



**Telecommunications Regulatory Authority  
Sultanate of Oman**

**LICENCE GRANTED BY ROYAL DECREE PURSUANT  
TO THE ROYAL DECREE ON  
TELECOMMUNICATIONS**

**TO**

***OMAN TELECOMMUNICATIONS COMPANY  
S.A.O.C  
(OMANTEL)***

**FOR THE INSTALLATION, OPERATION,  
MAINTENANCE AND EXPLOITATION OF A  
FIXED PUBLIC TELECOMMUNICATIONS SYSTEM  
IN THE SULTANATE OF OMAN**

**2003**



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### PART I – DEFINITIONS AND GENERAL PROVISIONS

#### ARTICLE (1)

##### Definitions

In this Licence and its annexes, the following terms shall have the following meanings:

1. "**The Minister** " means the Minister of Transport and Communications;
2. "**The Authority** " means the Telecommunications Regulatory Authority set out in the Telecommunications Regulatory Act;
3. "**Accounting and Settlement Rates**" means the amounts and settlements in any currency or method payable or subject to settlement by or to the Licensee under any International Correspondent Agreements, by or to the Licensee for the termination or transit of International Telecommunications Services;
4. "**International Correspondent Agreements**" means any written agreement, in whatever form, between the Licensee and another International Telecommunications Operator for the termination or transit of international calls;
5. "**International Telecommunications Operator**" means any telecommunications operator in another country or territory who is authorised to run an international Telecommunications System for the provision of Telecommunications Services;
6. "**Affiliate**" means any natural or juristic person directly or indirectly controlled by another natural or juristic person;
7. "**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;
8. "**Effective Date**" means the operative date of the Royal Decree issuing this License;
9. "**Licensed Area**" means the territory of the Sultanate of Oman as described in Annex A;
10. "**Licensed Operator**" means any natural or juristic person licensed to operate a Public Telecommunications System under Para 1 of Article 21 of the Telecommunications Regulatory Act;
11. "**Service Provider**" means any natural or juristic person licensed to provide Additional Public Telecommunications services under Para 2 and 3 of Article 21 of the Telecommunications Regulatory Act;



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12. **"Licensee Gross Revenues"** means all revenues realised 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 or Service Providers (for interconnection or Access Services), all revenues or payments receivable from resellers of the Licensed Services, but excluding selling and leasing of Terminal Equipment;
13. **"Terminal Equipment"** means any appliance, apparatus, or accessory located on or installed at any Beneficiary's premises and connected to the Public Telecommunications System to enable reception and / or transmission of Telecommunications Services;
14. **"Universal Service"** means Basic Voice Service and Public Data Service.
15. **"Basic Voice Service"** means a Telecommunications Service involving the transmission of two-way real-time speech or a facsimile transmission, and shall be deemed to include the provision of voice telephony services over the Internet and international call-back services, but to exclude Telecommunications Services provided via cellular mobile and other means to subscribers capable of moving;
16. **"Public Data Service"** means a Telecommunications Service permitting the transmission or reception of information in electronic form, to or between members of the public, by means of the Licensee's own Telecommunications System and shall not include Basic Voice Services;
17. **"Cellular Mobile Services"** means a Telecommunications Service permitting the emission, transmission or reception of radio electronic impulses within the designated bandwidth by Radiocommunications via a cellular Telecommunications System to subscribers capable of moving;
18. **"Global Mobile Personal Communications Services"** means a Telecommunications Service permitting the emission, transmission or reception of radio electronic impulses within the designated bandwidth by Radiocommunications via a satellite Telecommunications System to moving subscribers;
19. **"International Telecommunications Services"** means the provision of Telecommunications Services between Sultanate of Oman and other countries;
20. **"Private International Telecommunications Services"** means those Telecommunications Services connecting a Telecommunications System in the Sultanate with an outside Telecommunications System with or without the provision of Telecommunications Services via this system to other countries.
21. **"Private Telecommunications Services"** means those Telecommunications Services provided to a natural or juristic person or to a number of persons with common ownership for their own purposes but to exclude Telecommunications Services provided to a third party for a direct or indirect compensation.
22. **"Information Service"** means a service providing a capability for generating, acquiring, storing, transforming, processing, retrieving, utilising or making available any information via



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a Telecommunications System, including Internet access and related content services, Telegraph Service and Telex Service;

23. "**Telegraph Service**" means the transmission of telegraph signals of a written matter via the Licensed Systems;
24. "**Telex Services**" means a service which is provided for the purposes of text communication by directly transmitting text messages between Beneficiary Terminal Equipment connected to a Telecommunications System;
25. "**Leased Line Services**" means the provision of an unswitched physical or virtual communications link across a part of a Telecommunications System, which link is reserved for the exclusive use of the Beneficiary;
26. "**Broadcasting Transmission Service**" means the transmission of Broadcasting signals, audio or video programmes and distributing them;
27. "**Calling Card Service**" means a service whereby the Licensed Operator provides Beneficiaries with a debit, prepaid or credit card for the settlement or payment of Telecommunications Services tariff;
28. "**Value Added Services**" means Telecommunications Services other than Basic Voice Services and Information Services;
29. "**Resale Services**" means Telecommunications Services purchased from the Licensee by a Service Provider and made available to a Beneficiary, together with such additional services as the Service Provider may provide;
30. "**Satellite Telecommunications Service**" means a Telecommunications Service provided through connections from earth stations to the INTELSAT, INMARSAT, ARABSAT or other public or private satellite Telecommunications System (but excludes Global Mobile Personal Communications Service);
31. "**Satellite**" means an earth orbiting Telecommunications apparatus;
32. "**Force Majeure**" means any action outside of the control of the Licensee that can not be anticipated or avoided.

### ARTICLE (2)

#### Scope

- 1 This Licence has been granted to Oman Telecommunications Company S.A.O.C. "**OmanTel**" to install, operate, maintain and exploit Basic Public Fixed Telecommunications Systems and to provide Telecommunications Services in accordance with the Terms and Conditions set out in this Licence.



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### **ARTICLE (3)**

#### **Connection**

The Licensee is authorised to connect the Licensed 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 Articles 8(6), 51(6) or 51(8) of the Telecommunications Regulatory Act or applicable Regulations, or other technical specifications identified or approved by the Authority.

### **ARTICLE (4)**

#### **Royalties and Licence Fees**

- 1 The Licensee shall pay to the government of the Sultanate of Oman a Royalty of ten percent (10%) of the Licensee Gross Revenues each year during the License Term, with each annual Royalty calculated on the basis of revenues realised through 31 December of the relevant year 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 license fees determined by the Authority pursuant to Condition 30 of Part II of this License.

### **ARTICLE (5)**

#### **Duration**

This Licence is granted for a period of twenty-five (25) years as of the Effective Date.

### **ARTICLE (6)**

#### **Modification**

- 1 The Authority and the Licensee may agree in writing to modify the License.
- 2 In accordance with the exigencies of public interest, the Authority may at any time modify the License provided that:
  - a) Three years separate between each modification.



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- b) The Licensee is given a written notice one year prior to the proposed modification.
- c) Full consultation is made with the Licensee during such year.

### **ARTICLE (7)**

#### **Termination**

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 Article 24 of the Telecommunications Regulatory Act.

### **ARTICLE (8)**

#### **Expiration**

- 1 The Licence terminates upon expiry of the Licence Term if it is not renewed in accordance with the Telecommunications Regulatory Act.
- 2 It 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 and Regulations, and all relevant decisions, orders and guidelines of the Authority.
- 2 Without violating the obligation of the Licensee's Executive President to execute the terms and conditions of this License, the Licensee shall, where necessary, designate a senior manager not below the grade of senior 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 Regulatory 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.



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## PART II – CONDITIONS

### 1. LICENSED SERVICES

1.1 The Licensee is authorised to provide local, long distance, and international Telecommunications services in the Licensed Area on a nonexclusive basis by means of the Licensed Systems and the network connections that the Licensee has installed or is installing. This includes the following:

1. Basic Voice Service;
2. Public Data Service;
3. Public Payphones Service;
4. Prepaid Calling Cards Service;
5. Satellite Telecommunications Services;
6. Information Services;
7. Private Telecommunications Services;
8. Leased Line Services;
9. Value Added Services;
10. Broadcasting Transmission Service; and
11. The sale, lease and maintenance of Terminal Equipment.

1.2 The Licensee may, with the prior approval of the Regulatory 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. SYSTEM EXPANSION

2.1 The Licensee shall comply with the specific system expansion requirements set out in Annex B of this License and shall not be liable during the first three years of the Effective Date of the License to pay such penalties as are identified in Annex B or otherwise imposed by the Executive Regulation for failure to meet the System Expansion Requirements.



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- 2.2 The Licensee shall ensure that its geographic coverage for Basic Voice Services in the Licensed Area, including the expansions made in fulfilment of the System Expansion Requirements or the expansions made voluntarily as service areas, is no less than as in existence on the Effective Date.
- 2.3 Subject to Condition 28, the Licensee shall ensure that it maintains information records in a form to be agreed with the Regulatory Authority within twelve (12) months from the Effective Date for the purposes of satisfying the Regulatory Authority that the Licensee is meeting the System Expansion Requirements. The Licensee shall also comply with any special information disclosure or reporting requirements set out in Item 4 of Annex B.
- 2.4 The Licensee's system expansion obligations will be reviewed as part of a broader telecommunications service review to be conducted by the Regulatory Authority, which may result in additional system expansion requirements being imposed on the Licensee any time after three (3) years from the Effective Date. The Licensee's system expansion obligations shall be determined in accordance with Articles 38 and 39 of the Telecommunications Regulatory Act.

### **3. UNIVERSAL PROVISION OF TELECOMMUNICATIONS SERVICES**

- 3.1 The Licensee shall provide to every person on request and at an affordable price agreed by the Regulatory Authority Basic Voice Services and Public Data Services.
- 3.2 The Licensee shall not be entitled to any subsidy in relation to universal service or system expansion if these fall within its geographic coverage of the Basic Voice Service in the Licensed Area, including the expansions made in fulfilment of the System Expansion Requirements or the expansions made voluntarily as service areas.
- 3.3 System expansion outside the Licensed Areas may be the subject of periodic tenders or requests for proposal implemented by the Regulatory Authority. The Licensee shall be entitled to participate in such tenders and projects in competition with other Licensed Operators, and shall have no obligation to perform the intended system expansion unless specifically ordered by the Regulatory Authority, and subject to receiving the payment required, pursuant to Article 39(4) of the Telecommunications Regulatory Act.
- 3.4 The Licensee shall continue to provide maritime services provided by the Licensee as at the Effective Date, provided that the Licensee may notify in writing the Regulatory Authority before the third year of the License, if the Licensee elects to cease providing maritime services. Effect of such notice shall only be valid following the expiry of the third year of the License.





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### **4. PROVISION OF PUBLIC EMERGENCY CALL SERVICES**

- 4.1 The Licensee shall provide access to emergency services within the Service Area which access shall be provided free of charge to the public.
- 4.2 The Licensee shall ensure that 999 or such number as is designated by the Regulatory Authority as the public emergency call number is continuously available without restriction.
- 4.3 The Licensee may restrict the Public Emergency Call Service to be provided under this Condition, in respect of any emergency organisation licensed to provide police, fire, ambulance or coastguard services to the extent agreed by the Government authority responsible for that emergency organisation or, in the absence of such agreement, to such extent as may be authorised by the Regulatory Authority.

### **5. PROVISION OF DIRECTORY INFORMATION SERVICES**

Subject to the Beneficiary's request not to provide information in relation to him, the Licensee shall:

- 5.1 Provide or make available, free of charge, printed directories [upon request] to a Beneficiary, the form and content of which may be determined by the Regulatory Authority from time to time.
- 5.2 Provide directory information services upon request to a Beneficiary against a reasonable tariff as approved by the Regulatory Authority.
- 5.3 Allow any other Licensed Operator access to the Licensee's directory information, in such form as may reasonably be determined by the Licensee, on reasonable and fair terms as approved by the Regulatory Authority including reimbursement of the Licensee's direct costs reasonably incurred in granting access provided that;
  - 5.3.1 the Licensed Operator undertakes to use the information only to provide directory information services (provided it does not provide its beneficiaries with any services in respect of any person who has requested the Licensee);
  - 5.3.2 the Licensed Operator provides access to the Licensee to its own directory information on a similar basis as set out in 5.3; and
  - 5.3.3 the provision by the Licensee of the information is not unlawful.
- 5.4 Use all reasonable efforts to supply Beneficiary(s) upon request with information relating to directory information services available in any other country to which the Licensee provides Telecommunications Services, against a reasonable tariff as approved by the Regulatory Authority.



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### **6. PROVISION OF OPERATOR ASSISTANCE SERVICES**

- 6.1 The Licensee shall provide an operator-assisted voice telephony service to any Beneficiary upon request against a reasonable tariff as approved by the Regulatory Authority.

### **7. PUBLIC EMERGENCIES AND NATIONAL SECURITY**

- 7.1 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 in accordance with all the decisions issued by the Regulatory Authority within the limits of the provisions of the applicable laws.
- 7.2 In the event of a situation of a natural catastrophe or exceptional public emergencies, the Minister may call the entire Telecommunications services and networks of the Licensee and all its employees in charge of the operation and the maintenance of such services and networks in order to overcome the emergency. The Licensee shall submit to the Regulatory Authority its emergency plan that the Licensee will follow within twelve (12) months of the Effective Date, and shall update the Emergency Plan upon request from the Regulatory Authority.
- 7.3 In the event that the emergency or crisis is related to aspects of national security, the Licensee shall co-ordinate with the competent entity indicated by the Regulatory Authority and shall implement the Emergency Plan and otherwise act in accordance with the instructions of the Regulatory Authority

### **8. INTERNATIONAL SERVICES**

- 8.1 The Licensee is hereby authorised by the Regulatory Authority to enter into agreements with International Telecommunications Operators for the provision of International Telecommunications Services, provided the Licensee gives prior notification to the Authority before entering into such agreement, notifies the Authority of the bases of accounting and settlement rates agreed with such Operators under this Condition and provides the Authority upon request with any information relating to the origination, transit and termination of International Telecommunications Services from, through or in the Sultanate of Oman and with the information that may assist the Authority in fulfilling its obligations in respect of any international telecommunications body.
- 8.2 In entering into interconnection agreements with such International Telecommunications Operators, the Licensee shall comply with all applicable international treaties and bilateral agreements now or hereafter binding upon the Government of the Sultanate of Oman as well as any rules which may be adopted by the



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Regulatory Authority from time to time concerning interconnection with International Telecommunications Operators.

- 8.3 The Licensee shall not enter into any International Correspondent Agreement, the Accounting and Settlement Rates or any other term or condition of which would, according to regulations issued by the Regulatory Authority, prejudice any other Public Telecommunications Operator authorised to provide International Telecommunications Services to and from the Sultanate of Oman.

### 9. BENEFICIARY OBLIGATIONS

- 9.1 The Licensee shall establish and maintain an efficient information and beneficiary service system to assist Beneficiaries with queries relating to the Licensed Services, including installation services and directory assistance.
- 9.2 The Licensee shall provide equal opportunity for access to the same type and quality of Licensed Services to all Beneficiaries in the Licensed Areas at the same tariff as much as possible, limiting variations in available, appropriate or required technologies to serve specific categories of Beneficiaries.
- 9.3 The Licensee shall provide at least twelve (12) months written notice to the Regulatory Authority:
- (a) Regarding any termination of an existing Licensed Service; or
  - (b) Any change to a Licensed Service which would render any Beneficiary equipment obsolete, or otherwise render a Licensed Service inaccessible by Beneficiaries. As part of its written notification the Licensee shall identify appropriate service transition and beneficiary migration arrangements, and shall comply with any related requirements imposed by the Regulatory Authority, to ensure availability of Basic Voice Services and Public Data Services in accordance with Condition 3.1.
- 9.4 Within six (6) months following the Effective Date, the Licensee shall submit to the Regulatory Authority for its approval a form of standard customer agreement containing the terms and conditions for the provision of Licensed Services to Customers (the "**Standard Customer Agreement**").
- 9.5 The Standard Customer Agreement form shall become effective if the Regulatory Authority did not object to it within thirty working (30) days of its receipt or of a later date specified for its execution. If the Regulatory Authority has objected to the Standard Customer Agreement form during such period, the Regulatory Authority shall notify the Licensee in writing of the reasons for this objection and the Licensee shall accordingly modify the Customer Agreement form and present it to the Regulatory Authority within fifteen (15) days of its receipt of such objection. This shall be applicable to the modified Standard Customer agreement form.



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- 9.6 The Licensee may from time to time modify the Standard Customer Agreement This modification shall be subject to the provisions of Item 9.5 above.
- 9.7 The Licensee shall notify all Customers of the terms and conditions of the Standard Customer Agreement and any modifications thereto and shall thereafter provide Licensed Services based upon the Standard Customer Agreement.
- 9.8 The Licensee shall, no later than six (6) months after the Effective Date, prepare a regulation containing efficient procedures for the resolution of disputes with Customers in respect of the provision of Telecommunications Services. The Regulatory Authority shall determine the method to be followed for the publication of this regulation or its perusal and the Licensee shall resolve disputes promptly and in accordance with this regulation and any decisions, orders or guidelines published by the Regulatory Authority.
- 9.9 The licensee undertakes to refund the amounts due to customers or others during the term specified by the Regulatory Authority in the event of cancellation, non-renewal of the License or cessation of the provision of any Licensed Service.

### **10. QUALITY OF SERVICE REQUIREMENTS**

- 10.1 The Licensee shall meet the quality of service requirements set forth in Annex C (the "**Quality of Service Requirements**") and shall not be liable to the penalties determined by the Regulatory Authority in accordance with the Executive Regulation of the Telecommunications Regulatory Act unless eighteen (18) months have passed after the Effective Date.
- 10.2 Subject to Condition (28) the Licensee shall ensure that it maintains information records in a form to be agreed with the Regulatory Authority within eighteen (18) months of the Effective Date for the purposes of satisfying the Regulatory Authority that the Licensee is meeting the Quality of Service Requirements. The Licensee shall also comply with any special information disclosure or reporting requirements set out in Annex C and the publication of the performance indicators of Quality of Service in the media.

### **11. PROVISION OF MAINTENANCE SERVICES**

- 11.1 The Licensee shall ensure the provision of maintenance services, on the reasonable request of any beneficiary to whom it provides any Licensed Services, in respect of both the Licensed System, and approved Telecommunications Equipment supplied by the Licensee and which is under that person's control.
- 11.2 Condition 11.1 shall not apply in the following circumstances:
- 11.2.1 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



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- 11.2.2 in the event that it is not, in the Regulatory 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.

### **12. INTERRUPTIONS TO THE LICENSED SERVICES**

- 12.1 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 Regulatory Authority in writing and having provided reasonable advance notice to beneficiaries affected by such interruption or suspension.
- 12.2 Condition 12.1 shall not apply if:
- 12.2.1 the interruption or suspension is due to an emergency, such as an event of Force Majeure; or
  - 12.2.2 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.

### **13. CHARGES, TERMS AND CONDITIONS**

- 13.1 The Pricing Control criterion set out in the Pricing Control Regulation and Annex D shall be applicable to the amounts charged by the Licensee to any Customer for the provision of the services set out in Condition (1) until the Regulatory Authority reasonably considers that such services are subject to effective competition.
- 13.2 The Regulated Services must be provided on standard terms and conditions (which must include provision for an effective dispute resolution mechanism) to be provided to any person on request.
- 13.3 The Licensee shall file, in a form to be agreed with the Regulatory Authority within three (3) months of the Effective Date, the charges and the terms and conditions upon which it proposes to offer the Regulated Services at least thirty (30) days prior to the date on which it is proposing they are to come into effect.
- 13.4 The Regulatory Authority must approve or disapprove the charges, terms and conditions of the Services set out in Condition (13.1) within fifteen (15) working days from the



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date on which they were filed with the Regulatory Authority. The Regulatory Authority may disapprove the proposed charges, terms and conditions only if the calculations contain mathematical errors or the charges, terms and conditions violate the Telecommunications (Pricing Control) Regulations or Annex D of this Licence, or are unfair or unreasonable or violate applicable laws or the Licence Conditions.

- 13.5 In the event the Regulatory Authority disapproves the charges, terms and conditions of the Regulated Services, it shall notify the Licensee of its disapproval and state its objections within fifteen (15) working days. Within fifteen (15) working days of receipt of the Regulatory Authority's notice of disapproval, the Licensee may submit revised charges, terms and conditions for approval by the Regulatory Authority.
- 13.6 If the Regulatory Authority has not notified the Licensee of its objections and disapproval within fifteen (15) working days, the proposed charges, terms and conditions shall take effect on the earlier of the expiry of the fifteen working day period or the effective date proposed by the Licensee.

### 14. PROVISION OF ACCESS SERVICES/LEASED LINES

- 14.1 The Licensee shall provide access to the Licensed Systems on the reasonable request of any Service Provider or Licensed Operator (the "Access Services").
- 14.2 Provision of Access Services shall be subject to the applicable recommendations published by the International Telecommunication Union and the other international entities, and all applicable regulations, decisions, orders and guidelines issued by the Regulatory Authority.
- 14.3 The Licensee shall provide the Access Services within a maximum period of three (3) months from the date of request. In the event that the two parties do not conclude an agreement within this period, the matters in dispute shall be referred to the Regulatory Authority.
- 14.4 The Licensee shall not be required to provide Access Services where in the Regulatory Authority's view it is not reasonable to require the Licensee to provide Access Services including, but not limited to the following circumstances:
- 14.4.1 where it is beyond the Licensee's control;
  - 14.4.2 where it would cause or would be likely to cause danger, damage or injury to any person or to any property;
  - 14.4.3 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
  - 14.4.4 where it is not reasonably practicable.



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### **15. PROVISION OF SERVICES FOR RESALE**

- 15.1 Subject to any Regulations on interconnection, the Licensee shall, within thirty (30) working days of a reasonable request by a Service Provider, enter with the Service Provider into an agreement with reasonable terms and conditions including terms and conditions in relation to charges to provide such Telecommunications Services as are reasonably requested to enable that Service Provider to provide Resale Services.
- 15.2 The Licensee shall not be required to enter into an agreement under Condition 15.1 above where to do so would, in its reasonable opinion and with the agreement of the Regulatory Authority:
- 15.2.1 cause or would be likely to cause danger, damage or injury to any person or to any property;
  - 15.2.2 cause damage or otherwise interfere with the running of the Licensed Systems or delay the provision over those Licensed Systems of Telecommunications Services; or
  - 15.2.3 not be reasonably practicable in light of any of the Conditions of this Licence and the System Expansion Requirements under Condition 2.1, or would be inappropriate on a technical or economic basis.

### **16. THIRD-PARTY SERVICE PROVISION**

- 16.1 The Licensee shall permit any Licensed Operator 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.
- 16.2 Condition 16.1 shall not be applicable if it is not, in the Regulatory Authority's view, reasonable to require the Licensee to provide such services, including, but not limited to the following circumstances:
- 16.2.1 where it is beyond the Licensee's control;
  - 16.2.2 where it would cause or would be likely to cause danger, damage or injury to any person or to any property;
  - 16.2.3 where it would cause damage or otherwise interfere with the running of the Licensed Systems or delay the provision over those Licensed Systems of Telecommunications Services; or
  - 16.2.4 where it is not reasonably practicable.



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### 17. INTERCONNECTION

#### 17.1 Interconnection Agreements

17.1.1 The Licensee shall, within three (3) months of a request by a Public Telecommunications Operator, enter into an agreement with the Public Telecommunications Operator in accordance with the limits and controls set out in Condition 17.1.3 to connect and keep connected to the Licensed Systems the Telecommunications System run by the Public Telecommunications Operator at technically feasible points of connection and provide such other Telecommunications Services as are reasonably necessary in order for the Public Telecommunications Operator to provide to its customers Telecommunication Services.

In the event that the Licensee and the requesting Public Telecommunications Operator do not conclude an interconnection agreement within the specified period, the matters in dispute shall be referred to the Regulatory Authority under Condition 17.3 below.

17.1.2 Condition 17.1.1 shall not be applicable where to do so would, in a reasonable opinion and with the agreement of the Regulatory Authority:

- (a) be contrary to the Telecommunications Regulatory Act, other applicable law or Regulations or decisions, orders or guidelines issued by the Regulatory Authority;
- (b) cause or would be likely to cause danger, damage or injury to any person or to any property;
- (c) cause damage or otherwise interfere with the running of the Licensed Systems or delay the provision over the Licensed Systems of Telecommunications Services; or
- (d) not be reasonably practicable in light of the System Expansion Requirements set out in Condition 2.1 or would be inappropriate on a technical or economic basis.

17.1.3 The Licensee shall ensure that any agreement offered in response to a request made under Condition 17.1.1 shall be transparent, non-discriminatory and objective and be suited to reasonable terms and conditions and shall include the following:

- (a) the method required to establish and maintain connections;
- (b) the number of points of connection to be established;
- (c) access to necessary premises or lands for use in support of interconnection;
- (d) the dates or periods for which interconnection is required;
- (e) the transmission capacity necessary to permit effective interconnection;





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- (f) the form in which signals must be transmitted (including numbering and signalling methods) and any special provisions required to maintain acceptable signal quality;
  - (g) provisions for contingencies by the parties as a result of the interconnection;
  - (h) provisions required for payment of charges and rates.
  - (i) maintaining service quality levels between end to end points including remedy to failures in meeting service levels and system maintenance.
  - (j) billing settlement procedures.
  - (k) procedures for request, forecast, provision, inspection, testing and traffic management.
  - (l) transmitting signal of calling number identification.
  - (m) number shifting procedures.
  - (n) provision of network data and dealing with such data and their confidentiality; and
  - (o) formal dispute settlement procedures.
- 17.1.4 Any agreement made in accordance with Condition 17.1.1 shall not be valid unless it was forwarded by the Licensee to the Authority to obtain its approval. The Authority shall take its decision within three (3) months of receiving the Agreement. If the Agreement is agreeable to the Authority, it shall notify the Licensee in writing and in the event of rejecting the Agreement it shall notify the Licensee of the justified rejection decision and the Licensee shall modify the Agreement in accordance with the decision.
- 17.1.5 In case of any modification of the Agreement, it shall not be valid unless it is forwarded to the Authority for approval. The Authority shall take its decision within thirty (30) working days and inform the Licensee in writing. The Licensee shall make the required modification in order to comply with the Authority's decision.
- 17.1.6 The Licensee shall provide to the Regulatory Authority all such technical, operational and accounting information as the Regulatory Authority may reasonably require in order to ensure that the requirements of this Condition are met. The Regulatory Authority shall ensure that any information provided to it in accordance with this Condition which is expressed to be confidential is maintained as such.
- 17.1.7 The Regulatory Authority shall from time to time publish adequate, appropriate and up to date information on interconnection agreements between Licensed Operators.



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Where the Licensee has entered into an agreement with another Licensed Operator, the Licensee shall make that agreement publicly available to all Licensed Operators.

- 17.1.8 The Licensee shall comply with any decisions, orders and guidelines published by the Regulatory Authority regarding the sharing of facilities or infrastructures by other Licensed Operators in relation to the Public Telecommunications Network.

### **17.2 Principles for Interconnection Rates**

17.2.1 The Licensee shall ensure that the charges to be made for the provision by it of Telecommunications Services in accordance with Condition 17.1.1, shall be cost-oriented and fully justified, such charges to be calculated based on a reasonable assessment of the costs associated with establishing interconnection and of providing the telecommunication services requested by a Licensed Operator.

17.2.2 In establishing rates and charges for interconnection, the Licensee shall adhere to the following principles:

- a. The charges for interconnection service and facilities should in all cases be reasonable and, with respect to similarly situated beneficiaries, non-discriminatory;
- b. The charges for each type of service requiring interconnection shall be such that they ensure the Licensee a reasonable return, taking into account the Licensee's costs of operating the Licensed System and providing the Licensed Services;
- c. The terms of interconnection should be designed to prevent uneconomic or non-cost based bypass of the Licensed Systems by other Telecommunications Systems, including by providing for interconnection which is sufficiently unbundled so that the interconnecting operator is not required to pay for services or facilities that it does not require;
- d. The division of revenues from traffic carried between the Licensed Systems and the Telecommunications System operated by the Public Telecommunications Operator requesting interconnection should take account of the relative use made of each of the interconnecting operators' plant and equipment by the service in question;
- e. Long-run incremental cost (LRIC) estimates shall be used as the initial basis for calculation of the costs of universal service stipulated in Condition 3 of the Fixed Public Telecommunications System License after two (2) years of the Effective Date;
- f. Where the charges for interconnection are to be based on the standard charges for the provision of a similar service to the Licensee's Customers, those charges should be adjusted to take account of any cost savings associated with providing service to the interconnecting Public Telecommunications Operator; and
- g. The Licensee may not impose any delay penalties except in accordance with the Conditions of the Agreement set out in Condition 17.1.1 and after obtaining the Authority's approval.



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### **17.3 Resolution of Interconnection Disputes**

- 17.3.1 Without violating the regulations issued in accordance with Article 46 of the Telecommunications Regulatory Act, if an agreement cannot be reached according to Condition 17.1.1 within three (3) months, the Licensee or the Public Telecommunications Operator may refer the matter to the Regulatory Authority. The Regulatory Authority shall make such determination, including the imposition of reasonable terms and conditions, as it considers necessary in all the circumstances within six (6) months of the reference, such determination to be final.
- 17.3.2 Where a dispute arises between the parties under the agreement or in relation to a related matter, either party may refer the matter to the Regulatory Authority for determination in accordance with Condition 17.3.1.
- 17.3.3 The party referring any matter to the Regulatory Authority shall provide all the necessary information to the Regulatory Authority so as to enable it to determine the nature of the matter being referred. The other party may make such submissions in relation to the matter being referred as he considers necessary. The Regulatory Authority may require the provision of further information from either party and may specify the period of time within which such information must be provided. The Regulatory Authority shall notify the parties in writing of its determination. The Licensee shall do whatever is necessary to give effect to the determination.

### **18. INTEROPERABILITY AND TECHNICAL STANDARDS**

- 18.1 The Licensee shall comply with any Regulations, technical specifications and rules issued by the Regulatory Authority as are applicable and appropriate 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.
- 18.2 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 type-approved in accordance with Articles 8(6), 51(6) or 51(8) of the Telecommunications Regulatory Act or applicable Regulations, or otherwise complies with technical specifications identified or approved by the Regulatory Authority.

### **19 Interconnection of Terminal Equipment**

- 19.1 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 Articles 8(6), or 8(11), 51(6) or 51(8) of the Telecommunications Regulatory Act or applicable Regulations or otherwise complies with reasonable technical specifications adopted by the Licensee.
- 19.2 The Licensee shall establish an interconnection point at a terminal block at the Customer's premises. The Licensee shall also permit Customers to provide, at the Customer's option, any cabling owned by the Customer at the Customer's premises provided it complies with any

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applicable guidelines of the Regulatory Authority, or has been approved pursuant to the provisions of Article 8(11) of the Telecommunications Regulatory Act or applicable Regulations.

### **20 BILLING**

- 20.1 The Licensee shall not render any bill in respect of any Licensed Service unless every amount stated as due in the bill represents the real value of the service provided.
- 20.2 The Licensee shall, no later than twelve (12) months from the Effective Date, establish a procedure to ensure the accuracy of its billing system in accordance with Condition 20.1 above which must be submitted for prior approval to the Regulatory Authority before its implementation.
- 20.3 The Licensee shall keep such records as may be necessary or may be determined by the Regulatory Authority to be necessary for the purpose of satisfying the Regulatory Authority that the billing process has the characteristics required in the procedure set out in Condition 20.2, and shall retain billing records for at least two (2) years from the date on which they came into being.
- 20.4 The Licensee shall furnish the Regulatory Authority from time to time with any information it reasonably requires for the purpose of giving the Regulatory Authority an independent quality assurance that the billing process meets the requirements of billing and shall allow any person authorised by the Regulatory Authority access to any relevant premises of the Licensee to examine or test the whole or any part of the billing process.
- 20.5 The Licensee shall, no later than eighteen (18) months from the Effective Date, provide itemised billing information to any beneficiary upon request in respect of the charges for any Telecommunications Services provided to such beneficiary, for a reasonable tariff as approved by the Regulatory Authority.

### **21 NUMBERING**

- 21.1 The Licensee shall continue to operate and apply any numbering plan operated and applied by it immediately before the Effective Date (the "Initial Numbering Plan") unless and until the Regulatory Authority prescribes a new numbering plan (the "Numbering Plan") amending or replacing the Initial Numbering Plan. Once published by the Regulatory Authority, the Licensee shall comply with the Numbering Plan and all related decisions, orders or guidelines published by the Regulatory Authority.
- 21.2 Until the new numbering plan is prescribed by the Regulatory Authority, the Licensee may in consultation with the Regulatory Authority make any arrangement for the allocation and re-allocation of numbers within the Initial Numbering Plan; and any developments of, or additions to, or replacements of the Initial Numbering Plan.
- 21.3 The Licensee shall not relinquish numbers to other Licensed Operators unless in accordance with the applicable Numbering Plan.



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- 21.4 The Regulatory Authority will make reasonable endeavours to provide advance notice of any required re-allocation of numbers or other significant change in the Numbering Plan, and will manage the Numbering Plan with the objective of minimising disruption to the Licensee or Customers and the Regulatory Authority may charge administration fees in connection with its administration of the Numbering Plan in accordance with Article 11.6.D of the Telecommunications Regulatory Act.
- 21.5 The numbers allocated by the Regulatory Authority to the Licensee, and the individual numbers allocated by the Licensee to Customers, remain part of a public property and no ownership or other proprietary right is conveyed when an allocation is made.
- 21.6 The Licensee shall co-operate with other Licensed Operators in the specification and development of number portability to allow beneficiaries to change to another Licensed Operator or Service Provider without a change of number.

## **22 RADIOCOMMUNICATIONS AND FREQUENCY ALLOCATION**

The Regulatory Authority shall 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 Regulatory Authority, to enable the Licensee to exercise its rights and to perform its obligations hereunder provided that the Licensee shall comply with the following:

- 1 The Licensee shall ensure that the Radiocommunications Equipment comprised in its Radio Stations is designed and constructed, used and maintained, so as not to cause any undue interference when in use.
- 2 The Licensee shall not permit any person to use the Radiocommunications Equipment comprised in its Radio Stations unless the person is under the control of, and authorised by, the Licensee.
- 3 The Licensee shall ensure that all persons using the Radiocommunications Equipment comprised in its Radio Stations are made aware of the terms of this Licence and comply with them.
- 4 The Licensee shall permit a person authorised by the Regulatory Authority to have access to its Radio Stations and to inspect or test its Radiocommunications Equipment at any reasonable time or when an emergency situation exists, at any time, for the purpose of verifying compliance with the terms of the Licence, or investigating sources of radio interference.
- 5 The Licensee shall restrict the operation of, or close down and cease to operate, its Radio Station or any of its Radiocommunications Equipment immediately in accordance with the demand of a person authorised by the Regulatory Authority in accordance with Article (35) of 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.



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### **23 EMPLOYEES OBLIGATIONS**

- 23.1 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 by the competent authority. The Regulatory Authority may impose a penalty in the event of non-compliance to such percentage.
- 23.2 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.

### **24 PRIVACY AND CONFIDENTIALITY**

- 24.1 The Licensee shall use all reasonable endeavours 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.
- 24.2 The Licensee shall maintain sufficient information on its confidentiality procedures to satisfy the Regulatory Authority, at its reasonable request, that the requirements of Condition 24.1 are being met.
- 24.3 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.
- 24.4 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 Regulatory Authority such information on request

### **25 PROHIBITION OF UNFAIR CROSS-SUBSIDIES OR SUBSIDIES**

- 25.1 The Licensee shall not unfairly cross-subsidise or unfairly subsidise its Businesses or those of its Affiliates in relation to the provision of:
- (a) Basic Voice Services;
  - (b) Public Data Services;
  - (c) Cellular Mobile Services including Third Generation Mobile Services when licensed later;



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- (d) Global Mobile Personal Communications Services;
- (e) Private Telecommunications Services;
- (f) Leased Line Services;
- (g) Satellite Telecommunications Services;
- (h) Public Payphones;
- (i) Information Services;
- (j) Calling Card Service;
- (k) Value Added Services;
- (l) Broadcasting Transmission Service; and
- (m) the sale, lease and maintenance of Terminal Equipment.

25.2 The Licensee shall maintain such records as are necessary in order to evidence material transfers between the Businesses set out in Condition 25.1.

25.3 Where it appears to the Regulatory Authority that the Licensee has violated Condition 25.1, it shall take such steps as the Regulatory Authority may direct in order to remedy the situation while considering whether any subsidy has been made by the Licensee for the purpose of satisfying any obligation imposed on it under this Licence.

### **26 UNDUE DISCRIMINATION AND ANTI-COMPETITIVE PRACTICES**

26.1 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.

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

- 1 abuse any dominant position in any Telecommunications Service market;



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- 2 enter into agreements with any other Licensed Operator or Service Provider which have as their purpose or effect the fixing of prices, allocation of beneficiaries or specific service markets or other improper restraint on competition; or
- 3 use information provided by other Licensed Operators or Service Providers for anti-competitive purposes.
- 4 Any question relating to whether any act done or course of conduct is contrary to this Condition shall be determined by the Regulatory Authority and the measures deemed necessary to remedy this situation shall be taken by it.

### **27 ACCOUNTING REQUIREMENTS**

- 27.1 Within five (5) months of the end of each fiscal year of the Licensee, the Licensee shall deliver to the Regulatory 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.
- 27.2 The Licensee shall submit to the Regulatory Authority within six (6) 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 interconnection prices can be established. The Regulatory Authority shall approve or disapprove the proposed accounting system within three (3) months of its submission.
- 27.3 The Regulatory Authority may, in case of disapproval of the accounting system under Condition 27.2 or, if the Regulatory Authority considers during the Licence Term that a modification is reasonably required, propose modifications or order the Licensee to adopt a prescribed accounting system within a reasonable time period.
- 27.4 The Regulatory 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 as determined by the Regulatory Authority.
- 27.5 If the Licensee fails to comply with its obligations under Condition 27.2 above or if the accounting system established by the Licensee fails to achieve the objectives set forth in that subsection; and the Regulatory Authority deems it necessary and appropriate to supervise compliance with the provisions of Condition 25, 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.





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### **28 REQUIREMENT TO PROVIDE INFORMATION**

- 28.1 The Licensee is required to maintain and provide such information in such manner and at such times as the Regulatory Authority may request. The Regulatory Authority shall have the right to request the Licensee to submit periodic reports, statistics.
- 28.2 In making a request for information, the Regulatory Authority will ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information, unless the Regulatory Authority considers such information is essential to enable it to exercise its duties and functions under the Telecommunications Regulatory Act.
- 28.3 The Licensee shall provide the Regulatory 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 this Licence.

### **29 PRE-NOTIFICATION OF CHANGE IN SHAREHOLDING**

- 29.1 The Licensee shall notify the Regulatory Authority of any acquisition of shares by or 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:
- 1 5 per cent;
  - 2 10 per cent;
  - 3 20 per cent;
  - 4 33.3 per cent;
  - 5 50 per cent; or
  - 6 66.6 per cent,
- 29.2 In any case referred to in Condition 29.1, notification shall be given by a date which is thirty (30) days prior to the taking effect of such change or acquisition.
- 29.3 Within thirty (30) days of each year of the Effective Date, the Licensee shall notify the Regulatory Authority of the name of each shareholder of each Relevant Company, and the total number of shares held by each one of them as at the date of the notification where the "Relevant Company" means the Licensee or any natural or juristic person with more than 50 per cent of the Licensee's shareholding.



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### **30 LICENCE FEES**

The Licensee shall pay to the Regulatory Authority the following fees:

- a) Fees for issuing the License for the first time amounting to RO 200.000. This amount shall be payable to the Regulatory Authority soon upon issuing the Royal Decree.
- b) The licensee's share in the annual fee that does not exceed the amount of operating costs and the projected expenses of each fiscal year to the Authority according to its estimated budget for the coming year. The Licensee shall be notified of this share before the end of October each year. The applicable annual licence fee shall be paid to the Regulatory Authority within thirty (30) days of the Effective Date; and annually in advance no later than 1<sup>st</sup> of 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. This proportion shall be reduced according to the fees imposed by the Authority on other Licensees in accordance with Article 11.6.A of the Telecommunications Regulatory Act.

### **31 PROPERTY RIGHTS**

Subject to Article 47 of the Telecommunications Regulatory Act, the Licensee shall have property 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.

### **32 TRANSFERS OF RIGHTS OR OBLIGATIONS**

- 32.1 The Licensee may not assign or otherwise transfer the Licence to another person without the prior written approval of the Regulatory Authority.
- 32.2 Any natural or juristic person that becomes a duly authorised successor or assign to the Licensee through affiliation, assignment, transfer of control, merger, liquidation, reorganisation or otherwise, shall, as a condition to such succession or assignment, be required to execute such documents as the Regulatory Authority deems appropriate confirming that such successor or assignee fully assumes the rights and obligations set forth in the Licence.

### **33 DISPUTES**

The Authority may consider the disputes that arise between the Licensee and the Licensed, the other Service Providers or beneficiaries and resolve them in accordance with the Telecommunications Regulatory Act and the applicable laws. The decisions of the Authority shall be binding to all parties and the Authority may with the agreement of the parties to the dispute refer the dispute to arbitration.



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### 34 PENALTIES

- 34.1 In addition to any specific penalties or consequences set out in this Licence or under the Telecommunications Regulatory Act or the applicable laws or Regulations, if the Licensee fails to remedy any damage resulting from non-compliance with any requirement of this Licence, the Regulatory Authority may impose a penalty estimated by a percentage of the fee payable by the Licensee according to Condition 30 (B) of this License and not exceeding double the costs necessary to remedying the default
- 34.2 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.
- 34.3 If the plan was not approved by the Authority, or if the Licensee fails to implement the plan within the specified period, a penalty shall be imposed on the Licensee according to Condition 34.1.



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### **Annex A – Licensed Area**

The Licensed Area shall be the whole of the Sultanate of Oman , other than areas subject to an existing exclusive concession in the Effective Date unless authorized by the concession holders.



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### Annex B – System Expansion Requirements

1. The Licensee shall undertake the commercial development of the Licensed Services, in such manner so as to ensure that the demand for its services is met in a timely and efficient fashion and in accordance with internationally recognised standards having regard to the current state of its Telecommunications System
2. The Licensee shall install and connect additional telecommunications lines for the provision of Basic Voice Services and Public Data Services in accordance with the following timeframe:

<b>Rollout Targets</b>	[effective date+1 year]	[effective date+ 2 years]	[effective date+3 years]	[effective date+4 years]	[effective date+5 years]
Residential rollout target	15,000	15,000	15,000	15,000	15,000
Business rollout target	17,500	17,500	Not applicable	Not applicable	Not applicable

3. The Licensee shall install and connect telephone lines in the villages shown in the attached list (“The Village Target”).

The Village Target counts towards the total Rollout Target.

4. Commencing at the Effective Date the Licensee shall maintain information on the number of new residential and business lines installed and report this to the Regulatory Authority at the end of each year as required by the Regulatory Authority
5. If in respect of any year, the Licensee fails to achieve the Residential Rollout Target or the Business Target, this constitutes a Contravention, where a Contravention is defined as

Contravention = Annual Target – Lines installed during the year.

The Regulatory Authority may impose penalties on the Licensee up to a value of RO 50 per Contravention. The first penalty will be assessed and fall due at the end of the quarter of the following year.

6. If the Licensee fails to achieve the Village Target by the end of the initial three-year target period, the Regulatory Authority may impose penalties on the Licensee up to a value of RO 5.000 per each village.
7. Any and all monetary penalties shall be adjusted annually for inflation according to the retail price index.
8. Any and all monetary fines shall be paid when due in immediately available funds to the Regulatory Authority.



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### Annex C – Quality of Service Requirements

1. The Licensee shall comply with the following service quality requirements:

Service	Quality Requirement	Deadline
Faults per 100 lines per year	Less than 18	[Effective date+1 year]
	Less than 16	[Effective date+2 years]
	Less than 14	[Effective date+3 years]
	Less than or 12	[Effective date+4 years]
	Less than 12	[Effective date+5 years]
Percentage of faults to be cleared within 24 hours	More than 88%	[Effective date+1 year]
	More than 89%	[Effective date+2 years]
	More than 90%	[Effective date+3 years]
	More than 90%	[Effective date+4 years]
	More than 90%	[Effective date+5 years]
Unsuccessful call ratio for local and national fixed calls	Less than 5%	[Effective date+1 year]
	Less than 4%	[Effective date+2 years]
	Less than 3%	[Effective date+3 years]



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	Less than 2%	[Effective date+4 years]
	Less than 1%	[Effective date+5 years]
Percentage of orders for access lines in the Served Areas completed within 10 days	More than 82%	[Effective date+1 year]
	More than 84%	[Effective date+2 years]
	More than 86%	[Effective date+3 years]
	More than 88%	[Effective date+4 years]
	More than 90%	[Effective date+5 years]
Percentage of payphones in working order	More than 96%	[Effective date+1 year]
	More than 96%	[Effective date+2 years]
	More than 96%	[Effective date+3 years]
	More than 96%	[Effective date+4 years]
	More than 96%	[Effective date+5 years]
Billing complaints per 1000 bills	Less than 10	[Effective date+1 year]
	Less than 8	[Effective date + 2 years]
	Less than 6	[Effective date + 3 years]
	Less than 4	[Effective



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		date + 4 years]
	Less than 1.5	[Effective date + 5 years]





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Percentage of billing complaints resolved within 20 working days	Not applicable	[Effective date+1 year]
	More than 96%	[Effective date+2 years]
	More than 96%	[Effective date+3 years]
	More than 96%	[Effective date+4 years]
	More than 96%	[Effective date+5 years]

2. The Licensee shall be deemed not to be in breach of the quality of service obligations set out in this Annex C where any breach results from any reduction in quality caused by interconnection of the Licensee's Licensed Systems with the Telecommunications System of any other Licensed Operator.



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### Annex D – Price Control

#### Price Cap Regulation

1. price cap on a basket of fixed services (connection, rental, local, national, international and calls to mobile) = RPI-X factor
2. a sub-cap on leased lines of X factor = 0% for each year of the initial period of 3 years
3. allow 'carry over' of unused cap
4. inclusion of promotional discounts in price cap would not be allowed
5. Licensee is required to prove that each and every price change for services covered by the price cap results in the weighted price level of the services remaining less than or equal to the RPI-X
6. data services have a price cap of RPI-0%
7. RPI means RPI for some cities of Oman that is published quarterly by the monthly statistical bulletin of Ministry of National Economy
8. the X factor mentioned above for the initial three years is 7%
9. X factor shall be revised by the Authority after the initial 3 years during the overall revision according to Article (6) of the Licence