

CONCESSION CONTRACT OF THE PUBLIC RADIO AND TELEVISION SERVICE

Between:

PORTUGUESE STATE, represented herein by the Minister for Regional Development and Minister Adjunct to the Prime Minister, Professor Miguel Poiares Maduro, and by the Secretary of State for Finance, Professor Dr. Manuel Luís Rodrigues, hereinafter referred to as "the State";

and

RÁDIO E TELEVISÃO DE PORTUGAL, S.A., a public limited company (*sociedade anónima*) with public capital, with corporate body and registration number 500225680, registered in the Lisbon Commercial Registry Office, with its head office at Av. Marechal Gomes da Costa, no. 37, in Lisbon, with share capital of €1,422,373,340.00, represented herein by the Chairman of the Board, Mr. Gonçalo Trigo de Morais de Albuquerque Reis, and by the Members of the Board of Directors, Mr. Dr. Nuno Artur Neves Melo da Silva and Ms. Cristina Alexandra Rodrigues da Cruz Vaz Tomé, acting as company directors with due powers for this act, hereinafter referred to as "RTP" or "the Concessionaire";

Whereas:

- (A) It is imperative for the State to guarantee the existence and operation of a public radio and television service, in conformity with no. 5 of article 38 of the Constitution of the Portuguese Republic, and it must ensure the necessary, adequate and appropriate means for the provision thereof;
- (B) Both the structure and the operation of the Concessionaire of the public radio and television service must guarantee its independence before the Government, the Public Administration and other public powers, as well as ensure the expression and confrontation of various currents of opinion, in conformity with no. 6 of the same article of the fundamental law;
- (C) The State is responsible for guaranteeing the freedom and independence of all the media, including media organisations within the public sector, in relation to both the political power and the economic power, in conformity with no. 4 of article 38 of the Constitution;
- (D) In accordance with paragraph 2 of article 50 of Law no. 27/2007, of July 30, amended by Law no. 8/2011, of April 11 and by Law no. 40/2014, of July 9 (Television and On-demand Audiovisual Media Services Law, hereinafter called "the Television Law"), and no. 2 of article 48 of Law no. 54/2010, of December 24, amended by Law no. 38/2014, of July 9, (Radio Law, hereinafter called "Radio Law"), "the public television service will guarantee observance of the principles of universality and national cohesion, diversification, of programming excellence

and indivisibility, of pluralism and accuracy, of independence of news coverage, as well as the principle of innovation";

- (E) In accordance with these principles, the Concessionaire must "(...) present programmes ... that promote the cultural and civic education of viewers, guaranteeing that all viewers have access to high quality news, education and entertainment programmes" (no. 1 of article 51 of the Television Law and no. 1 of article 49 of the Radio Law);
- (F) According to no. 6 of article 52 of the Television Law and no. 3 of article 50 of the Radio Law, the Concession Contract shall establish, in accordance with the law, "the rights and obligations of each party, and shall define the objectives to be achieved and the qualitative and quantitative criteria which ensure their accomplishment, and shall further define the respective means of assessment";
- (G) As a means of ensuring an adequate and efficient management of resources, the forecast of the expenditure resulting from the financing of the public service must be carried out on a multiannual basis, covering four-year periods (Article 57 of the Television Law);
- (H) This Contract shall establish, on the one hand, a "control system for monitoring compliance with the public service missions" and, on the other hand, the "transparency and proportionality of the associated financial flows", no. 3 of article 57 of the Television Law and no. 3 of article 51 of the Radio Law, ensuring that they are limited to the level strictly necessary for their execution, and providing for appropriate mechanisms to ensure reimbursement in the event of a financial overcompensation, while creating suitable incentives to ensure efficiency in provision of the public service;
- (I) The principles and purposes that govern the existence, operation and financing of the public television service are unequivocally expressed in the texts of international law to which the Portuguese State is bound;
- (J) The Protocol annexed to the Amsterdam Treaty of 10 November 1997, stressed that "the system of public broadcasting in the Member States is directly related to the democratic, social and cultural needs of each society and to the need to preserve media pluralism", and clarifies that "The provisions of the Treaty establishing the European Community shall be without prejudice to the competence of Member States to provide for the funding of public service broadcasting and insofar as such funding is granted to broadcasting organisations for the fulfilment of the public service remit as conferred, defined and organised by each Member State, and insofar as such funding does not affect trading conditions and competition in the Community to an extent which would be contrary to the common interest, while the realisation of the remit of that public service shall be taken into account ";

- (K) The Resolution of the Council of the European Union and the Representatives of the Member States of 25 January 1999 on public service broadcasting registers and reaffirms this understanding, adding that "broad public access, without discrimination and on the basis of equal opportunities, to various channels and services is a necessary precondition for fulfilling the special obligation of public service broadcasting" and that "the ability of public service broadcasting to offer quality programming and services to the public must be maintained and enhanced, including the development and diversification of activities in the digital age";
- (L) The same Resolution declares that it is legitimate for the public service broadcasting to seek to reach wide audiences, because it is desirable that it should encompass society as a whole;
- (M) The Communication from the Commission on the application of State aid rules to public service broadcasting (Communication No 2009/C 257/01), recalling those premises, considers that the definition by the Member States, of the tasks of the public service "should be as precise as possible" and should be sufficiently "precise so that Member States' authorities can effectively monitor compliance";
- (N) The same Communication considers that "public service broadcasters should be able to take advantage of the opportunities offered by digitisation and internet-based services to benefit society" and that the Member States should consider a prior assessment of new services to verify that they serve the democratic, social and cultural needs of society, taking due account of their potential effects on trading conditions and competition;
- (O) The Council of Europe's Resolution No. 1 of 12/94 on the "Future of Public Service Broadcasting", adopted at the 4th European Ministerial Conference on Mass Media Policy held in Prague on 8 December 1994 under the aegis of the Council of Europe, underlining the importance of public service for democratic societies, recognises its "vital function as an essential factor of pluralistic communication accessible to everyone";
- (P) By virtue of the aforementioned Resolution, the States committed themselves, in an environment characterised by rapid technological change and the increasing supply of programme services, to develop a strong public service system, creating a secure and appropriate financing framework guaranteeing the means necessary for their implementation, and to clearly define the objectives, tasks and responsibilities of public service broadcasters;
- (Q) To that end, the Ministers of the Member States who participated in that Conference have adopted the terms of that resolution, in areas such as identification of the missions of public service broadcasters, their respective financing, guarantees of their independence and responsibility, or their position in relation to new technologies;

- (R) Recommendation (2003) 9 of the Committee of Ministers of the Council of Europe to Member States on measures to promote the democratic and social contribution of digital broadcasting, stresses the important role of public service broadcasting in the construction of modern democratic societies, to support the values inherent to their political, legal and social structures, in particular respect for human rights, culture and pluralism.
- (S) The same Recommendation recognises that public service broadcasters should play a central role in the process of transition to digital terrestrial television, using means that enable them to fulfil their mission in a digital environment, which "may include the provision of new specialised programme services, for example in the field of news, education and culture, and new interactive services, such as Electronic Programme Guides or complementary on-line services";
- (T) The same text establishes that suitable legal, technical and economic conditions must be created for the public broadcasting service to be present on the various digital platforms (cable, satellite, terrestrial) with diversified programmes and services for all sectors, thereby functioning as a factor of national cohesion, especially in view of the risk of audience fragmentation resulting from the multiplication of the supply of television services;
- (U) Recommendation 1641 (2004) 1 of the Parliamentary Assembly of the Council of Europe invites member states to reaffirm "their willingness to maintain an independent, strong and vibrant public broadcasting service, adapting it to the demands of the digital age";
- (V) The same Recommendation urges the Member States of the Council of Europe to "define a legal, institutional and financial framework for the operation of public service broadcasting, as well as for its modernisation and adaptation, in order to respond to the general public's needs and the challenges of the digital age ";
- (W) The Declaration of the Committee of Ministers of the Council of Europe on the guarantee of the independence of public service broadcasting, signed on 27 September 2006, calls on Member States to "provide the legal, political, financial, technical and other means necessary to ensure genuine editorial independence and institutional autonomy of public service broadcasting organisations, so as to remove any risk of political or economic interference."
- (X) The Convention on the Protection and Promotion of the Diversity of Cultural Expression, adopted by the 33rd session of the General Conference of UNESCO in Paris on 20 October 2005, approved by Resolution of the Assembly of the Republic no. 10-A / 2007, 4 of March 16 and ratified by the Decree of the President of the Republic no. 27 - B / 2007 of the same date recognises that the Parties have the sovereign right to adopt policies and measures to protect and promote the diversity of cultural expression within their territory, including those

aimed at stimulating the diversity of the media, inclusively via public service broadcasting;

- (Y) The Convention recognises the fundamental role of civil society in protecting and promoting the diversity of cultural expression;
- (Z) Recommendation (2007) 3 of the Committee of Ministers of the Council of Europe, recognising that the mission of public service broadcasting, in a context of globalisation and international integration, as well as the increasing concentration of private media and rapid changes in consumption patterns and the level of public expectations for communication content, is even more important and should be pursued through new media platforms and services in order to optimize their potential and especially to promote greater participation democratic, social and cultural development;
- (AA) The same legal instrument recommends to the governments of the Member States that they ensure the necessary conditions for the guiding principles of public service broadcasting to be put into practice;
- (BB) According to these principles, public service broadcasting must be a reference for the population and be based on an offer that guarantees universal access, constituting a factor of cohesion and integration of all individuals, groups and social communities, to ensure the impartiality and independence of information and commentary, to disseminate innovative and diversified audiovisual content in accordance with high ethical and qualitative standards and to act as a pluralistic forum for discussion and a means of promoting the broad democratic participation of citizens, as well as contributing to audiovisual creation and production, ensuring the dissemination of the diversity of national and European cultural heritage;
- (CC) In its Recommendation 1878 (2009) of 25 June 2009, the Parliamentary Assembly of the Council of Europe considers that "As media markets converge further, and users' demands change, public service broadcasters should diversify their services through thematic channels, on-demand media, recorded media and Internet-based media services in order to offer a comprehensive and competitive range of media services to the public at large in accordance with their public service mission" and "to increase the accessibility of their services ... on all available platforms so as to reach all audiences, and in particular young people";
- (DD) Recommendation CM / Rec (2012) 1 on public service media governance, the Committee of Ministers of the Council of Europe recommends that Member States further strengthen the appropriate legal and financial environment, for public service broadcasters, in order to ensure their sustainable development and empowering them to take up the challenges of technological progress and editorial competition;

- (EE) Public service broadcasters must uphold strict broadcasting ethics based on professionalism, responsibility and scrupulous compliance with the law and fundamental rights and values;
- (FF) Public service broadcasters should have a programming that excludes gratuitous violence, pornography, incitement to racial, religious, political violence or violence motivated by colour, ethnic origin or national origin, gender or sexual orientation, populism and demagoguery and, on the contrary, promotes citizenship, civic sense and openness to the world;
- (GG) In the new communication environment the presence of the public service in the diverse platforms of distribution of communication media is strongly recommended by the principle of universality, to ensure that public service broadcasting follows users' new habits, since only in this manner can it effectively serve society. Public service broadcasting must, for example, strive to involve younger generations through various active forms of communication and ensure their participation through, among other solutions, the provision of content;
- (HH) In order to make a difference, only global public service broadcasters can be the "guardian" of the diversity of culture and pluralism, satisfying collective needs and ensuring the preservation of language, literature, music and history of the different European countries in the entire Portuguese-speaking world;
- (II) For this purpose global public service broadcasters should be available wherever citizens have access to content, i.e. in all platforms and types of terminals, adapting themselves to the new digital paradigm, and above all serving as one of the main actors of the new digital society;
- (JJ) The global public service broadcaster can play a key role in digital terrestrial television in Portugal, which is still the exclusive means of access to television broadcasts for a significant part of the population, ensuring social benefits via this free-to-air platform, through the offer of diversified thematic programme services with the guarantee of the quality of the public service;
- (KK) The public service broadcaster, as an integral part of the State's business sector, must be oriented towards obtaining suitable levels of satisfaction of collective needs, and should develop in accordance with high standards of quality, economy, efficiency and effectiveness;
- (LL) Management of the public service broadcaster must be based on multiannual public financing plans, which guarantee the financial equilibrium of the Concessionaire company providing this service, in accordance with the principles of rigour, proportionality, transparency and accountability, which characterize the use of public goods;

- (MM) Multi-annual financing plans should ensure appropriate planning, sustained reforms and management stability, essential to ensuring a strong, efficient and prestigious public service broadcaster;
- (NN) Under the terms of article 1, no. 1, and article 2, no. 2, of Law no. 8/2007, of February 14, as amended by Law no. 8/2011, of April 11 and by Law, no. 39/2014, of July 9, RTP holds the concessions of the public radio and television services;
- (OO) No. 1 of article 52 of the Television Law and no. 2 of article 50 of the Radio Law foresees the signature of contracts regulating the concession of the public service;
- (PP) The change in the financing paradigm of the public television service, previously also based on compensatory allowances, which have now been terminated, requires, instead of review of the current Concession Contract, the drawing up of a new Concession Contract;
- (QQ) By virtue of the aforementioned termination of the system of compensatory allowances, the financing model will be identical for both the public radio service and the public television service;
- (RR) It is appropriate to take into account the fact that the technological evolution of the platforms on which the public radio and television service is based, justifies that they are now regulated by a single instrument; and
- (SS) The public radio service and public television service are provided by the same entity;

a Concession Contract of the Public Radio and Television Service is agreed between the State and the Concessionaire, governed by the following clauses:

Part I
General provisions

Clause 1
Object

The purpose of this Contract is to regulate the concession of the public radio and television service, which includes the production, broadcasting and dissemination of audio and audiovisual content, in particular through the provision of television, radio and multimedia services, defining the rights and the objectives of the State and the Concessionaire, the objectives to be achieved and the qualitative and quantitative criteria which ensure implementation of the service, as well as the respective forms of assessment, in accordance with the provisions of no. 2 of article 5 and nos. 1 and 6 of article 52 of the Television Law, as well as nos. 2 and 3 of article 52 of the Radio Law.

Clause 2

Production and Distribution of the Public Radio and Television Service

1. The public radio and television service is pursued through the services foreseen in this Contract and those which, satisfying the democratic, social and cultural needs of society, shall be created in the future, with due respect for the rules of competition, in order to ensure rigorous compliance with the principles, objectives and obligations to which the Concessionaire is legally and contractually bound.
2. The public radio and television service shall, in accordance with the requirements inherent to the principles of universality, diversification and innovation, be present on the various technological platforms appropriate to its dissemination, and may include programme services, on-demand audiovisual services, websites and portals available via the Internet and any other multimedia services on various linear and non-linear and radio telecommunications networks and platforms, on all distribution platforms or other forms of organisation of text, sound or image content, specially designed for each outlet.
3. The public radio and television service shall take special care, governed by clear rules and rigorous procedures, to ensure clear and identifiable distinctions between journalistic information, entertainment programmes and products, and advertising.
4. The creation of new audio and audiovisual content services, including television and radio programme services not covered by this contract, shall be preceded by sending a report to the Independent General Board and to the Opinion Board, specifying the forecast objectives and financial analysis of the expenses, costs and benefits, that will make it possible for a binding opinion to be issued by the Independent General Board, after consulting the Opinion Board, confirming whether these services adequately and proportionally meet the democratic, social and cultural needs of society. For this purpose, specific account must be taken of the public interest value that the service in question is likely to add to the existing market offer.
5. The launch of new television and radio programme services shall in all circumstances be preceded by a contractual amendment setting out, inter alia, the minimum public service obligations associated thereof, and shall not prejudice the pursuit of any obligations stipulated by law or in the Contract hereby approved.
6. Programme services with exclusive distribution on the Internet are not covered by the provisions of the previous paragraph, except when they involve costs that cannot be accommodated within the general framework of the public service financing stipulated by law and by this Contract.

Clause 3

Concession Period

The concession period of the public radio and television service is 16 years, and it begins on the date when this Contract takes effect.

Part II Principles, Purposes and Obligations

Clause 4 Activity Principles

1. The Concessionaire guarantees, in accordance with the terms of no. 2 of article 50 of the Television Law, and no. 2 of article 48 of the Radio Law, that provision of the public service shall occur in strict compliance with the principles of universality and national cohesion, diversification, of programming excellence and indivisibility, of pluralism and accuracy, of independence of news coverage, as well as the principle of innovation.

2. In applying the principles specified in the preceding paragraph, the Concessionaire shall guarantee:

- a) That all citizens residing in the national territory have access to the services broadcast by it;
- b) The promotion of Portuguese culture and language and values that express national identity, in conformity with a universalist vision, open to different civilisational contexts and promoting fundamental rights;
- c) Varied, contrasted and comprehensive programming that corresponds to the needs and interests of different audiences;
- d) Outstanding, high-quality programming that seeks to valorise the cultural and educational level of citizens;
- e) A globally differentiated programming in relation to the Portuguese audiovisual market;
- f) The possibility of expressing and discussing various currents of opinion, in particular of a political, religious and cultural nature;
- g) Provision of information that is precise, complete, contextualised and thorough, impartial, open to alternative views, that is independent in relation to public, private and economic interests;
- h) Economic and cultural promotion of Portugal abroad;
- i) Valorisation of creativity and promotion of audiovisual experimentalism;

- j) Adoption of technologies, techniques and equipment to improve the quality or efficiency of the public service and its availability on the various audiovisual content distribution platforms, including mobile platforms, and in accordance with the various contexts of accessibility to such media.

3. Without prejudice to fulfilment of the obligations specifically stipulated in this Contract, the compliance of the programming broadcast by the Concessionaire with public service requirements must be evaluated in a global manner, taking into account the content and programming of the different programme services of each media platform, and attentive to the specificity of each programme service.

4. The Concessionaire shall approve and disclose on its website a code of conduct and ethics, that reflects the special public service guidelines for the programme services provided by Concessionaire, that shall be respected in the company's internal organisation and in the production and exhibition of its programmes and content and which foresees a means of assessing compliance with this code.

Clause 5 Public Service Objectives

In addition to being bound to the objectives of the television and radio activities specified in article 9 of the Television Law and article 12 of the Radio Law, the Concessionaire has the following specific objectives:

- a) To promote the values of humanism, freedom, civic duty, citizenship, social solidarity and pluralist democratic debate;
- b) To promote the fundamental values and rights enshrined in European and national legal systems;
- c) To promote the Portuguese language and culture, the Portuguese-speaking universe and common European principles, valuing knowledge and diversity, and provide a clear understanding of issues to audiences;
- d) To promote the development of the Portuguese audiovisual panorama, through diversified, innovative, updated and dynamic programmes and content that regulate and enhance the national audiovisual offer and reinforce ties of empathy with the public;
- e) Produce independent, rigorous, pluralistic and in-depth information that constitutes a benchmark of credibility and trust for different audiences.

Clause 6 The Concessionaire's Specific Obligations

1. In addition to complying with the general obligations of television and radio operators broadcasters stipulated in article 34 of the Television Law and article 32 of the Radio Law respectively, and in accordance with the principles referred to in clause 4 above, the Concessionaire shall present audio and audiovisual content and programming that will foster the cultural and civic formation of the general public, guaranteeing that all citizens have access to high-quality information, education and entertainment.

2. The Concessionaire shall, in particular,:

- a) Provide varied and comprehensive programmes that promote cultural diversity and take into account interests of minorities;
- b) Promote public access to Portuguese cultural events and guarantee appropriate news coverage thereof;
- c) Provide independent, accurate, pluralist and contextualised information, ensuring news coverage of major national and international events;
- d) Ensure the production and broadcast of educational and entertainment programmes intended for young people and children, contributing towards their education, including, in the case of television, the provision of daily slots suited to the age group for which they are intended, in the national programme services of free-to-air non-conditional access;
- e) Ensure the broadcasting of informational, educational and cultural programmes for specific audiences;
- f) Ensure that the news slots of the programme services contribute to public awareness of issues of integration, gender equality, social cohesion and the interests of minorities;
- g) Ensure the issuance of programmes that value the Portuguese economy and society from the perspective of its development;
- h) Take part in educational activities for the media, including the broadcasting of programmes that aim to help attain this objective;
- i) Promote the broadcasting of programmes in Portuguese and, in the case of television, reserve a considerable part of its airtime to European production, dedicating thereof percentages of airtime which exceed those to which all broadcasters are legally obliged, in function of the purpose of each programme service.
- j) Support national production of cinematographic and audiovisual works, in line with the Portuguese State's binding international commitments and especially those aimed at promoting Portuguese creative works and co-production treaties with other countries, especially European countries and countries of the Community of Official Portuguese-Speaking Countries (CPLP);
- k) Broadcast programmes intended especially for Portuguese people living outside Portugal and for the nationals of official Portuguese-speaking countries;
- l) In the case of television, ensure that people with special needs are able to follow broadcasts, inclusively through the provision of subtitles by teletext, sign language, audio-description and other techniques deemed appropriate, according to the timetable defined in the multi-annual plan referred to in no. 3 of article 34 and in paragraph j) of no. 2 of article 51 of the Television Law, which shall take into account

the specific responsibilities of the public service, and also broadcast programming specifically directed to this segment of the general public, and provide technical cooperation to private operators or other actors in the sector in this field;

m) Guarantee exercise of the right to free airtime, right of reply and right to political reply, pursuant to the Constitution and the law;

n) Give airtime to different religious beliefs;

o) Broadcast any announcement which is requested by the President of the Republic, by the President of Assembly of the Republic or by the Prime Minister;

p) Provide airtime to the Public Administration, for the purposes of disseminating information of general interest, in particular as regards public health and safety;

q) Grant broadcasting time to the Ombudsmen of the Public Service, at such time as they deem appropriate, for the duration they deem necessary according to the subject matter, taking into account the maximum limit of one hour of airtime per month for each Ombudsman, to which this airtime is subject, in one of the programme services of free-to-air non-conditional access or one of the radio programme services.

Part III Public Television Service

Clause 7 Scope

1. The concession of the public television service covers content and programme services provided via free-to-air non-conditional access or, when necessary due to technological or financial reasons, via subscription-based non-conditional access.

2. The public television service includes:

a) A generalist programme service distributed simultaneously throughout the national territory, which aims to satisfy the informational, educational and cultural and entertainment needs of the general public;

b) A second general programme service distributed simultaneously throughout the national territory with a strong cultural and educational component and open to the participation of civil society;

c) Two television programme services intended, respectively, for the Autonomous Region of the Azores and the Autonomous Region of Madeira;

d) An international programme service which aims to assert, value and defend the image of Portugal, the Portuguese economy, culture and science in the world,

as well as contact with Portuguese-speaking viewers and listeners living abroad and a programme service especially targeted to official Portuguese-speaking countries, within the framework of the objectives and obligations defined in a protocol to be signed with the State;

- e) A programme service intended for dedicated provision of news information, with a vocation of ensuring proximity to local events, and paying special attention to topics of interest to specific regions and communities;
- f) A programme service that promotes dissemination of works from RTP's audiovisual archives.

3. The different programme services shall reflect the diversity of Portugal and its audiovisual creation, in particular through content produced by the Concessionaire's different production centres, wherein one of the programme services mentioned in paragraphs a), b), d) e) and f) of the previous number shall be based in RTP's Production Centre in the North of Portugal.

4. The concessionaire will develop a differentiated and innovative content strategy, and may develop the studies necessary for the launch of:

- a) A programme service that aims to meet the educational and training needs of young people and children;
- b) A programme service intended to promote access to different fields of knowledge;
- c) A programme service that predominantly aims to disseminate music which involves use of the Portuguese language produced in the Portuguese-speaking world; and
- d) A programme service intended for the dissemination of the institutions, themes and productions of civil society, whose programming shall be open to contractualised participation of organisations and associations from civil society;

Launch of any of these services, identified in paragraphs a) to d), shall require signature of an amendment to the Concession Contract which, in particular, shall identify the service's programming obligations, after the issue of a binding opinion from the Independent General Board, wherein attention shall be paid to the additional cost of these services vis-à-vis the existing offer and to the extent to which the respective costs are encompassed within the general financing framework stipulated in this Contract.

5. The main objectives of the programme service foreseen in paragraph a) of the previous number shall be:

- a) The presentation of a diversified programming whose content reflects the interests of the different age groups within the audience of children and young people, in particular persons aged from 0 to 4 years, from 5 to 9 years and from 9 to 14 years;

(b) the development of the physical, mental and social potential of children and young people, in particular through programming that encourages their capacity for reflection and critical thinking skills;

c) The promotion of Portuguese culture and language;

d) The promotion of awareness and appreciation of other cultures.

6. Definition of the broadcasting schedule of the programmes offered within the programme service referred to in the previous number, must take into account the school schedules and the periodicity and regularity of this schedule should be respected.

7. The programme service foreseen in paragraph b) of no. 4 shall aim to promote, in an appealing manner and with different degrees of complexity, the curiosity and cultural development of citizens in the various fields of knowledge.

8. The programme service foreseen in paragraph c) of no. 4 shall aim to disseminate and support Portuguese music, promoting its knowledge and stimulating audience interest in music, especially amongst young people, in relation to composers, performers or singers.

9. The programme service foreseen in paragraph d) of no. 4 shall aim to provide suitable public knowledge of civil society's institutions, objectives and works and foster stimulation of their activities.

10. The television programme services referred to in paragraphs a), b) and c) 2 must be provided via free-to-air non-conditional access.

11. The public television service may also - in accordance with the requirements contained in the principles of diversification and innovation, and within the general objectives and obligations to which it is bound, as well as within the framework of the strategic project to be submitted by the Board of Directors to the Independent General Board which must be approved by the latter - pursue other forms of organisation or distribution of audiovisual content, such as those relating to the production and supply of complementary audiovisual works of the television service, for example on other technological platforms.

12. The activities referred to in the preceding number shall comply with the principles of performance and the objectives of the public service established in the law and in this Contract and shall be subject to the evaluation criteria and procedures set forth herein.

Clause 8

Obligations of the Public Television Service

1. The Concessionaire guarantees that it will comply with the minimum requirements specified in Part III, in accordance with the provisions of the Television Law and within the framework of the principles of performance, specific purposes and obligations assumed in this Contract, and without prejudice to the set of measures and initiatives necessary to ensure full compliance of the public television service.

2. Assessment of compliance with the minimum obligations referred to in this clause and the following clauses shall take the following into account, without prejudice to the principle of freedom:

- a) The contribution of the content of each broadcast programme to one or more of the required genres and programming typologies;
- b) The suitability of the programming schedule to the different audiences for which the programmes are intended, from the perspective of provision of the public service;
- c) The achievement of suitable levels of regularity, which shall be gauged in annual average terms;
- d) The combination of public service requirements and the pursued programming strategies; and
- e) The need to adapt the programming schedule to the summer season or holiday seasons.

Clause 9

First Generalist Programme Service of National Scope

1. The generalist programme service of national scope aimed at the general public should, given the different territorial realities and different constituent groups of Portuguese society, pay special attention to:

- a) News information, in particular through dissemination of news, debates, interviews, reports and documentaries;
- b) High-quality and original Portuguese language entertainment, that promotes the values enshrined in the Concessionaire's code of conduct and ethics;
- c) The transmission of cultural programmes; and
- d) Make viewers aware of their rights and duties as citizens.

2. The programming of the first generalist programme service shall ensure the coverage of events that constitute a factor of national identity or forms of national

representation, in particular events of an institutional, civic, social, cultural or sporting nature.

3. The programming of the first generalist programme service is aimed at the general public, and therefore it should include entertainment programmes, with special emphasis on formats that set it apart from commercial services available in the market, whose high standards of creativity, accessibility, ethical responsibility, and respect for dignity and minorities serve as regulating elements of generalist television programming.

4. The first programme service shall ensure that persons with special needs can watch its cultural, recreational, educational and news broadcasts, in particular by means of teletext subtitling and interpretation, in conformity with the multiannual plan foreseen in no. 3 of article 34 and paragraph j) of no. 2 of article 51 of the Television Law and in excess of the conditions defined for the programme services provided by private broadcasters.

5. The news services of the general public service programme of national scope shall guarantee editorial coverage of the main national, international and regional events, in accordance with strict journalistic criteria.

6. The news services of the generalist programme of national scope aimed at the general public shall guarantee suitable news coverage of cultural events, especially those involving Portuguese artists or themes.

7. In relation to the provisions of paragraph a) of no. 1 of this clause, as well as the provisions of no. 1 and paragraph c) of no. 2 of clause 6, the generalist programme of national scope aimed at the general public shall at least include the following:

- a) Regular daily news bulletins in which the main national and international events are reported and duly contextualised;
- b) Regular debate slots involving key personalities from Portuguese political and social life;
- c) Regular interview slots with personalities who stand out in terms of their professional or civic activity;
- d) Regular debate and interview slots on national political activity, which guarantee pluralism and give expression to the positions of the different political institutions and forces, in particular those represented in parliamentary institutions;
- e) Regular slots for major investigative journalism reports;

- f) Regular slots for broadcasting original documentaries, focusing on the social, historical, cultural, environmental, scientific or artistic reality of relevance for Portugal; and
- g) Appropriate journalistic coverage of relevant election periods.

8. Taking into account the provisions of paragraph b) of no. 1 of this clause and no. 1 of clause 6, the programming of the first generalist programme service shall necessarily include:

- a) Entertainment slots that foster integration of the various generations and social groups, stimulate contact between citizens residing in the different regions of Portugal and between them and Portuguese communities living abroad and valorise the Portuguese language and culture and national cohesion;
- b) Entertainment slots with educational concerns that contribute to the promotion of general culture and openness to knowledge;
- c) Original and creative entertainment spaces that stimulate the presence of new talent in Portuguese television; and
- d) Whenever possible, the broadcasting of events of general public interest, in accordance with the list specified in no. 4 of article 32 of the Television Law, wherein the Concessionaire shall position itself to acquire the respective television rights, in accordance with the same precept, provided that the said rights acquisition fits within its budgetary limits and is compatible with the strategic project to be submitted by the Board of Directors to the Independent General Board, to be approved by the latter.

9. In relation to paragraph i) of no. 2 of clause 6, the generalist programme service of national scope aimed at the general public must dedicate at least 60% of its broadcasting schedule, excluding airtime devoted to advertising, teleshopping and teletext, to the broadcasting of original Portuguese-language programmes.

10. Taking into account the provisions of paragraphs b) and c) of no. 1 of this clause and of paragraphs b), d), h) and j) of no. 2 of clause 6, the generalist programme of national scope aimed at the general public shall at least include:

- a) Regular slots for the dissemination of Portuguese cultural institutions, works and artists;
- b) Regular exhibition slots for Portuguese feature films;
- c) Regular slots for major cultural or artistic shows, broadcast live or pre-recorded, in particular operas, concerts, stage plays, ballets or other performing arts;

- d) Regular slots dedicated to Portuguese music;
- e) Regular slots for recreational, educational and educational programming for children and young people; and
- f) Regular slots dedicated to the promotion of citizenship, clarifying viewers of their rights and duties in terms of participation in public life, encouraging them to exercise and fulfil these rights and duties, in particular in the political, educational, civic, environmental and associative areas.

11. For the purposes of nos. 7 and 10 of this clause, and within the framework of no. 2 of clause 8, the following minimum frequency of broadcasts is considered to be necessary:

- a) Three times a day, for news bulletins;
- b) weekly, for news programmes on political institutions and the promotion of citizenship, for debate and interview programmes and for cultural dissemination programmes;
- c) Biweekly, for major investigative journalism reports and documentaries; and
- d) Monthly, for major cultural or artistic performances and for programmes dedicated to Portuguese music, as well as for the exhibition of Portuguese feature films.

Clause 10

Second Generalist Programme Service of National Scope

1. The second generalist programme service of national scope shall have a programming with a strong cultural and educational component, open to civil society.
2. The second generalist programme service of national scope shall consistently ensure a high quality cultural programme that is distinct from the other programme services of the public television service, in accordance with the Strategic Project to be submitted by the Board of Directors to the Independent General Board and to be approved by the latter.
3. The programming of the programme service referred to in this clause shall constitute an alternative to the offer of the first generalist programme service of national scope, and to the cultural programming offer in the market, and shall broadcast audiovisual content that gives visibility to themes, causes and ideas of interest to various audience segments, and in this manner shall constitute a complementary means of fulfilling the universal vocation of the public service.

4. The second generalist programme service shall pay special attention within its programming to the principle of innovation, giving priority to creativity, originality and critical thinking.

5. The second generalist programme service shall value education, science, research, health, social action, gender equality, the dissemination of humanitarian causes, amateur sports and school sports, religious beliefs, the environment and consumer protection, among others, and shall be open to the participation of the corresponding entities within its programming offer.

6. Some of the programming obligations specified in the previous number may be provided in another programme service offered via free-to-air non-conditional access, to promote the cultural and training content component of the second programme service.

7. A consultative body will liaise with the second programme service, representing the Public Administration partners and cultural agents and civil society institutions associated with it.

8. The second generalist programme service shall ensure daily news slots that, in a contextualised and in-depth manner, analyse current national, regional and international issues, including cultural issues.

9. The news slots of the second generalist programme service may use other services provided by Concessionaire on universal access platforms to develop all the subjects that, due to the characteristics of the television medium, cannot be exhaustively addressed in television broadcasts.

10. The second generalist programme service must include daily educational and entertainment slots for children and young people that contribute to their education.

Clause 11

Programme Services of a Regional Scope

1. The television programme services especially aimed at the Autonomous Regions of the Azores and Madeira must take into account their social and cultural realities, enhance regional production and ensure suitable news coverage of the diversity of issues arising within the archipelagos of the autonomous regions.

2. The television programme services of regional scope shall grant airtime to the Public Administration, including the Autonomous Regional Administration, when there is a need to disclose information of public interest, especially in the area of public health and safety.

3. The Concessionaire of the public television service and the regional governments of the Azores and Madeira may establish specific agreements, that foresee financing of

specific supplementary obligations of the public television service as defined by the respective legislative assemblies.

4. The Concessionaire's regional television programme services shall ensure the coverage of political, civic, social, cultural and sporting regional events, with due regard for the principles of pluralism and representativeness.

5. Taking into account the provisions of paragraphs 1, 2 and 4 and the relevant provisions of no. 2 of clause 6, the regional television programme services shall include, as a minimum:

- a) regular regional news bulletins;
- b) Regular slots for debate on matters of a political, economic or social nature, with representation of the different currents of opinion; and
- c) Regular news slots to monitor the activities of the Regional Legislative Assemblies, covering the intervention and opinion of the different political parties represented therein.

6. For the purposes of the preceding paragraph, and within the framework of the provisions of no. 2 of clause 8, the following minimum frequency of broadcasts is considered to be necessary:

- a) Daily, for the news bulletins of a regional scope; and
- b) Weekly, for debates and programmes accompanying the activity of the Regional Legislative Assemblies.

Clause 12

Programme Services of International Scope

1. The programme services of international scope shall pursue their objectives while taking into account national interests, and shall guarantee the economic and cultural promotion of Portugal and the Portuguese language abroad, the connection to Portuguese communities throughout the world and cooperation with Portuguese-speaking countries, in accordance with the strategic project to be submitted by the Board of Directors to the Independent General Board and to be approved by the latter.

2. The programme services of international scope may include national programmes in subtitled, dubbed or foreign language versions.

3. The programme services of international scope shall, as far as possible, have their own programming, suited to their objectives.

4. The programme services of international scope shall operate on a multi-platform basis, establishing, in particular, a strong presence on digital platforms, with a view to achieving a greater diversity of audiences, ensuring the promotion of technological innovation and the participation of different economic, social and cultural actors .

5. In order to comply with the provisions of the preceding paragraphs, the Concessionaire may enter into cooperation protocols with television or radio broadcasters that broadcast generalist television or radio programme services, with other content producers and distribution platforms, as well as with public agencies and services with relevant activity in the international field and the Portuguese diaspora.

6. The programme services of international scope may be broadcast at differentiated times, in function of the territory, country or region where the signal is received.

7. The programme services of international scope shall include:

- a) Ensure, with impartiality and pluralism, international news coverage of Portugal and the main events in the geographical areas where the service is broadcast, promoting in particular debate on the different political, social and cultural situations and establishing the Portuguese international broadcaster as a reference in these geographical areas;
- b) Ensure coverage of events that constitute a factor of national identity or forms of national representation, in particular events of an institutional, political, civic, social, cultural or sporting nature, using their respective potential as an essential vehicle for maintaining affinities with Portugal;
- c) Promote the link between Portugal and/or a specific region of Portugal and communities living abroad, in particular by broadcasting programmes that value the Portuguese language and culture, promoting national prestige abroad and favouring a modern and pluralistic representation of Portuguese culture, based on Portuguese and Portuguese-speaking artists; and
- d) Promote the opening of international markets to Portuguese economic agents and cultural actors.

8. The radio and television programme services of international scope shall be advised by an international advisory body, representing the Public Administration partners and civil society bodies that interact with them.

Clause 13 **Dedicated News Programme Service**

1. The dedicated news programme service is intended for specialist provision of news information in its different forms, in particular documentaries, investigate journalism reports, news bulletins and debates, about themes, ideas and protagonists that are not

commonly represented in the media, and shall provide a high standard of news information that constitutes an alternative in relation to the existing market offer.

2. The dedicated news programme service shall also have, in addition to national and international new information, a vocation of ensuring proximity with local populations, giving special attention, through appropriate territorial coverage, to topics of interest to specific regions and communities, wherever and whenever possible, through specific programming slots for this purpose.

3. The dedicated news programme service may be linked to other television programme services, in particular in terms of joint rights management.

4. The dedicated news programme service shall also ensure dissemination, throughout mainland Portugal, of programming produced and disseminated by regional programme services.

Clause 14

History and Documentary Programme Service

The history and documentary programme service, based on the Concessionaire's audiovisual archives and subject to an innovative and coherent programming logic, aims to:

- a) Promote knowledge of Portuguese history and world history;
- b) Preserve and enhance artistic heritage, particularly in the field of the performing arts and visual arts, through the study and dissemination of their history;
- c) Publicise the main figures and works of Portuguese culture, as well as the core values that underpin national identity;
- d) Contribute to the understanding of contemporary events and realities, by providing their historical context;
- e) Disseminate, in a structured and contextualised manner, the most relevant audiovisual materials kept in the archive;
- f) Analyse and treat current affairs in order to guarantee their future memory; and
- g) Contribute to the understanding of the specific language of television, through a critical appraisal of its history.

Part IV

Public radio service

Clause 15

Scope

1. The concession of the public radio service covers generalist and thematic programme services and content provided via free-to-air non-conditional access, including online broadcasts and on-demand audiovisual services, such as *podcasts*.
2. The public radio service includes:
 - a) A national generalist programme service, with diversified options and a major news and entertainment component, designed to serve the general public, attentive to regional realities and the dissemination of Portuguese music, its performers and composers, as well as to cultural, sports and other events of major public interest;
 - b) A national cultural programme service, respecting high standards of quality in terms of aesthetics, content and technology, aimed at the transmission of classical, jazz, ethnographic and contemporary music programmes, paying attention to their most significant manifestations at the national and international level, interested in fomenting knowledge of, and a taste for, music, open to themes of literature, the arts and sciences, and sensitive towards modernity;
 - c) A national programme service aimed at younger listeners, reflecting their various aspirations and interests, promoting new ideas and projects and stimulating their critical attitude and participation in society.
 - d) Two programme services specially intended for the Autonomous Region of the Azores, and the Autonomous Region of Madeira, which, within the general principles set forth in this Contract, reflect the interests, aspirations and culture of those regions;
 - e) The programme service intended for Portuguese communities and for Portuguese people living abroad, designed to maintain and strengthen the affective and cultural connection to Portugal, to promote the affirmation, valorisation and defence of the image of Portugal and contribute to the economic and cultural promotion of Portugal abroad; and
 - f) The programme service intended for Portuguese-speaking African countries, transmitted by satellite and with local terrestrial distribution, under agreements already signed, or to be signed, with the respective States and, via its own radio frequency, for African communities living in Greater Lisbon, Coimbra and Faro, or other geographical areas, as long as this is justified and there is availability in the radio spectrum, without prejudice to new tenders for allocation of the spectrum, promoting appreciation of the Portuguese language

and the common historical heritage, as well as the specific cultural aspects of each country.

Clause 16

Actions to be developed in the field of programming

The Concessionaire shall develop the following actions, in order to comply with the provisions of the preceding clause, and without prejudice to other actions that may be deemed necessary, in accordance with the provisions of the strategic project to be submitted by the Board of Directors to the Independent General Board and to approved by the latter:

- a) Promote the insertion, in its broadcasts, of programmes that support and disseminate activities aimed at defending and consolidating the traditions and customs that embody Portuguese national identity, as well as the promotion of the Portuguese language and cultural values;
- b) Promote the dissemination of Portuguese music, as defined in article 41 of the Radio Law, as well as its performers and composers, making the commitment to include in its programming a minimum percentage of 60% of Portuguese music in its first generalist programme service and 50% in its programme service aimed at younger audiences;
- c) Promote, at its own initiative or in conjunction with other entities, the organisation of performances, festivals or similar initiatives, aimed at the dissemination of music by Portuguese composers and music in the Portuguese language and its international affirmation;
- d) Promote, through the circuits provided by the European Broadcasting Union (EBU) or other international institutions, the dissemination of music by Portuguese composers, through recourse to exchange initiatives that ensure they will be broadcast by foreign radio stations;
- e) Promote the production and transmission of musical concerts, as well as the transmission of concerts performed abroad, especially in broadcasts aimed at younger audiences;
- f) Promote, in broadcasts addressed to African communities, events and initiatives that, because of their importance and quality, reflect the richness and cultural diversity of those communities;

- g) Promote the dissemination of initiatives and activities developed in the field of professional or amateur sport, both in Portugal and abroad, paying special attention to sporting events and competitions that involve national teams or athletes; and
- h) Promote the inclusion in its broadcasts, of programmes that support and disseminate activities in the areas of health, education, gender equality, consumer and environmental protection, or other areas of recognised public interest.

Part V
Multimedia

Clause 17
Scope

1. The concession of the public radio and television service covers the production and dissemination of audio or audiovisual content and the provision of multimedia services of an informative, educational, educational, cultural and entertainment nature, in the various media, technological platforms and access terminals for widespread use by the general public, including the Internet.
2. The public radio and television service provided via the Internet may include, in accordance with the provisions of the strategic project to be submitted by the Board of Directors to the Independent General Board and to approved by the latter, the simultaneous or delayed transmission of radio and television programmes, the provision of audiovisual services and content specially designed and organised for the Internet and, in any circumstances, their availability at the individual request of users.
3. The Concessionaire shall maintain a website that includes all relevant information about its mission, constitution, operation and activities, as well as its code of conduct and ethics and other information required by applicable legislation.
4. The Concessionaire shall develop the necessary studies to launch, via the Internet, a Portuguese language portal to promote Portuguese culture and the Portuguese language throughout the world, in partnership and/or with the participation of other public and/or private entities whose mission or object is based on pursuit of the same values.
5. The Concessionaire shall develop the necessary studies to launch, via the Internet, services and functionalities, in particular interactive services, especially aimed at education, in partnership and/or with the participation of other public and/or private entities whose mission or object is based on pursuit of the same values.
6. The Concessionaire shall make available via the Internet, in accordance with internal editorial criteria, sound and audiovisual documents of relevant historical, sociological,

scientific, educational or artistic value that help safeguard collective memories and strengthen national identity.

Part VI
Other Obligations

Clause 18
Institutional Obligations

1. The Concessionaire is bound by the following institutional obligations:

- a) Ensure the collaboration of the governing bodies and the director of programming and director of news and current affairs with the Opinion Board in pursuit of its competences;
- b) Grant to the Independent General Board the administrative and technical resources to enable it to carry out its functions properly;
- c) Grant to the Ombudsmen of the Public Radio and Television Service the administrative and technical resources to enable them to carry out their functions, both within the scope of the public radio service and public television service, and their respective bodies, structures and employees, and in particular the director of programming and director of news and current affairs, to collaborate with the Ombudsmen under legally established terms;
- d) Collaborate and provide the necessary administrative and technical resources for the functioning of the advisory body that represents the partners of the Public Administration and cultural agents and civil society that liaises with the programme services referred to in paragraphs b) and d) 2 of clause 7;
- e) Foster cooperation, exchange and sharing of experiences with other entities that provide public television and radio services, especially in the European Union, with a view to strengthening the quality, prestige and soundness of the public audiovisual service; and
- f) Ensure that its activity complies with the guidelines defined by the competent international bodies, and in particular with those which have binding force for the Portuguese State.

2. The cost associated with the Concessionaire's institutional obligations related to the operation of the bodies described in the previous number shall be included in the Concessionaire's budget, considering the resources available for this purpose and taking into account the financing sources available in each fiscal year.

3. In addition to complying rigorously and promptly with the decisions of the Entidade Reguladora para a Comunicação Social (Regulatory Authority for the Media) addressed to it, the Concessionaire shall take due account of the content of its recommendations.

4. The Concessionaire shall ensure the promotion and transmission, within its television programme services, of the cinematographic and audiovisual works financed by it through contracts and cooperation protocols signed by it, in particular those signed within the framework of its relationship with the Institute of Cinema and Audiovisual (ICA), and other similar initiatives.

5. The Concessionaire shall promote forms of collaboration with the Public Administration and civil society institutions, with special attention to the agencies and services under the responsibility of the members of the government responsible for the areas of Education and Culture, with the purpose of ensuring the dissemination of activities and events of educational and cultural interest, as well as the dissemination of works of educational and cultural interest by schools, libraries and other similar establishments.

6. The Concessionaire undertakes to diligently comply with the legislation applicable to it, and to conduct all its activity according to its special responsibility as the operator of the public radio and television service.

Clause 19

In-house production

1. The Concessionaire shall organise its internal production structure to ensure compliance with its public service obligations, in accordance with the objective of ensuring its regulatory role and enhancing a diversified and competitive production market.

2. In the production, selection and creation of programmes, the Concessionaire shall act in such a way as to promote the independent audiovisual creative production industry, in an open, transparent and non-discriminatory manner.

3. The Concessionaire shall establish and maintain a unit of specialist content editors for each type of programming, and a creative unit for the development of new ideas and audiovisual formats.

Clause 20

Investment Obligations in Independent Cinematographic and Audiovisual Production

1. The Concessionaire shall support, in the case of television, and in accordance with applicable legal requirements, the national production of cinematographic and audiovisual works, reserving at least 25% of the value of the direct investment established in no. 3 of article 14 of Law no. 55/2012, of September 6, to

cinematographic works, as required by no. 3 of article 43 of Decree-Law nº124 / 2013, of August 30, as well as ensuring compliance with international commitments that bind the Portuguese State and co-production with other countries, especially with European countries and countries with large Portuguese-speaking communities.

2. The cash amounts due and paid by Concessionaire in respect of copyright and related rights may be considered for the purpose of satisfying the legal quota of direct investment in cinematographic and audiovisual works of independent production to which it is obliged, when such amounts are likely to be related to the type of legally eligible works transmitted by the Concessionaire.

3. The Concessionaire shall allocate a minimum of 75% of the amount established in paragraph 1 to invest in works to be co-financed by ICA, I.P. or by other sources of public financing that may be created in the future.

4. The Concessionaire may establish that an amount of up to 50% of the amount specified in no. 3 is intended for cinematographic works derived from miniseries, or miniseries derived from cinematographic works.

5. After receiving a prior opinion from the Independent General Board, the Concessionaire shall prepare and disclose an annual strategic information document that shall include the amount, methodologies, criteria and selection procedures adopted by the Concessionaire for direct investment in independent film production.

6. The Concessionaire may decide not to allocate, in whole or in part, in each year, the amount established in no. 3 for investment in works co-financed by ICA, I.P. if it finds that these works do not stand in conformity with the strategic guidelines and criteria set forth in the document referred to in the previous number and after being authorised, for this purpose, by a decision by an arbitration panel, whose constitution must be organised by the Concessionaire and ICA, I.P., and which will be comprised by one arbitrator appointed by the Concessionaire, another arbitrator appointed by ICA, I.P. and a third arbitrator appointed by the other two arbitrators.

7. The amounts that, under the terms of the previous point, are not allocated for investment in cinematographic works co-financed by ICA, I.P. shall be used by the Concessionaire to invest in other national independent production cinematographic works.

Clause 21

National Territory Coverage Obligation

1. The Concessionaire is obliged to ensure full coverage of the national territory, via its radio broadcasting network, at the lowest possible cost.

2. The Concessionaire shall endeavour to assure, via the entity responsible for broadcasting the television signal, full coverage of the national territory, at the lowest possible cost.

Clause 22
Innovation and Technological Development Obligations

1. The Concessionaire shall use technologies, techniques and equipment to improve the quality or efficiency of the public radio and television service, taking into account the recommendations or decisions of the international organisations that it belongs to, in particular the European Broadcasting Union.

2. The innovations referred to in the previous number do not grant the Concessionaire the right to claim indemnity payments or special compensation not expressly provided in this Contract.

Clause 23
Advertising

1. In the programme service referred to in paragraph a) of no. 2 of clause 7, commercial advertising cannot exceed six minutes per hour.

2. In the programme service referred to in paragraph b) of no. 2 of clause 7, there cannot be any kind of commercial advertising.

3. Any of the other programme services referred to in clause 7, distributed via free-to-air non-conditional access, except those mentioned in paragraph c) of no. 2 of the same clause, shall progressively move towards a position of zero commercial advertising.

4. In the programme services referred to in numbers 1 and 2 of clause 15 there cannot be any kind of commercial advertising.

5. Institutional advertising relating to the promotion of products, services or purposes of manifest public or cultural interest, up to legally permissible limits, may be transmitted in any of the programme services referred to in the preceding paragraphs, which shall benefit from a discount of at least 85% of the standard commercial cost of the advertising space, and will always be identified as institutional advertising.

6. Any programme service operated by the Concessionaire may include sponsorship, under legally permitted terms.

Clause 24
Audiovisual and Sound Archives

1. The Concessionaire undertakes to maintain sound and audiovisual records in its archives, under the best possible conditions of conservation and use, which, according to the adopted internal archival policy and taking into account the criteria defined by the director of programming and director of news and current affairs, have historical, sociological, scientific, educational or artistic value, without prejudice to the applicable legal provisions in the field of archives of public interest, or legal deposit.
2. Maintenance in the archive, beyond the period required by law or by judicial decision regarding the recording and temporary storage of broadcasts, of a work for which it does not hold the broadcasting rights shall be communicated by the Concessionaire to the holders of the respective copyright.
3. The Concessionaire shall organise and maintain an inventory of the material kept in the archive.
4. The Concessionaire shall provide, upon request from any interested party and upon verification of the intended use, access to the sound and audiovisual archive, under the conditions defined in this clause and in accordance with the prevailing price list.
5. The Concessionaire may refuse to provide unedited material kept in the archive, as well as any material that has already been exhibited, if its use is likely to conflict with legal regulations to which it is bound, but must provide due written justification of such a decision.
6. In drawing up the price list referred to in no. 4, the Concessionaire shall take into account the nature of the consultations and uses, distinguishing in particular those which pursue directly commercial objectives, those which are intended for the production of cinematographic or audiovisual works, and those which pursue exclusively cultural, educational or research objectives.
7. The aforementioned price list shall be submitted for approval by the Members of Government responsible for Finance and the Media and shall be subsequently published on the Concessionaire's website, and must observe the same procedure for any changes that exceed a mere updating of the price list through application of the Retail Price Index excluding housing, for mainland Portugal, published by the National Statistical Institute (INE) for the previous year.
8. Any use of the works held in the archive shall comply fully with the legal provisions regarding copyright and related rights, as well as the rights, freedoms and guarantees of the persons who may be affected by it, and the Concessionaire shall notify the rights holders of the supplied works of any abusive use that it learns about.

Clause 25
Museum Collection Obligations

The Concessionaire undertakes to maintain a museum collection that can be visited, which complies with the norms established in the legal framework, with recourse to the contribution of the Portuguese museum network whenever this proves to be necessary.

Clause 26 Cooperation

1. The Concessionaire shall maintain, within the framework of the State's foreign policy, relationships of cooperation and exchange with the European Broadcasting Union and other international organisations, as well as with the foreign entities connected to broadcasting, negotiating the necessary agreements, establishing a priority for entities from Portuguese-speaking countries.

2. The Concessionaire is obliged to develop cooperation with Portuguese-speaking countries, in particular in terms of information, production and exchange of programmes, training and technical support, as well as the production and dissemination of international broadcasts suitable for distribution in those countries, in accordance with the programmes financed by the competent institutions of Portuguese cooperation and under protocols signed with the respective States, and also develop cooperation with Macao, in the framework of established agreements.

3. In order to comply with the obligation stipulated in the previous number, the Concessionaire may enter into collaboration agreements with private television and radio broadcasters that transmit generalist programme services, as well as with public agencies and services which have relevant activity in that field.

Part VII Funding and Compliance with the Concession Contract

Clause 27 Funding of the Public Service

1. The State guarantees the financing of the public radio and television service, and undertakes, in accordance with the Constitution, the law and the provisions of this Contract, to finance this public service on a multi-annual basis, in suitable terms of efficiency, proportionality, rigour and transparency, without prejudice to the fact that the Concessionaire shall seek to obtain other sources of commercial financing under market conditions.

2. The financing sources of the public radio and television service include the Audiovisual Contribution and the Concessionaire's commercial revenues, in accordance with the legally established funding model of the public radio and television broadcasting service.

3. In order to guarantee its independence and ensure suitable and efficient management of resources, and in accordance with foreseeable economic and social developments, the costs incurred due to compliance with the public radio and television service as well as the expenses associated to its financing shall be foreseen over a four-year horizon, in accordance with Annex I which forms an integral part of this Contract, and shall identify, in addition to the total costs, the annual instalment of those expenses.

4. Financing from the State presupposes efficient management of all costs and revenues, subject to good practices deriving from international practices, in particular in terms of transparency, respect for competition and for market players, as well as the provision of the necessary information to assess application of the above principles.

5. All the Concessionaire's commercial activities must be exercised under market conditions, and the Concessionaire is prevented from adopting practices that are not justified by market rules that lead to increased costs or reduced revenues and, in particular, and commercial exploration of programmes or sale of advertising space by the Concessionaire shall be conducted at market prices, without prejudice to the provisions of no. 5 of clause 23 regarding the transmission of institutional advertising.

6. Financial overcompensation occurs whenever the operational results of each year exceed 10% of the total income derived from the Audiovisual Contribution. This amount shall be reimbursed by making a reduction – equivalent to the calculated overcompensation amount - to the Audiovisual Contribution for the year immediately after the year in which the annual external audit specified in clause 33 verified the existence of an overcompensation.

7. The amount of the overcompensation determined in accordance with the previous number which result from additional efficiency gains, that do not undermine the quality of the public service, as verified in the annual external audit specified in clause 33, may nevertheless be kept by the Concessionaire and shall be used to investment in innovation and technological development, without prejudice to the possibility that the said overcompensation may be considered by the State at a future time when calculating the value of the Audiovisual Contribution.

Clause 28

Management Plan, Investment Plan and Budget

1. The Concessionaire shall submit the Management Plan, Investment Plan and Budget to the Members of Government responsible for the areas of Finance and the Media, by November 30 of each year, related to the provision of the public service in the following year, which shall be subject to non-binding opinions from the Statutory Audit Committee and the Opinion Board and forwarded to the entities that approve the Plans.

2. The Management Plan, Investment Plan and Budget must reflect fulfilment of the obligations stipulated in this Contract and in the Concessionaire's strategic project approved by the Independent General Board, in accordance with high standards of rigour, efficiency and management, and shall progressively incorporate productivity gains and comply with the financial, business and macroeconomic guidelines on compliance with those contractual obligations established by the Member of Government responsible for Finance and by the Independent General Board within the framework of their respective powers.

Clause 29 Reports

1. Until March 31 of each year, the Concessionaire shall present to the Members of Government responsible for the areas of Finance and the Media the annual report, balance sheet and accounts for the previous year.

2. By May 31 of each year, the Concessionaire shall also submit a report containing detailed information on compliance with the budget and the public service obligations imposed by law and this Contract, as well as compliance with the Concessionaire's strategic project approved by the Independent General Board.

3. The report referred to in the preceding paragraph shall provide a detailed description of the indicators and criteria that make it possible to gauge the principles of rigour, sound management, proportionality and transparency, as well as observance of the public service objectives and obligations, in accordance with the agreed evaluation criteria, in compliance with the respective budget and missions.

4. The reports to which this clause refers must be accompanied by the opinions of the Statutory Audit Committee and the Opinion Board.

Clause 30 Indemnity payments to Third Parties

The Concessionaire has exclusive liability for any indemnities that, due to a legal provision or judicial decision, are owed to third parties as a result of the Concessionaire's activity.

Clause 31 Competency for Supervision and Control of Compliance with the Contract

1. The State is responsible for supervision and control of compliance with this Contract, via the Members of Government responsible for the areas of Finance and Media, without prejudice to the statutory powers attributed to the Independent General Board.

2. In order to achieve full compliance with this Contract and considering the results of the statutory audit and the opinion or recommendations of the Entidade Reguladora para a Comunicação Social (Regulatory Authority for the Media), as well as the application of the other evaluation criteria stipulated in clauses 34 to 36, the State may issue recommendations, guidelines or apply the penalties stipulated in this Contract.

Clause 32 **Financial Supervision**

1. In financial terms, the Inspeção-Geral de Finanças (Inspectorate-General of Finance) shall exercise the supervision specified in no. 1 of the previous clause.

2. The Concessionaire shall sign a protocol with the Inspeção-Geral de Finanças (Inspectorate-General of Finance) subject to approval from the Members of Government specified in no. 1 of the previous clause, which shall identify the information obligations and collection and processing procedures that will enable the latter to effectively exercise the powers conferred upon it by means of this Contract.

Clause 33 **External Auditor**

1. The Entidade Reguladora para a Comunicação Social (Regulatory Authority for the Media) shall ensure, in accordance with the provisions of paragraph n) of no. 3 of article 24 of Law no. 53/2005, of November 8, which established the Entidade Reguladora para a Comunicação Social (Regulatory Authority for the Media), the production and subsequent publication of an annual audit of the Concessionaire, and will also verify correct execution of this Contract.

2. The audit referred to in the preceding paragraph shall necessarily include, in accordance with no. 7 of article 57 of the Television Law and no. 3 of article 51 of the Radio Law, verification of fulfilment of the public service mission, the transparency and proportionality of the associated financial flows and the Concessionaire's observation of best market practices, in particular in terms of the acquisition of factors of production or formation of commercial income.

3. The external audit report shall analyse fulfilment of the activity and financial objectives defined in this Contract, and it shall be incumbent upon the Entidade Reguladora para a Comunicação Social (Regulatory Authority for the Media) to express a general opinion on the performance of the public service mission and issue any recommendations it deems to be necessary.

4. The audit shall be performed by a specialised entity, to be indicated by the Entidade Reguladora para a Comunicação Social (Regulatory Authority for the Media) until December 31 of the year prior to the year for which the audit is drawn up, and the respective cost shall be borne by the Concessionaire.

Clause 34
Evaluation Criteria for Compliance with the Concession Contract

1. Evaluation of compliance with this Contract shall take into account the following criteria, without prejudice to any other criteria that the State may deem to be necessary:

- a) Fulfilment of the minimum quantitative obligations to which the Concessionaire is bound, in particular in accordance with clauses 7 to 14;
- b) Fulfilment of the qualitative requirements of the public television service and of the public radio service in the different programme services and in accordance with their respective missions, according to factors that consider the value added by their programming to the audiovisual offer and promotion of the cultural and civic formation of citizens, as well as the perception by the different audiences of the programmes' capacity to transmit information and knowledge.

2. In order to assess the criteria specified in the preceding paragraph, the following must be taken into account:

- a) The results of the external audit and subsequent decision by the Entidade Reguladora para a Comunicação Social (Regulatory Authority for the Media);
- b) The other decisions, directives, recommendations and reports of the Entidade Reguladora para a Comunicação Social (Regulatory Authority for the Media) that concern the Concessionaire;
- c) Evaluations, recommendations, opinions and other statements issued and publicly disclosed by the Independent General Board within the scope of its statutory powers;
- d) The reports and opinions of the Ombudsmen of the public radio and television service; and
- e) Opinions and decisions of the Opinion Board.

3. Notwithstanding the provisions of the previous paragraph, account may also be taken of:

- a) The work, studies and research conducted by specialists of recognised merit with respect to the programming for which the Concessionaire is responsible;
- b) The prizes, distinctions and other accolades awarded to the programmes and content disseminated by the Concessionaire;

- c) The opinion of the different audiences on the quality and social value of the programming and their satisfaction indexes, verified, in particular, by studies produced by independent entities of recognised merit;
- d) The comments, analyses and reactions published in the media about the content and programming exhibited in the Concessionaire's programme services; and
- e) The audiences of the broadcast programmes.

4. Each programme service of the Concessionaire shall, on a semi-annual basis, conduct a self-assessment of the compliance with the programming guidelines and principles stipulated in this Contract and in the Code of Conduct and Ethics, as well as compliance with the Concessionaire's strategic project, which must be sent to the Independent General Board.

5. The Independent General Board, on the basis of the self-assessments submitted in accordance with the preceding number, and through a publicly disclosed report, shall conduct a mid-term evaluation of compliance with the Concessionaire's strategic project by its programme services.

Clause 35 Parliamentary Supervision

1. The Board of Directors shall keep the Assembly of the Republic informed about fulfilment of the public service, in particular through annual submission of the Management Plans and Budget, as well as the annual reports and accounts.

2. The Assembly of the Republic may at any time convene the members of the Board of Directors and the Independent General Board, as well as the Ombudsmen of the Public Service, to provide any clarifications regarding operation of the public service that it deems to be necessary.

Clause 36 Contractual Responsibility

1. In the event of a breach of this Contract by the Concessionaire, the State may impose penalties on the Concessionaire for the purpose of ensuring compliance with the Concessionaire's contractual obligations and ensuring the regularity and continuity of provision of the public service.

2. The penalties applied by the State in the context of supervision and control of compliance with this Contract may take the form of financial penalties, in accordance with the following clause.

Clause 37
Financial Penalties

1. The Concessionaire may be punished for failure to comply with the obligations assumed in this Contract with a penalty between €10,000 to €500,000, according to the seriousness of the breach, which will be assessed in function of the risks to the regularity and continuity of provision of the public service and the resulting losses.
2. Breach of the limits imposed in clause 23 on the broadcast of advertising will be punished with a fine corresponding to the revenue unduly obtained as a result of the verified breach, plus a 50% excess amount.
3. The Concessionaire may be exempted from the penalty referred to in the preceding paragraph when its non-compliance occurs on a one-off basis and for duly justified reasons of an exceptional nature, in particular a delay or unforeseen extension of the broadcast, and if it is verified that the cumulative legally established limit on advertising was respected, when taking into consideration the combined situation of that hour of airtime, the previous hour and the subsequent hour.
4. The application of the penalties foreseen in this clause is a joint responsibility of the Member of Government responsible for the area of Finance and the Member of Government responsible for the area of Media.
5. The penalty applied shall be communicated to the Concessionaire in writing.
6. The limits of the penalties referred to in paragraph 1 are updated annually, in accordance with the consumer price index for the mainland Portugal.

Part VIII
Final Provisions

Clause 38
Taking effect and Review of the Contract

1. This Contract shall take effect on March 6, 2015, and shall be reviewed, without prejudice to any changes that may occur in the meantime, within a 4-year period.
2. The review process shall consider the assessment of compliance with the public service and will include a public consultation on the objectives and the benchmarks set for the next four-year period.
3. The Concessionaire has a 90-day period from the date of signature of this Contract to adapt its programming and other aspects related to the provisions thereof.

Clause 39
Revocation

The parties hereby agree through signature of this Contract, to revoke the Concession Contract of the Public Radio Broadcasting Service and the Concession Contract of Public Television Service, signed on June 30, 1999 and March 25, 2008, respectively, including the complementary agreements and any amendments to these contracts.

Signed in Lisbon on the 6th of March 2015, in three copies, two of which shall be intended for the Minister for Regional Development and Minister Adjunct to the Prime Minister and for the Secretary of State for Finance, and one for the Concessionaire.

On behalf of the State:

Minister for Regional Development and Minister Adjunct to the Prime Minister
Miguel Poiares Maduro

The Secretary of Finance
(in the use of delegated powers)
Manuel Luís Rodrigues

On behalf of the Concessionaire:

Chairman of the Board
Gonçalo Trigo de Morais de Albuquerque Reis

Member of the Board of Directors
Nuno Artur Neves Melo da Silva

Member of the Board of Directors
Cristina Alexandra Rodrigues da Cruz Voz Tomé

ANNEX I

**In reference to Clause 27, no. 3 of the Concession Contract
of the Public Radio and Television Service**

DESCRIPTION	2015	2016	2017	2018
Audiovisual Contribution	166.896	168.732	170.588	172.464
Commercial Revenues	44.771	52.976	46.598	54.609
Advertising	21.500	22.575	23.027	24.178
Cable	12.001	12.351	12.301	12.651
Other	11.270	18.050	11.270	17.780

un: 1.000€

Total Revenue	211.667	221.708	217.186	227.074
Programming schedule	81.243	93.295	80.613	92.245
Supplies and External Services	39.710	38.765	38.720	38.675
Staff costs	66.468	60.227	60.227	60.227
Amortisations	8.954	8.962	8.813	8.675
Other expenditure and losses	2.940	2.983	3.001	3.047
Costs	199.315	204.232	191.374	202.869
Revenue – Costs	12.352	17.477	25.812	24.205
Provisions (increases/reductions)	-	-	-	-
Imparities	-	-	-	-
Outros operating costs	-	-	-	-
Operating Result	12.352	17.477	25.812	24.205
Interest and similar expenses incurred 8.388	-9.263	-8.743	-8.490	-
Interest and similar income obtained	-	-	-	-
Financial Result	-9.263	-8.743	-8.490	-8.388
Taxes	-2.618	-2.528	-2.747	-2.631
Net Result	470	6.206	14.574	13.186