



**Telecommunications Regulatory Authority
Sultanate of Oman**

**LICENSE 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 MOBILE
PUBLIC TELECOMMUNICATIONS SYSTEM**

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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
3. "**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;
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. "**Affiliate**" means any natural or juristic person directly or indirectly controlled by another natural or juristic person;
6. "**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;
7. "**Effective Date**" means the operative date of the Royal Decree issuing this License;
8. "**Licensed Area**" means the territory of the Sultanate of Oman as described in Annex A;
9. "**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;
10. "**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;
11. "**Licensee Gross Revenues**" means all revenues received 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 received by the Licensee from other Licensed Operators or Service Providers (for interconnection or Access Services), all revenues or



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- payments received from resellers of the Licensed Services, but excluding selling and leasing of Terminal Equipment;
12. **"Terminal Equipment"** means any appliance, apparatus, or accessory located on any Customer's premises and connected to the Public Telecommunications System to enable reception and / or transmission of Telecommunications Services;
 13. **"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 including a Telecommunications Service involving the transmission of two-way real-time speech or a facsimile transmission but excludes Third Generation Mobile Services;
 14. **"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;
 15. **"International Telecommunications Services"** means the provision of Telecommunications Services between Sultanate of Oman and other countries;
 16. **"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;
 17. **"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;
 18. **"Information Service"** means a service providing a capability for generating, acquiring, storing, transforming, processing, retrieving, utilising or making available any information via a Telecommunications System;
 19. **"Calling Card Service"** means a service whereby the Licensee provides Customers with a debit, prepaid or credit card for the charging or payment of Telecommunications Services;
 20. **"Value Added Services"** means value added Telecommunications Services other than Information Services;



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21. **"Resale Services"** means Telecommunications Services purchased from the Licensee by a Service Provider and made available to a Customer, together with such additional services as the Service Provider may provide;
22. **"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);
23. **"Satellite"** means an earth orbiting Telecommunications apparatus;
24. **"Third Generation Mobile Services"** means third generation mobile communications systems capable of providing an enhanced range of multimedia services[; including, by way of illustration, UMTS standard services as promoted by the UMTS Forum]; and
25. **"Force Majeure"** means any action outside of the control of the Licensee that can not be anticipated or avoided.

ARTICLE (2)

Scope

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

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 a Royalty of (12.5%) of the Licensee Gross Revenues each year during the License Term, with each annual Royalty calculated on the basis of revenues received through 31 December of the relevant year and paid before

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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 28 of Part II of this License.

ARTICLE (5) Duration

This Licence is granted for a period of fifteen (15) 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.
 - 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.



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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 the following services on a non-exclusive basis in the Licensed Area by means of the Licensed Systems:
1. Cellular Mobile Services;
 2. Paging;
 3. Calling Card Services;
 4. Value Added Services.
- 1.2 If licences are made available for the provision of Third Generation Mobile Services, the Licensee shall be entitled to a Licence for such services on terms and conditions no less favourable than the terms and conditions provided to equivalent licensees for such services.
- 1.3 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 NETWORK COVERAGE

The Licensee shall ensure that its geographic coverage for Cellular Mobile Services in the Licensed Area is no less than as is in existence on the Effective Date.

3 PROVISION OF PUBLIC EMERGENCY CALL SERVICES

- 3.1 The Licensee shall provide access to emergency services within the Service Area free of charge to the public.
- 3.2 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.
- 3.3 The Licensee may restrict the Public Emergency Call Service to be provided under this Condition 3, 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.



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4 Provision of Directory Information Services

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

- 4.1 Provide directory information services upon request to a Customer against a reasonable tariff as approved by the Regulatory Authority.
- 4.2 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;
 - 4.2.1 The Licensed Operator undertakes to use the information only to provide directory information services (provided it does not provide its customers with any services in respect of any person who has requested the Licensee not to provide such information in relation to him), or routing of calls;
 - 4.2.2 The Licensed Operator provides access to the Licensee to its own directory information on a similar basis as set out in 5.3; and
 - 4.2.3 The provision by the Licensee of the information is not unlawful.
- 4.3 Use all reasonable efforts to supply Customer(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.

5 PROVISION OF ACCESS TO OPERATOR ASSISTANCE SERVICES

The Licensee shall provide an operator-assisted voice telephony service by means of its Licensed Systems (the "Operator Assistance Services") to any Customer upon request.



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6 PUBLIC EMERGENCIES AND NATIONAL SECURITY

- 6.1 The Licensee shall undertake to provide at its own expense all the technical capabilities, including equipment, systems and programmes in its Telecommunications network that allow access to its 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.
- 6.2 In the event of a situation of emergency or local, regional or national crisis, such as an earthquake, flood or similar event, the Minister may require the Licensee to provide the necessary services to the Government giving priority to the support activities required to overcome the emergency. Within twelve (12) months of the Effective Date, the Licensee shall submit to the Regulatory 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 Regulatory Authority.
- 6.3 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.

7 INTERNATIONAL SERVICES

The Licensee is authorised to enter into agreements with International Telecommunications Operators for the provision of International Telecommunications Services pursuant to Condition 8 of the Fixed Public Telecommunications System Licence, and may provide the International Telecommunications Services otherwise authorised under this Licence pursuant to those agreements and in accordance with the requirements of Condition 8 of the Fixed Public Telecommunications System Licence and may in particular co-operate with and supply all required information to the Regulatory Authority to assist it in fulfilling its obligations in respect of any international telecommunication body.

8 CUSTOMER OBLIGATIONS

- 8.1 The Licensee shall establish and maintain an efficient information and customer service system to assist Customers with queries relating to the Licensed Services, including installation services and directory assistance.
- 8.2 In the provision of Licensed Services, the Licensee shall provide equal opportunity for access to the same type and quality of Licensed Services to all Customers in the Licensed

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- Area at substantially the same tariff, limiting variations to available or appropriate technologies required to serve specific categories of Customers.
- 8.3 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 Customer equipment obsolete, or otherwise render a Licensed Service inaccessible by Customers. As part of its written notification the Licensee shall identify appropriate service transition and customer migration arrangements, and shall comply with any related requirements imposed by the Regulatory Authority in accordance with Condition 1.1.
- 8.4 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").
- 8.5 The Standard Customer 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 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.
- 8.6 The Licensee may from time to time modify the Standard Customer Agreement. This modification shall be subject to Condition 8.5.
- 8.7 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.
- 8.8 The Licensee shall, no later than six (6) months after the Effective Date, establish an efficient regulation for the resolution of disputes with Customers; and shall resolve disputes promptly and in accordance with any decisions, orders or guidelines published by the Regulatory Authority. Method for publication or perusal of this regulation shall be determined by the Regulatory Authority.



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8.9 The licensee shall undertake 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.

9 Quality of Service Requirements

9.1 The Licensee shall meet the quality of service requirements set forth in Annex B (**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.

9.2 Subject to Condition (26) 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 B and the publication of the performance indicators of Quality of Service in the media.

10 Provision of Maintenance Services

10.1 The Licensee shall ensure the provision of maintenance services, on the reasonable request of any person 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.

10.2 Condition 10.1 shall not apply in the following circumstances:

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
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.



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11 Interruptions to the Licensed Services

- 11.1 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 persons affected by such interruption or suspension.
- 11.2 Condition 12.1 shall not apply if:
1. The interruption or suspension is due to an emergency, such as an event of Force Majeure; or
 2. The interruption or suspension is to a Licensed Service supplied by the Licensee to a person whose Telecommunications System is endangering the integrity of the Licensed Systems.

12 Charges, Terms and Conditions

- 12.1 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 Licensed Services at least thirty (30) days prior to the date on which it is proposing they are to come into effect.
- 12.2 The Regulatory Authority must approve or disapprove the charges, terms and conditions of the Licensed Services set out in Condition (12.1) within fifteen (15) working days from the 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 are unfair or unreasonable or violate applicable laws, including, without limitation, Licence Conditions or Regulations.
- 12.3 In the event the Regulatory Authority disapproves the charges, terms and conditions of the Licensed 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.
- 12.4 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.



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13 Provision of Access Services

- 13.1 The Licensee shall provide access to the Licensed Systems on the reasonable request of any Service Provider or Licensed Operator (the "Access Services").
- 13.2 Access Services shall be provided in accordance with the applicable recommendations of the International Telecommunication Union and other international entities, and all applicable decisions, orders and guidelines published by the Regulatory Authority.
- 13.3 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 Licensee and the requesting Service Provider or Licensed Operator do not conclude an agreement for the requested Access Services within three months, the matters in dispute shall be referred to the Regulatory Authority for resolution.
- 13.4 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:
- (1) Where it is beyond the Licensee's control;
 - (2) Where it would cause or would be likely to cause danger, damage or injury to any person or to any property;
 - (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
 - (4) Where it is not reasonably practicable.

14 Provision of Services for Resale

- 14.1 Subject to any Regulations on interconnection, the Licensee shall, within thirty (30) working days of a 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.
- 14.2 The Licensee shall not be required to enter into an agreement under Condition 14.1 above where to do so would, in its reasonable opinion and with the agreement of the Regulatory Authority:



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- (1) Cause or would be likely to cause danger, damage or injury to any person or to any property;
- (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
- (3) Not be reasonably practicable in light of any of the Conditions of this Licence or would be inappropriate on a technical or economic basis.

15 Third-Party Service Provision

- 15.1 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.
- 15.2 Condition 15.1 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:
- (1) where it is beyond the Licensee's control;
 - (2) where it would cause or would be likely to cause danger, damage or injury to any person or to any property;
 - (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
 - (4) Not be reasonably practicable in light of any of the Conditions of this Licence or would be inappropriate on a technical or economic basis.

16 Interconnection

16.1 Interconnection Agreements

- 16.1.1 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 16.1.3 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



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period, the matters in dispute shall be referred to the Regulatory Authority under Condition 16.3 below.

16.1.2 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:

- (1) Be contrary to the Telecommunications Regulatory Act, other applicable law or Regulations or decisions, orders or guidelines issued by the Regulatory Authority;
- (2) Cause or would be likely to cause danger, damage or injury to any person or to any property;
- (3) Cause damage or otherwise interfere with the running of the Licensed Systems or delay the provision over the Licensed Systems of Telecommunications Services; or
- (4) Not be reasonably practicable in light of the Conditions of this Licence or would be inappropriate on a technical or economic basis.

16.1.3 The Licensee shall ensure that any agreement offered in response to a request made under Condition 16.1.1 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;
- 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; and
- 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.

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- l. transmitting signal of calling number identification.
 - m. number shifting procedures.
 - n. provision of network data and dealing with such data and their confidentiality.
 - o. formal dispute settlement procedures.
- 16.1.4 Any agreement made in accordance with Condition 16.1.1 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.
- 16.1.5 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.
- 16.1.6 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.
- 16.1.7 The Regulatory Authority shall from time to time publish or ensure that there is published adequate and up to date information on interconnection agreements between Licensed Operators. Where the Licensee has entered into an interconnection agreement with another Licensed Operator, the Licensee shall make that agreement publicly available to all interested parties.
- 16.1.8 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.

16.2 Principles for Interconnection Rates

- 16.2.1 The Licensee shall ensure that the charges to be made for the provision by it of Telecommunications Services in accordance with Condition 16.1.1 above, 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 the Public Telecommunications Operator.



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16.2.2 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 users, 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 16.1.1 and after obtaining the Authority's approval.

16.3 Resolution of Interconnection Disputes

16.3.1 Without violating the regulations issued in accordance with Article 46 of the Telecommunications Regulatory Act, if an agreement cannot be reached according to Condition 16.1.1 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

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conditions, as it considers necessary in all the circumstances within six (6) months of the reference, such determination to be final.

- 16.3.2 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 16.3.1.
- 16.3.3 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.

16.4 Other Obligations

- 16.4.1 The Licensee shall co-operate with other Licensed Operators or Service Providers providing services which are the same or similar to the Licensed Services to establish and maintain technical and billing arrangements to permit Customers to use their terminal equipment in the service areas of those other Licensed Operators or Service Providers and in particular the rural areas that are economically unfeasible. The Licensee shall comply with any relevant decisions, orders or guidelines published by the Regulatory Authority regarding such roaming services. The Licensee shall participate in relevant international associations that have as their objective the facilitation of roaming services between operators of compatible services.
- 16.4.2 In addition to complying with the obligations defined in the Telecommunications Regulatory Act and the applicable Regulations and relevant decisions, orders and guidelines published by the Regulatory Authority, the Licensee shall comply with any decisions, orders or guidelines issued by the Authority regarding the sharing of telecommunications facilities or related structures by Licensed Operators.

17 INTEROPERABILITY AND TECHNICAL STANDARDS

- 17.1 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.



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17.2 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 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.

18 Billing

18.1 The Licensee shall not render any bill in respect of any Licensed Service unless every amount stated as due in the bill is no higher than the amount which represents the true extent of any such service actually provided by the Licensee to the Customer in question.

18.2 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 18.1 above which must be submitted for prior approval to the Regulatory Authority.

18.3 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 18.2, and shall retain billing records for at least two (2) years from the date on which they came into being.

18.4 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.

18.5 The Licensee shall, no later than eighteen (18) months from the Effective Date, provide itemized billing information to any Customer upon request in respect of the charges for any Telecommunications Services provided to such Customer, and any tariff charged for itemized billing shall be reasonable.

19 Numbering

19.1 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.



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- 19.2 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.
- 19.3 The Licensee shall not relinquish numbers to other Licensed Operators unless in accordance with the applicable Numbering Plan.
- 19.4 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.
- 19.5 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.
- 19.6 The Licensee shall co-operate with other Licensed Operators in the specification and development of number portability to allow Customers to change to another Licensed Operator or Service Provider without a change of number.

20 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.

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- 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.

21 Employees obligations

- 21.1 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.
- 21.2 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.

22 Privacy and Confidentiality

- 22.1 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.
- 22.2 The Licensee shall maintain sufficient information on its confidentiality procedures to satisfy the Regulatory Authority, at its reasonable request, that the requirements of Condition 22.1 are being met.



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- 22.3 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.
- 22.4 The Licensee may request the Security Authorities to record calls based on a Customer's request to prove that the Customer has made the call or for operational reasons having obtained the Customer's approval. The Licensee shall in either cases notify the Customer whose calls are to be recorded, and shall maintain a record of the means by which the parties 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.

23 Prohibition of unfair cross-subsidies

- 23.1 The Licensee shall not unfairly cross-subsidise or unfairly subsidise its Businesses or those of its Affiliates in relation to the provision of:
- a) Cellular Mobile Services including Third Generation Mobile Services when licensed later;
 - b) Global Mobile Personal Communications Services;
 - c) Private Telecommunications Services;
 - d) Leased Line Services;
 - e) Satellite Telecommunications Services;
 - f) Public Payphones;
 - g) Information Services;
 - h) Calling Card Service;
 - i) Value Added Services;
 - j) Broadcasting Transmission Service; and
 - k) the sale, lease and maintenance of Terminal Equipment.
- 23.2 The Licensee shall maintain such records as are necessary in order to evidence material transfers between the Businesses set out in Condition 23.1.
- 23.3 Where it appears to the Regulatory Authority that the Licensee has violated Condition 23.1, it shall take such steps as the Regulatory 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.

24 Undue discrimination and anti-competitive practices

- 24.1 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,



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- 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.
- 24.2 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;
 - 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 customers 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.
- 24.3 Any question relating to whether any act done or course of conduct is contrary to this Condition shall be determined by the Regulatory Authority.

25 ACCOUNTING REQUIREMENTS

- 25.1 Within five (5) months of the end of each fiscal year of the Licensee, the Licensee shall deliver to the Regulatory Authority the 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.
- 25.2 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.
- 25.3 The Regulatory Authority may, in case of disapproval of the accounting system under Condition 25.2 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.
- 25.4 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

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Licence and the Licensee shall provide such information within a reasonable period of time.

- 25.5 If the Licensee fails to comply with its obligations under Condition 25.2 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 23, 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.

26 REQUIREMENT TO PROVIDE INFORMATION

- 26.1 The Licensee is required to maintain and provide such information as will enable the Regulatory Authority to carry out its functions under the Telecommunications Regulatory Act 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.
- 26.2 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.
- 26.3 The Licensee shall provide the Regulatory Authority or its authorised representatives with access, during normal business hours, to all equipment, facilities, books and records of the Licensee relevant to the performance of this Licence.

27 PRE-NOTIFICATION OF CHANGE IN SHAREHOLDING

- 27.1 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,



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- 27.2 In any case referred to in Condition 27.1, notification shall be given by a date which is thirty (30) days prior to the taking effect of such change or acquisition.
- 27.3 Within thirty (30) days of each anniversary 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 such person as at the date of the relevant anniversary of the Effective Date where the "Relevant Company" means the Licensee or a parent undertaking to the Licensee with more than a 50 per cent shareholding in the Licensee.

28 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 500.000. 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 30 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(6A) of the Telecommunications Regulatory Act.

29 PROPERTY RIGHTS

Subject to Article 47 of the Telecommunications Regulatory Act, the Licensee shall have priority rights in respect of 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.

30 TRANSFERS OF RIGHTS OR OBLIGATIONS

- 30.1 The Licensee may not assign or otherwise transfer the Licence to another person without the prior written approval of the Regulatory Authority.

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- 30.2 Any entity 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.

31 DISPUTES

The Authority may consider the disputes that arise between the Licensee and the Licensed, the other Service Providers or Customers 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 whereas the Authority may with the agreement of the parties to the dispute refer the dispute to arbitration.

32 PENALTIES

- 32.1 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, the Licensee acknowledges that failure to remedy non-compliance with any requirement of this Licence may result in the Regulatory Authority imposing a penalty estimated by a percentage of the fee payable by the Licensee according to Condition 28 (B) of this Licence and not exceeding double the costs necessary to remedying the default
- 32.2 The Authority shall deliver written notice identifying the specific default to be remedied by the Licensee. The Licensee shall have fifteen (15) working 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.
- 32.3 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 32.1.



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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.

ANNEX B – QUALITY OF SERVICE REQUIREMENTS

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

Service	Quality Requirement	Deadline
Percentage of mobile calls dropped	Less than 1.3%	[Effective date+1 year]
	Less than 1.1%	[Effective date+2 years]
	Less than 1.1%	[Effective date+3 years]
	Less than 0.9%	[Effective date+4 years]
	Less than 0.8%	[Effective date+5 years]
Percentage of calls blocked due to congestion of the network	Less than 3.6%	[Effective date+1 year]
	Less than 2.5%	[Effective date+2 years]
	Less than 1.8%	[Effective date+3 years]
	Less than 1.5%	[Effective date+4 years]
	Less than 1.1%	[Effective date+5 years]
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 B 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.