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**CLASS ONE LICENCE OF OMAN BROADBAND COMPANY
S.A.O.C
FOR THE ESTABLISHMENT, OPERATION, MAINTENANCE
AND PROVISION OF BROADBAND INFRASTRUCTURE AND
SERVICES IN THE SULTANATE OF OMAN**

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PART I
DEFINITIONS AND GENERAL PROVISIONS

Article 1:
DEFINITIONS.

In the application of this Licence and its annexes, the following terms and expressions shall have the meanings assigned to each of them unless the text otherwise requires:

- 1) **"The Authority"** means the Telecommunications Regulatory Authority set out in the Telecommunications Regulatory Act;
- 2) **"Affiliate"** means any natural or juristic person directly or indirectly controlled by another natural or juristic person;
- 3) **"Control"** means direct or indirect power to direct or cause the direction of the management of a natural or juristic person, whether through ownership of shares, voting, securities, partnership or other ownership interest, from whatever source;
- 4) **"Effective Date"** means the operative date of the Royal Decree issuing this Licence;
- 5) **"Broadband"** is a telecom service that provides download speeds on the Internet for the end user more than 256 kilobytes / second, and available on a permanent basis;
- 6) **"Access Services"** means the access by a licensee to another licensee network with the intent of being able to provide telecommunication services including the connection of telecommunication equipment using wires or radio; and access to any infrastructure including buildings, towers and cable and wire ducts;

- 7) **"Licensed Area"** means the whole territory of the Sultanate of Oman;
- 8) **"Licensed Operator"** means any natural or juristic person licensed to operate a Public Telecommunications System or to offer public telecommunications services that depend on exploitation of the capacity of a public telecommunication network of a Class 1 licensee under the provisions of the Telecommunications Regulatory Act;
- 9) **"Service Provider"** means any natural or juristic person licensed to provide Additional Public Telecommunications services under the provisions of the Telecommunications Regulatory Act;
- 10) **"Licensee Gross Revenues"** means all revenues realized by the Licensee during a year resulting from selling or leasing Licensed Services including all revenues from the supply of any Licensed Services, or payments receivable by the Licensee from other Licensed Operators , after deducting cost of Interconnection paid to other Licensed Operators, but excluding selling and leasing of Terminal Equipment;
- 11) **"Terminal Equipment"** means the Beneficiary's private telecommunication equipment that enables him to communicate through either a public or a private telecommunication network;
- 12) **"Satellite"** means an earth orbiting Telecommunications System;
- 13) **"Force Majeure"** means any action outside of the control of the Licensee that cannot be anticipated or avoided;
- 14) **"Service Area"** means the area within the Licensed Area where the Licensee has established his Telecommunications System and is generally able to offer Telecommunications Services on request to any person in that area.

Article 2: SCOPE.

This Licence has been granted to Oman Broadband Company S.A.O.C. to establish, operate, maintain and provide the Broadband Infrastructure and/or services in accordance with the Terms and Conditions set out in this Licence and its annexures.

Article 3: CONNECTION.

The Licensee is authorized to connect the Licensed Telecommunications Systems to:

- 1) Any Telecommunications System licensed in accordance with Article (21) of the Telecommunications Regulatory Act;
- 2) Any Telecommunications System outside the Sultanate of Oman;
- 3) Any Satellite in accordance with the applicable rules and requirements; and
- 4) Any Telecommunications Equipment approved for interconnection in accordance with the provisions of the Telecommunications Regulatory Act and its Executive Regulation or any other applicable Regulations, or other technical specifications identified or approved by the Authority.

Article 4: ROYALTIES AND LICENCE FEES

- 1) The Licensee shall pay the amount of the Royalty decided by the Government for each year during the License Term, with each annual Royalty calculated on the basis of the gross revenues realized through 31 December of the relevant year, excluding the realized revenue from the utilization of the passive infrastructure, and paid before 30 January of the following year. The Royalty shall be

proportionately calculated with respect to the first year of this license.

- 2) The Licensee shall pay the licence fees determined by the Authority pursuant to Condition 23 of Part II of this Licence.

Article 5: DURATION.

This Licence is granted for a period of twenty-five (25) years, renewable in accordance with the provisions of the Telecommunications Regulatory Act.

Article 6: MODIFICATION.

- 1) The Authority and the Licensee may agree in writing to modify the Licence.
- 2) The Authority has the right to modify the Licence in accordance with the provisions of the Telecommunications Regulatory Act.

Article 7: TERMINATION

- 1- The Authority may by a justified decision terminate the Licence or any rights granted hereunder in their entirety with respect to particular services in accordance with the provisions of the Telecommunications Regulatory Act.
- 2- The Authority shall have the right to terminate the Licence if the Licensee fails to provide the Licensed Services within twelve (12) months of the Effective Date .

Article 8: EXPIRATION.

- 1) The Licence terminates upon expiry of the Licence Term if it is not renewed in accordance with the provisions of the Telecommunications Regulatory Act.

- 2) This License also terminates if the Licensee is dissolved, or enters into liquidation, bankruptcy or equivalent proceedings or makes a general assignment for the benefit of creditors or due to any other similar reason.

Article 9: COMPLIANCE.

- 1) The Licensee shall, in addition to complying with the Conditions identified in this License, comply with the provisions of the Telecommunications Regulatory Act, the Executive Regulations, and of any subsidiary legislation made, or other decisions orders, guidelines issued by the Authority from time to time.
- 2) The Licensee shall –after the Government approval- conduct a study for the affordability to make a reasonable amount of its shares in the assets of the company authorized by this License available for public subscription in Muscat Securities Market within five years of the Effective Date.
- 3) Without violating the obligation of the Licensee’s Executive President to execute the terms and conditions of this Licence, the Licensee shall, where necessary, designate a senior manager not below the grade of executive managers of the Authority to liaise with the Authority and follow up the full implementation of its decisions.

Article 10: NOTICES.

All notices required to be given to the Licensee by the Authority shall be satisfied by serving the document by post or by hand on the Licensee at the Licensee's registered office and their receipt shall be acknowledged.

PART 2

First: CONDITIONS:

1 LICENSED SERVICES

1-1 The Licensee is authorised to provide the following services in the Licensed Area on a non-exclusive basis by means of the Licensed Systems and the network connections on condition to include the establishment of the broadband infrastructure and/or provision of broadband services to fulfill the objectives of the National Broadband Strategy:

| Service Name | Brief Description |
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| Category 1: Passive infrastructure services | |
| Access fibre GPON | <p>It includes:</p> <ol style="list-style-type: none">1- Service Connection for use of access optic fiber network from the Licensee Point-of-Presence (POP) up to the Fiber Termination Point (FTP) at the residential premises (in a single dwelling unit (SDU) or multi dwelling unit (MDU))2- Point-to-multipoint access service that uses passive splitters in the fibre distribution network in order to reach end users. <p>The service includes:</p> <ul style="list-style-type: none">• One shared fiber strand spliced through from the Licensee PoP Optical Distribution Frame (ODF) to the dedicated splitter;• One dedicated fiber strand from the splitter to the FTP of the residential/business premise;• One Patching Service at the ODF of the Licensee PoP;• One Patching Service at the |

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| | <p>Building’s Telecom Room (if applicable). Where required, Optical Line Terminal (OLT) could be provided.</p> |
| <p>Access fibre P2P</p> | <p>Point-To-Point (P2P) Connection for the use of passive optic fiber network from the ODF of the Licensee PoP up to the FTP at the End-User premises.</p> <p>The service includes:</p> <ul style="list-style-type: none"> • Dedicated fiber strand spliced through from the Licensee PoP to the end user premises; • One Patching Service at the ODF of the Licensee PoP; • One Patching Service at the Building’s Telecom Room (if applicable) • Where required, OLT could be provided. |
| <p>Backhaul fiber</p> | <p>Point-To-Point (P2P) Connection for the use of passive optic fiber network from the Licensee mobile site, operator mobile site, customer PoP to the ODF of the Licensee PoP or other customer PoP.</p> <p>The service includes:</p> <ul style="list-style-type: none"> • Dedicated fiber strand spliced through from the mobile site to the PoP or PoP to PoP; • One Patching Service at the Mobile Site or PoP; • One Patching Service at the ODF of the Licensee PoP (if applicable); • If required, Licensee can utilize active |

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| | telecom equipment like radio links and transmitting equipment. |
| Tower colocation | Tower colocation is where a wireless carrier installs or colocates their equipment on the Licensee tower. The wireless carrier will lease ground space in the Licensee lease area, if available, and will lease or license space on the tower for their antennas and coaxial cable. |
| Colocation services | <p>The colocation service is offered to service provider in order to host their active network equipment, servers or any other interconnecting equipment (Co-Location Equipment) for the purpose of connecting them to the Licensee Network.</p> <p>The Beneficiary will be provided with the requested equipment footprint in order to place his active network equipment, servers or any other interconnecting equipment. The following basic facilities will be provided (where applicable) at the Co-location Space (as part of the Co-location Service):</p> <ul style="list-style-type: none"> • Air conditioning system • AC power • Transmission Patch Cord • Fire suppression system • Earthing points • Security card access system • Water and dust proof facility |
| Category 2: Active remote reach services & Non Building Access Point (NBAP) | |
| Wholesale Satellite | The Licensee Satellite Access Service will |

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| access connectivity | utilize broadband satellite technology to enable high-speed connectivity for remote and rural areas. that will include three categories: (1) Direct To Home (DTH); which serves individual consumers; (2) Closed network such as but not limited to; schools, health centers, police stations,... (3) Backhauls for mobile, fixed wireless and other similar networks. |
| Non Building Access Point connection | Active connectivity between an Optical Network Terminal (ONT) device at the NBAP and the Licensee. It comes with different bandwidth levels and QoS options. Used to connect bus shelters, street furniture, road junctions, digital billboards etc. |
| Category 3: Managed network services | |
| Utilities network O&M | Providing Network Operations and Maintenance service to utilities and government entities to enable efficient management of joint networks and lowering utilities operational expenditure. The service is solution based and delivered on a case-by-case basis when and if synergies coexist. |

1-2 The Licensee may, with the written prior approval of the Authority, provide through a separate subsidiary or Affiliate or sub-contract any or all of the Licensed Services. In any of these cases, the Licensee shall not provide such services by itself.

2 CAPITAL INVESTMENT OBLIGATIONS

- 2-1 The Licensee shall implement the agreed Capital Investment Plan as per Annex (A) of this License and in case there is any amendment to the investment plan, the prior approval of the Authority must be obtained by the Licensee.
- 2-2 Without prejudice to Condition (21) of this License, the Licensee shall ensure that it maintains information records in a form to be agreed with the Authority within three (3) months from the Effective Date for the purposes of satisfying the Authority that the Licensee is meeting the approved Capital Investment Plan. The Licensee shall also comply with any special information disclosure or reporting requirements in accordance with Telecom Act, the Licence, Regulations or orders of the Authority.
- 2-3 The Licensee shall be obliged to keep the Authority informed periodically (semi-annual) of the progress of the Capital Investment Plan and scale of revenues .

3 ROLL OUT OBLIGATIONS

The Licensee shall comply with roll out obligations indicated in Annex (A).

4 PUBLIC EMERGENCIES AND NATIONAL SECURITY

- 4-1 The Licensee shall undertake to provide at his own expense all the technical capabilities, including equipment, systems and programmes in his Telecommunications network that allow access to his network by the security authorities to meet national security requirements. The provision of service shall coincide with the provision of the required technical capabilities

subject to the technological advancement. The Licensee shall, in case of changing its network systems, incur the cost of upgrading the equipment used by the security bodies affected by such change pursuant to the decisions issued by the Authority in accordance with the provisions of the prevailing laws.

- 4-2 In case of a natural disaster or exceptional public emergency accidents, the Minister may call upon all the telecommunications services and networks of any Licensee, and its employees who operate and maintain these services and networks, for the purpose of combating such disasters and accidents. Within twelve (12) months of the Effective Date, the Licensee shall submit to the Authority its plan for the procedures and operations the Licensee will follow in the event of any such emergency (the "Emergency Plan") and shall update the Emergency Plan upon request from the Authority.
- 4-3 If the emergency accidents or the crisis are related to the national security, the Licensee shall cooperate with the security bodies determined by the Authority and shall implement the Emergency Plan as per the instructions of the Authority.

5 OBLIGATIONS TOWARDS BENEFICIARIES

- 5-1 The Licensee shall provide Licensed Services to other Public Telecommunications licensed Operators on the reasonable request on an open access basis.
- 5-2 In case the Licensee intends to provide Licensed Services to other entities/Beneficiaries, it shall seek prior approval of the Authority .
- 5-3 The Licensed Services shall be provided in accordance with the relevant regulations, guidelines, instructions and decisions of the Authority.

5-4 If the Licensee provides its services to beneficiaries, then it shall comply with the following:

5-4-1 The Licensee shall provide at least twelve (12) months written notice to the Authority regarding:

- A) Any termination of an existing Licensed Service;
or
- B) Any change to a Licensed Service which would render any of its Beneficiary equipment obsolete. As part of its written notification the Licensee shall identify appropriate service transition and Beneficiary migration arrangements.

5-4-2 Within six (6) months following the Effective Date, the Licensee shall submit to the Authority for its approval a form of Standard Service Agreement containing the terms and conditions for the provision of Licensed Services to Beneficiaries .

5-4-3 The Standard Service Agreement form shall become effective if the Regulatory Authority did not object to it within thirty (30) days of its receipt or on a later date specified for its execution. If the Authority has objected to the Agreement form during such period, the Authority shall notify the Licensee in writing of the reasons for this objection and the Licensee shall accordingly modify the Agreement form and present it to the Authority within fifteen (15) days of its receipt of such objection. This shall be applicable to the modified Agreement form.

5-4-4 The Licensee shall notify all Beneficiaries of the terms and conditions of the Standard Service Agreement and any modifications thereto and shall thereafter provide Licensed Services based upon this Agreement.

6 QUALITY OF SERVICE REQUIREMENTS:

Without prejudice to Article 51 Repeated from the Act, the Licensee shall comply with the following:

- 6-1 The quality of service rules and regulations issued by the Authority from time to time.
- 6-2 Without prejudice to Condition 21 of this License, ensure that it maintains information records in a form to be agreed with the Authority within six (6) months of the Effective Date for the purposes of satisfying the Authority that the Licensee is meeting the Quality of Service Requirements. The Licensee shall also comply with any special information disclosure or reporting requirements and the publication of the performance indicators of Quality of Service in the media. In the event of violating the obligations in paragraph 6.1 above, the procedures stipulated in the Quality of Service Requirements Regulation shall be applied.

7 MAINTENANCE SERVICES:

- 7-1 The Licensee shall ensure the provision of maintenance services, on the reasonable request of any Beneficiary to whom it provides the Licensed Services, in respect of both the Licensed System, and approved Telecommunications Equipment supplied by the Licensee and which is used by that Beneficiary.
- 7-2 Condition 7.1 shall not apply in the following circumstances:
 - 7-2-1 in relation to any relevant system or apparatus which is beyond economic repair or to the extent that the necessary components are no longer available; or
 - 7-2-2 in the event that it is not, in the Authority's view, reasonable to require the Licensee to provide the service

requested by means of the Licensed Systems in the particular circumstances, including, but not limited to circumstances:

- A) beyond the Licensee's control;
- B) where the provision of the service would expose any person engaged in its provision to undue risk to health or safety; or
- C) where it is not reasonably practicable.

8 INTERRUPTIONS TO THE LICENSED SERVICES:

8-1 The Licensee shall not intentionally interrupt the operation of the Licensed Systems (or any part thereof) in the normal course of business, nor may it in the normal course of business suspend the provision of any type of Licensed Service without having first notified the Authority in writing and having provided reasonable advance notice to persons affected by such interruption or suspension.

8-2 Condition 8.1 shall not apply if:

- A) The interruption or suspension is due to an emergency, such as an event of Force Majeure; or
- B) The interruption or suspension is to a Licensed Service supplied by the Licensee to a Beneficiary whose Telecommunications System is endangering the integrity of the Licensed Systems.

9 OBLIGATION TO OBTAIN THE AUTHORITY APPROVAL ON THE NEW SERVICES:

9-1 The licensee shall obtain the Authority approval in writing about any new licensed services.

9-2 The licensee shall provide the licensed services in accordance with the terms and conditions of this License and with all the regulations, decisions, guidelines, instructions issued by the Authority from time to time.

10 PROVISION OF ACCESS SERVICES:

10-1 Without prejudice to the Telecom Act and its Executive Regulation, the Licensee shall provide access to the Licensed Systems on the reasonable request of any Service Provider or Licensed Operator on open access basis .

10-2 Access Services shall be provided in accordance with the applicable recommendations of the International Telecommunication Union and other international entities, and all applicable regulations, decisions, orders and guidelines issued by the Authority.

10-3 The Licensee shall enter into an agreement to provide access services with the licensed operators and telecom service providers within three months of receiving written request . In the event that the Licensee and the requesting Service Provider or Licensed Operator do not conclude an agreement for the requested Access Services within the time frame mentioned in condition the matters in dispute shall be referred to the Authority for resolution.

10-4 The licensee shall obtain the Authority written approval prior entering into /or modifying any agreement with the Licensed Operators or Service Providers.

10-5 The Licensee shall ensure that any access service agreement it enters with the Licensed Operators or Service Providers

shall be transparent, non-discriminatory and with reasonable terms and conditions.

10-6 The Licensee shall not be required to provide Access Services where in the Authority's view it is not reasonable to require the Licensee to provide Access Services including, but not limited to the following circumstances:

A) where it is beyond the Licensee's control;

B) where it would cause or would be likely to cause danger, damage or injury to any person or to any property;

C) where it would cause damage or otherwise interfere with the running of the Licensed Systems or the provision over those Licensed Systems of Telecommunications Services; or

D) where it is not reasonably practicable.

10-7 The licensee shall provide the access to the passive infrastructure on an open access basis. The agreements between the Licensee and other licensed operators and service providers in this regard shall not foreclose competition and any new eligible seeker requiring access shall be accommodated.

10-8 The service level agreements between the Licensee and other licensed operators and service providers must be in line with the TRA regulations in relation to tariffs, quality of service, access and interconnection.

11 THIRD-PARTY SERVICE PROVISION:

- 11-1 The Licensee shall permit any Licensed Operator or Service Provider to connect its licensed Telecommunications System to the Licensed Systems so as to enable such Licensed Operator to provide Telecommunications Services by means of the Licensed Systems.
- 11-2 Condition 11.1 shall not be applicable if it is not, in the Authority's view, reasonable to require the Licensee to provide such services, including, but not limited to the following circumstances:
- A) where it is beyond the Licensee's control;
 - B) where it would cause or would be likely to cause danger, damage or injury to any person or to any property;
 - C) where it would cause or would be likely to cause damage or otherwise interfere with the running of the Licensed Systems or interrupt the provision of telecom services ;
or
 - D) where it is not reasonably practicable.

12 INTERCONNECTION:

- 12-1 The Licensee has the right to obtain interconnection and access services from the licensed operators.
- 12-2 The licensee shall comply with the rules, regulations, guidelines, decisions and orders issued by the TRA regarding the interconnection and access services.

13 INTEROPERABILITY AND TECHNICAL STANDARDS:

- 13-1 The Licensee shall be obliged by any regulations, technical specifications, rules or guidelines issued by the Authority in order to ensure interoperability of the Licensed Services and Licensed Systems with Telecommunications Services and Telecommunications Systems provided by other Licensed Operators to the extent technically and economically feasible.

13-2 The Licensee shall ensure that all the equipment comprised in (and connected to) the Licensed Systems and used in the provision of the Licensed Services is approved in accordance with the provisions of the Telecommunications Regulatory Act or applicable regulations, or otherwise complies with technical specifications identified or approved by the Authority.

14 CONNECTION OF TERMINAL EQUIPMENT:

The Licensee shall connect and shall permit to be connected to the Licensee's Telecommunications System any Terminal Equipment which has been approved pursuant to the Telecommunications Regulatory Act or applicable Regulations or otherwise complies with reasonable technical specifications adopted by the Licensee.

15 RADIO COMMUNICATIONS AND FREQUENCY ALLOCATION:

15-1 The Authority has the right to allocate from time to time to the Licensee such radio frequencies or frequency bands under a Radio Licence as is necessary and to the extent consistent with the National Frequency Plan, in the reasonable opinion of the Authority, to enable the Licensee to exercise its rights and to perform its obligations hereunder provided that the Licensee shall comply with the following:

- A) The Licensee shall ensure that the radio communications equipment is designed and constructed, used and maintained, so as not to cause any undue interference when in use .

- B) The Licensee shall not permit any person to use the Radio communications Equipment comprised in its Radio Stations unless the person is under the control of, and authorised by, the Licensee.
- C) The Licensee shall ensure that all persons using the Radio communications Equipment comprised in its Radio Stations are made aware of the terms of this Licence and comply with them.
- D) The Licensee shall permit a person authorised by the Authority to have access to its Radio Stations and to inspect or test its Radio communications Equipment at any time or when an emergency situation exists, for the purpose of verifying compliance with the terms of the Licence, or investigating sources of radio interference.
- E) The Licensee shall restrict the operation of, or close down and cease to operate, its Radio Station immediately in accordance with the demand of a person authorised by the Authority in accordance with the Telecommunications Regulatory Act and for the period specified in the demand in case of the Licensee's violation of any Condition of the Radio Licence or violation of Article 9(4) & (5) and Article 30 of the Telecommunications Regulatory Act.

16 LICENSEE OBLIGATIONS IN RELATION TO RECRUITMENT:

16-1 The Licensee shall take all reasonable steps to train Omani nationals to man positions at all levels in the Licensee's administrative and technical organisation structure and to achieve the percentage of Omanisation prescribed on Annex (B). The Authority may impose a penalty in the event of non-

compliance to such percentage and such penalty shall not be less than the fine determined by the competent authority.

- 16-2 The Licensee may recruit foreign experts for the installation, operation, maintenance and exploitation of the Telecommunications Systems and provision of Licensed Services in accordance with the relative rules, regulations and decisions provided that the Authority is furnished with the resume of each one of them for approval prior to recruitment. The Licensee shall reduce the number of such experts according to a timetable agreed upon with the Authority.

17 LICENSEE OBLIGATIONS IN RELATION TO PRIVACY AND CONFIDENTIALITY:

Without prejudice to the Telecom Act, its Executive and the relevant rules:

- 17-1 The Licensee shall use all reasonable endeavors to ensure the privacy and confidentiality of information and business secrets obtained in the course of its business from any person to whom it provides the Licensed Services by establishing and implementing reasonable procedures for maintaining confidentiality of such information subject to any requirement under law.
- 17-2 The Licensee shall maintain sufficient information on its confidentiality procedures to satisfy the Authority, at its reasonable request, that the requirements of Condition 17.1 are being met.
- 17-3 The Licensee shall not use or allow to be used any apparatus comprised in the Licensed Systems which is capable of recording, silently monitoring, or intruding into live speech telephone calls or data transmitted over the network unless it

is in accordance with the Law and the stipulated procedures and after obtaining approval of the Security Authorities.

17-4 The Licensee may request the Security Authorities to record calls based on a Beneficiary's request to prove that the Beneficiary has made the call or for operational reasons having obtained the Beneficiary's approval. The Licensee shall in either cases notify the Beneficiary whose calls are to be recorded, and shall maintain a record of the means by which the beneficiaries have been informed that the call is to be or may be recorded. The Licensee shall furnish to the Authority such information on request.

18 PROHIBITION OF UNFAIR CROSS-SUBSIDIES:

18-1 The Licensee shall not unfairly cross-subsidise or unfairly subsidise its businesses or those of its Affiliates in relation to the provision of the Licensed Services.

18-2 The Licensee shall maintain such records as are necessary in order to evidence material transfers between the Businesses set out in Condition 18.1.

18-3 Where it appears to the Authority that the Licensee has violated Condition 18.1, it shall take such steps as the Authority may direct in order to remedy the situation while considering whether any cross-subsidy has been made for the purpose of satisfying any obligation imposed by it under this Licence.

19 PROHIBITION OF UNDUE DISCRIMINATION AND ANTI-COMPETITIVE PRACTICES:

19-1 The Licensee shall not (whether in respect of the rates or other terms and conditions applied or otherwise) show undue preference to, or exercise undue discrimination against, particular persons or persons of any class or description as respects the provision of the Licensed Services. The Licensee may be deemed to have shown such undue discrimination if it unfairly favours to a material extent a business carried on by it in relation to the provision of the Licensed Services so as to place at a significant competitive disadvantage persons competing with that business.

19-2 The Licensee shall not engage in any other anti-competitive practices and, in particular, shall not:

A) abuse any dominant or monopoly position in any Telecommunications Service market;

B) enter into agreements with any other Licensed Operator or Service Provider which have as their purpose or effect the fixing of prices, allocation of customers or specific service markets or other improper restraint on competition; or

C) use information provided by other Licensed Operators or Service Providers for anti-competitive purposes.

19-3 Any question relating to whether any act done or course of conduct is contrary to this Condition shall be determined by the Authority.

20 ACCOUNTING REQUIREMENTS:

20-1 Within five (5) months of the end of each fiscal year of the Licensee, the Licensee shall deliver to the Authority the audited

balance sheet of the Licensee as at the end of such fiscal year and the related statements of operations, equity and cash flows of Licensee, in each case accompanied by a report thereon of independent auditors stating that such financial statements fairly present the financial position of the Licensee at the dates indicated and were prepared in accordance with accounting principles generally accepted in the Sultanate of Oman.

- 20-2 The Licensee shall submit to the Authority within three (3) months of the Effective Date a proposal for an accounting system which allows the recording of investments, expenses and revenues in accordance with accounting principles generally accepted in the Sultanate of Oman. In particular, such accounting systems shall identify cost elements in sufficient detail so that cost-based prices can be established. The Authority shall approve or disapprove the proposed accounting system within three (3) months of its submission.

The Authority may, in case of disapproval of the accounting system under this Condition or, if the Authority considers during the Licence Term that a modification is reasonably required, order the Licensee to adopt a prescribed accounting system within a reasonable time period.

- 20-3 The Authority may request the Licensee to submit other accounting information it may require in order to effectively supervise and enforce the terms of this Licence and the Licensee shall provide such information within a reasonable period of time determined by the Authority.

- 20-4 If the Licensee fails to comply with its obligations under Condition 20.2 above or if the accounting system established by

the Licensee fails to achieve the objectives set forth in that subsection; and the Authority deems it necessary and appropriate to supervise compliance with the provisions of Condition 18, it may order the Licensee to provide certain Licensed Services through a separate division or divisions, a separate branch or branches or a separate subsidiary or subsidiaries.

21 REQUIREMENT TO PROVIDE INFORMATION:

21-1 The Licensee is required to maintain and provide such information in such manner and at such times as the Authority may request. The Authority shall have the right to request the Licensee to submit periodic reports, statistics.

21-2 In making a request for information, the Authority will ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information, unless the Authority considers such information is essential to enable it to exercise its duties and functions under the Telecommunications Regulatory Act.

21-3 The Licensee shall provide the Authority or its authorised representatives with access, at any time, to all equipment, facilities, books and records of the Licensee relevant to the performance of the Licence.

22 CHANGES IN SHAREHOLDING:

22-1 The Licensee shall seek prior approval of the Authority of any change in shareholding of any person only if, by reason of that acquisition or change, the total number of shares in that Relevant Company held by that person together with any shares known by the Licensee to be held by any nominee or

trustee for that person immediately after the change or acquisition exceeds:

- a. 5 per cent;
- b. 10 per cent;
- c. 20 per cent;
- d. 33.3 per cent;
- e. 50 per cent; or
- f. 66.6 per cent,

22-2 Within thirty (30) working days of each anniversary of the Effective Date, the Licensee shall notify the Authority of the name of each shareholder of each Relevant Company, and the total number of shares held by each such person as at the date of the relevant anniversary of the Effective Date where the "Relevant Company" means the Licensee or any natural or juristic person with more than a 50 per cent shareholding in the Licensee.

23 License Fee:

23-1 The Licensee shall pay to the Authority the following fees:

- A) Fees for issuing the Licence for the first time amounting to RO 35,000/- Thirty Five Thousand Omani Rials.
- B) The licensee's share in the annual fee that does not exceed 1% of the licensee annual revenue of each fiscal year to the Authority according to its estimated budget for the coming year. The applicable annual licence fee shall be paid to the Authority in advance no later than 1 January of each year thereafter. In case of delay, the Licensee shall incur a

proportion for each day of delay equal to the annual interest on loans of commercial banks as published from time to time by the Central Bank of Oman.

24 PROPERTY RIGHTS:

The Licensee shall have priority rights in respect of extending cables and installing the Licensed System on public rights-of-way, in or on buildings and other property, and in respect of similar works necessary for the provision of the Licensed Services, in accordance to the Telecom Act and its Executive Regulations and all applicable rule, regulations and guidelines

25 TRANSFERS OF RIGHTS OR OBLIGATIONS:

25-1 The Licensee shall not transfer any of the Licensed Services to another person without the prior written approval of the Authority.

25-2 Any natural or juristic person that becomes a duly authorized successor or assign to the Licensee through affiliation, assignment, transfer of control, merger, liquidation, reorganization or otherwise, shall, as a condition to such succession or assignment, be required to execute such documents as the Authority deems appropriate.

26 DISPUTES:

The Authority has the right to decide on disputes that arise between the Licensee and other licensees, the other Service Providers or Beneficiaries in accordance with the Telecommunications Regulatory Act and the applicable regulations issued by the Authority. The decisions of the Authority shall be binding to all parties whereas the Authority may with the agreement of the parties to the dispute refer the dispute to arbitration.

27 Penalties:

In addition to any specific penalties or consequences for performance defaults or non-compliance set out in this Licence or under the Telecommunications Regulatory Act or the applicable laws or Regulations, regulation and decisions issued in implementation thereof, the following shall apply:

27-1 The Authority shall deliver written notice identifying the specific default to be remedied by the Licensee. The Licensee shall have fifteen (15) days to propose a specific plan for remedying the identified default within an identified time period. The Authority may approve the plan and notify the Licensee to implement it.

27-2 If the plan was not approved by the Authority, or if the Licensee fails to implement the plan within the specified period, the Authority may impose a penalty not exceeding double the costs necessary to remedying the default.

Second: ANNEXES

ANNEX A

Roll out obligations and Capital Investment Obligations

Roll out obligations

The Licensee is obliged to cover the minimum cumulative number of premises (houses and constructions) in the licensed area within four years as tabulated below:

| Governorate | 2017 | 2018 | 2019 | 2020 |
|--------------------------|--------|------------|------------|------------|
| Muscat | 147383 | 15673 3 | 22065 3 | 31356 3 |
| North Al - Batinah | 0 | 9425 | 6825 | 9125 |
| South Al - Batinah | 5915 | 0 | 6800 | 9000 |
| Musandam | 302 | 905 | 1810 | 3016 |
| Al Dhahera | 1542 | 3992 | 7512 | 11722 |
| Al Dakhileya | 3320 | 7520 | 12320 | 17422 |
| North Ash - Sharqiyah | 1750 | 2495 | 4000 | 4795 |
| South Ash - Sharqiyah | 0 | 2000 | 3445 | 3000 |

| | | | | |
|----------------|--------|-------|-------|-------|
| Al - Wusta | 225 | 434 | 1198 | 2217 |
| Dhofar | 3740 | 7540 | 12740 | 18560 |
| Al Buraimi | 1250 | 3000 | 5350 | 9100 |
| Total per year | 165427 | 19404 | 28265 | 40152 |
| | | 4 | 3 | 0 |

There should be coordination between the Authority and Oman Broadband Company regarding roll out obligations to cover the minimum cumulative based on the feasibility and necessity for such roll out.

Capital Investment Obligations:

The amount of Capital investments within three (3) years:

| Year | 2017 | 2018 | 2019 |
|---|------------|------------|------------|
| Total Capital Expenditure (Amount OMR) | 19,600,000 | 27,400,000 | 24,900,000 |

If the Licensee fails, in any year, to achieve the targeted commitments in relation to the roll out and the investment plan, the Authority may require the Licensee to submit and implement a remedy plan within a specified period of time.

Annex (B) **Omanization**

The Licensee shall undertake to realize the total Omanisation percentages for each year as given in this Annex.

| Level | 12 months from Effective Date | 24 months from Effective Date | 36 months from Effective Date | 48 months from Effective Date | 60 months from Effective Date |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Executive Officer | 17% | 33% | 33% | 50% | 50% |
| Director | 13% | 37% | 50% | 50% | 50% |
| Department Head | 40% | 60% | 70% | 70% | 70% |
| Section Head | 57% | 69% | 75% | 77% | 87% |
| Professional | 48% | 78% | 87% | 90% | 91% |
| Support Staff | 76% | 84% | 92% | 94% | 94% |
| Total | 57% | 77% | 86% | 88% | 90% |

In the event of not achieving any of the Omanisation percentages at each level for each stage, penalties would be imposed on the Licensee at the discretion of the Authority and as per Condition (16.1), taking into account the procedures specified in Condition (27) of this License.