existing Protected Contract, as appropriate, by giving notice to Carlton and/or Granada as the case may be within five working days of receipt of the Adjudicator's decision.
- (2) The Other Parties' right to ask Ofcom to review a decision of the Adjudicator must be exercised within five working days of receipt of the decision, otherwise it lapses. To exercise this right the Other Party or Parties must send a request in writing

to Ofcom (the 'Review Notice'), copied to Carlton and/or Granada as the case may be, attaching a copy of the decision, together with any other relevant documents, and a summary of the reasons as to why that Party considers that Ofcom should review the decision. Within five working days of receipt of the Review Notice (provided all the necessary documents have been provided), Ofcom shall inform the parties in writing whether it shall proceed with the review. If it decides not to proceed with the review, Ofcom shall issue a written reasoned decision. If it decides to proceed, Ofcom shall give appropriate directions in order for it to do so. For the purposes of any such review, Ofcom will have the power to open up, revise and review any decision taken by the Adjudicator and Ofcom shall rehear the Dispute on its merits, with Ofcom acting as expert and not arbitrator. Ofcom will issue a written decision including reasons for its determination which shall be final and binding on all parties subject, where the context permits, to the relevant Other Party's or Other Parties' right to revert to the terms of its or their previous Protected Contract or to keep to the terms of its or their existing Protected Contract, as appropriate, by giving notice to Carlton and/or Granada as the case may be within five working days of receipt of Ofcom's decision. Any such review shall be carried out by the full Board of Ofcom or a committee or body to whom they delegate the necessary powers.

- (3) When, in accordance with this paragraph 23, the Adjudicator's (or Ofcom's) decision becomes final and binding upon all the parties, it shall be final and binding except in the case of fraud, or where a decision is made in bad faith or is so clearly and manifestly erroneous on its face that it would be unconscionable for it to stand.

24. (1) An award or decision of the Adjudicator or Ofcom may, by leave of the court, be enforced in a summary manner.

- (2) Where leave is so given, judgement may be entered in terms of the award or decision.
- (3) In certain circumstances a failure to comply with an award or decision of the Adjudicator or Ofcom may also constitute a breach of a relevant licence granted under the Broadcasting Act 1990 (as amended) or the Communications Act 2003, and the ITC and Ofcom reserve their rights to take enforcement action by these means as appropriate.
25. (1) The fees and expenses of the Adjudicator shall be paid directly and in the first instance by Ofcom, but Carlton and Granada shall be responsible for all such fees and expenses (giving credit for any fee paid by the Referring Party) in accordance with the CRR Scheme and shall reimburse Ofcom for all such costs on demand as directed by Ofcom without prejudice to paragraph 25(2) below.
- (2) The Adjudicator may in his discretion decide that, in exceptional circumstances, it is appropriate for any one or more parties to the Dispute other than Carlton and Granada to bear the costs of the adjudication, or for such party or parties to bear a proportion of such costs. Such costs shall include the fees and expenses of the Adjudicator and the fees and expenses of any witnesses in relation to the Dispute, and the legal costs and expenses properly incurred by the parties relating to the adjudication.

Immunity

26. The Adjudicator and his staff, employees and agents (including any advisers appointed by him) shall not be liable for anything done or omitted in the discharge or purported discharge of his functions as the Adjudicator unless the act or omission is in bad faith.

ANNEXE 3

Contracts Rights Renewal Adjudication Scheme under the undertakings given by Carlton Communications Plc ('Carlton') and Granada Plc ('Granada') to the Secretary of State for Trade and Industry pursuant to Section 88 [2] of the Fair Trading Act 1973 dated [] 2003 (the 'CRRA Scheme')

Definitions

1. Except where the context otherwise requires or as otherwise defined herein, words and expressions used in this document shall have the same meaning as in the undertakings given by Carlton and Granada to the Secretary of State for Trade and Industry dated [] 2003 (the 'Undertakings').

Authority

2. In relation to the exercise of its powers and fulfilling its obligations under the CRRA Scheme, in this document references to the Office of Communications ('Ofcom') shall mean Ofcom after any consultation which Ofcom deems appropriate with the Independent Television Commission ('ITC').

Application

3. This Scheme as amended from time to time may be incorporated by reference into any contract for the sale of Commercial Airtime between Carlton and/or Granada and any Advertiser or Media Buyer and any reference to the 'Contracts Rights Renewal Adjudication Scheme' in such contract shall mean, in relation to any adjudication, the most recent edition hereof as at the date of submission of the Notice of Adjudication

under the CRRA Rules. This Scheme may also apply in the circumstances set out in Clause [16] of the Undertakings.

Appointment

4. Ofcom shall appoint one or more persons to an office known as the Contracts Rights Renewal Adjudicator (the 'Adjudicator').
5. The Adjudicator shall be independent, and in particular from the ITC, Ofcom, Carlton, Granada and all other parties to any dispute he is asked to decide upon. A person requested or selected to act as the Adjudicator shall not be an employee of or consultant to Carlton or Granada or any Advertiser or Media Buyer in the United Kingdom, or an employee of Ofcom or the ITC for the duration of his appointment. He shall be under an obligation to declare immediately any interest, financial or otherwise, in any matter relating to any dispute he is asked to determine.
6. The Adjudicator shall be appointed for any period or periods specified by Ofcom provided that his appointment shall terminate when all the relevant provisions of the Undertakings cease to be in force. Without prejudice to paragraphs [9] and [19(2)] of the CRRA Rules and paragraph [14] of this CRRA Scheme, Ofcom shall appoint a substitute Adjudicator to take account of the situation arising from the death, retirement, incapacity or resignation (whether permanent or in relation to one or more particular Disputes) of the Adjudicator after appointment.
7. Following the termination of his appointment, the Adjudicator shall: (a) not without Ofcom's consent (which shall not be unreasonably withheld) be employed by or act as consultant or adviser to Carlton, Granada or any Advertiser or Media Buyer in the United Kingdom for a period which will expire on the later of (i) 31 January following the termination of the Adjudicator's appointment and (ii) the date 6 months after the date of such termination; and (b) not disclose to any person any confidential

information or confidential document provided to him in connection with his appointment as Adjudicator.

Functions

8. The Adjudicator shall have the function of determining any dispute between (a) Carlton and/or Granada, whether as separate or merged companies, and (b) any Media Buyers and Advertisers or any other person, arising out of the interpretation or exercise of the rights given to, or obligations upon, Advertisers, Media Buyers, Carlton and Granada or any such other person in relation to contracts for the sale of Commercial Airtime pursuant to the Undertakings, including any dispute relating to the interpretation, termination or enforcement of such contracts to the extent referable to such Undertakings, the interpretation of any provision of the CRRA Scheme or the CRRA Rules, or his jurisdiction to determine the dispute (a 'Dispute'). The Adjudicator shall reach his decision and deliver it in accordance with the Undertakings, the CRRA Rules attached to the Undertakings and this CRRA Scheme. In addition the Adjudicator shall be under a duty to make reports to Ofcom and the Office of Fair Trading as set out in paragraph [22].
9. In the event that a substitute Adjudicator is appointed as a result of the original Adjudicator ceasing to be independent as described in paragraph 5 or for any other reason, any directions or decisions made by the original Adjudicator shall remain effective unless reviewed by the substitute Adjudicator in which case all time scales shall be recalculated from the date of the substitution.

Remuneration and Budget

10. There must be paid to the Adjudicator such remuneration, travelling and other allowances, pension or gratuity, or such contributions or payments towards provision for such a pension, allowance or gratuity, as Ofcom may determine.

11. The Adjudicator may incur such other costs as may be required for the fulfilment of his functions, including for office accommodation, staff, legal advice and any other requirements, up to but not exceeding the amount of the Budget set in accordance with paragraph 12 below.
12. Ofcom will set a budget for the total costs of the Adjudicator and his office for each calendar year in advance, having consulted with Carlton and Granada (the 'Budget'). Such Budget will be for an amount sufficient to enable the Adjudicator properly to discharge his functions and will also cover the costs of recruitment of the Adjudicator (and any substitute Adjudicator) and any staff or advisers that he may appoint. Any Budget may be increased by Ofcom during any year, after having consulted with Carlton and Granada, where Ofcom considers this necessary in order to enable the Adjudicator properly to discharge his functions.
13. Ofcom shall pay all such remuneration, travelling and other allowances, pension, gratuities, contributions or payments and costs of the Adjudicator and his office as set out in paragraphs 10 to 12 in the first instance. Ofcom shall invoice Carlton and Granada monthly in arrears for the actual costs incurred up to the maximum of the relevant Budget. Carlton and Granada agree to reimburse Ofcom for all such costs on demand as directed by Ofcom without prejudice to paragraph 25 of the CRRRA Rules.

Resignation or removal from office

14. A person may resign from office as the Adjudicator at any time by giving three months' notice in writing to Ofcom. Ofcom may remove a person from office as the Adjudicator on the grounds of incapacity or misbehaviour, or where Ofcom considers there has been unreasonable delay in the discharge of the functions of the Adjudicator. Where the Adjudicator has a conflict of interest, Ofcom may remove a

person from office as the Adjudicator or may appoint a substitute Adjudicator in relation to a particular Dispute.

Immunity

15. Neither the Adjudicator, nor his staff, employees and agents (including advisors) are to be liable for anything done or omitted in the discharge or purported discharge of his functions as the Adjudicator unless the act or omission is in bad faith.

Adjudicator: staff

16. The Adjudicator may appoint such staff as he may determine, subject to any restrictions contained in the terms of his appointment. The staff of the Adjudicator are to be appointed on such terms and conditions as he may determine, subject to any restrictions contained in the terms of his appointment and subject to the Budget for the relevant period set in accordance with paragraph 12.
17. Any function of the Adjudicator, other than making a final determination in relation to any Dispute, may be exercised by any member of his staff authorised for the purpose by him, whether specially or generally.

Status of decision of Adjudicator

18. The Adjudicator shall act as an expert, and neither as arbitrator, mediator, conciliator nor any similar role and shall determine the Dispute in accordance with the Undertakings, the CRRA Rules and, insofar as relevant, this CRRA Scheme.
19. The effects of a decision of the Adjudicator in relation to any Dispute shall be as set out in the CRRA Rules.

Review of CRRA Scheme and CRRA Rules and provision of information

20. The Adjudicator shall keep this CRRA Scheme and the CRRA Rules under review and report on them periodically in accordance with this CRRA Scheme and his terms of

appointment. He may recommend at any time to Ofcom and the Office of Fair Trading amendments to the Undertakings, the CRRA Scheme and the CRRA Rules.

21. Carlton and Granada shall promptly provide all the information and documents about their advertising and trading as requested by the Adjudicator as deemed necessary by him to fulfil his functions, and in as much detail as he may require, including information as to their monthly trading position in each region, demographic group and time period that they identify separately in any contract for the sale of Commercial Airtime. In order to fulfil his reporting functions, the Adjudicator may disclose any such information to Ofcom and the Office of Fair Trading. Any person who agrees to be bound by this CRRA Scheme and the CRRA Rules agrees that the ITC and Ofcom may disclose to the Adjudicator any information or documents supplied by such person to either of them (whether pursuant to the Undertakings or otherwise) which they consider may be relevant to, and assist the Adjudicator in, the carrying out of his duties.

Adjudicator Reports

22. The Adjudicator shall make a written report to Ofcom and the Office of Fair Trading every three months or as otherwise agreed with Ofcom (the 'Periodic Reports'), setting out his determinations in relation to any Dispute, his views about the operation of the Undertakings, the CRRA Scheme and CRRA Rules together with any recommendations, his views about the performance of Carlton and Granada in complying with the Undertakings, his opinion about the evolution of the advertising airtime sales market and any other relevant matters and information that he may think appropriate. The Adjudicator shall bring to Ofcom's and the Office of Fair Trading's immediate attention any matter that gives rise to a reasonable suspicion on his part that Carlton and/or Granada are not complying with the Undertakings. The amount of

detail included in such Periodic Reports will be at the discretion of the Adjudicator but should be such as to inform Ofcom and the Office of Fair Trading adequately. After consultation with Ofcom as to date and contents, one Periodic Report each year shall be designated the Adjudicator's Annual Report and this will consider all the matters above and any others the Adjudicator considers relevant and appropriate in greater detail.

23. Ofcom and the Office of Fair Trading may publish or disclose all or any parts of the Periodic Reports or the Adjudicator's Annual Report as either considers appropriate.