

Draft – 5 October 2006 v.2

FREQUENCY LICENSE GRANTED TO

[NAME OF LICENSEE]

Commercial Registration No. [•]

**BY THE TELECOMMUNICATIONS REGULATORY AUTHORITY
UNDER THE LEGISLATIVE DECREE 48 OF 2002 WITH RESPECT
TO TELECOMMUNICATIONS**

Document Number: [•] Version [•]

Date of Issue: [•]

FREQUENCY LICENSE GRANTED TO [XXXX] BY THE TELECOMMUNICATIONS REGULATORY AUTHORITY

1. GRANT OF LICENSE

- 1.1 The Telecommunications Regulatory Authority (the “**Regulator**”) hereby grants this license (the “**frequency license**”), under the Telecommunications Law promulgated by Legislative Decree No. 48 of 2002 (the “**Telecommunications Law**”), by which the Regulator assigns to [licensee] (the “**licensee**”) the radio frequency spectrum described in Schedule A (the “**Assigned Radio Frequency Spectrum**”).
- 1.2 This license shall not use the Assigned Radio Frequency Spectrum unless the national fixed wireless license referred to in section 3.1 is valid and current.
- 1.3 This license shall be subject to the provisions herein stated, the Telecommunications Law and any regulations issued thereunder.

2. DEFINITIONS

- 2.1 For the purposes of this license:
 - (a) a meaning or definition provided for any word, phrase or expression under the Telecommunications Law shall also be applicable to such word, phrase or expression in this license; unless the context requires otherwise;
 - (b) a reference to a section is, unless otherwise stated, a reference to a section of this license; and
 - (c) the following terms and expressions shall have the following meanings unless the context requires otherwise:

“**Affiliate**” means, as used with respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with, that person. In the case where one person owns, directly or indirectly, 50% or more of the share capital, voting rights, securities or other ownership interest of another person, both such persons shall be deemed an affiliate;

“**Control**” means, as applied to any person, the possession, directly or indirectly, of the power to direct or cause the direction of the management of that person, whether through ownership, voting or other ownership interest, whether by control or otherwise and “**controlling**” and “**controlled**” shall be construed accordingly;

“**Effective date**” means the date referred to in section 12.1;

“**Force majeure**” means any event beyond the reasonable control of the licensee, including but not limited to fire, storm earthquake, flood or other extreme weather conditions, acts of God, lightning, war, military operations, acts of terrorism or riot;

“**Licensed area**” means the territory of the Kingdom of Bahrain; and

“**National fixed wireless license**” means the license granted by the Regulator to the licensee on [date] for the provision of licensed services defined therein.

3. EXERCISE OF RIGHTS; SUBCONTRACTING

3.1 This frequency license is granted exclusively to the licensee for the purposes of facilitating the provision of licensed services authorized in its national fixed wireless license.

3.2 Without prejudice to section 50.1 and 50.2 of the Telecommunications Law and subject to section 7 of this license, the licensee may, with the prior written approval of the Regulator, exercise its rights under this frequency license through an affiliate or sub-contract to another person; provided, however, that the licensee shall remain the effective user of the Assigned Radio Frequency Spectrum continue to be fully liable for any obligation arising in relation to the provision of any such licensed activity. The Regulator may revoke its approval at any time by providing reasonable advance notice to the licensee in writing.

4. USE OF RADIO FREQUENCY SPECTRUM; INTEROPERATOR FREQUENCY DISPUTE RESOLUTION

4.1 Without derogating from section 49 of the Telecommunications Law, the licensee shall take all necessary steps to ensure that the use of the Assigned Radio Frequency Spectrum is safe and does not cause harmful interference to the other existing

radiocommunications stations and telecommunications networks operating in the same area or radio frequency band and in other areas or radio frequency bands.

- 4.2 The licensee shall take all appropriate measures to ensure that its operating licenses and the radiocommunications stations and equipment comprised therein are adequately protected from interference that may be caused by radiocommunications stations and telecommunications networks operating in the same area or radio frequency band or in other areas or radio frequency bands.
- 4.3 The licensee shall co-operate with the Regulator for the purposes of assisting the Regulator in coordinating and managing the efficient use of radio frequencies in relation to neighboring countries, including but not limited to the provision of information to the Regulator, and the reduction of emission levels of radiocommunication stations.
- 4.4 Subject to applicable law and this section 4, the use of any part of the Assigned Radio Frequency Spectrum for the purposes of managing harmful interference (including the provisioning for a guard band(s)) shall be at the discretion of the licensee.
- 4.5 Without derogating from the provisions of section 47 of the Telecommunications Law, where required for the efficient use of radio frequency spectrum in the licensed area, the licensee shall migrate in accordance with requirements specified by the Regulator, from time to time, in relation thereto, by way of regulation.
- 4.6 Without derogating from the licensee's ultimate rights under section 15.2 the licensee shall first take all reasonably necessary steps to ensure that any spectrum interference is resolved amicably intra parties as soon as practically possible. The licensee shall notify the Authority as soon as practicable after it becomes aware of any spectrum interference, and shall keep the Authority informed of any steps taken to resolve the interference and the results obtained thereafter.
- 4.7 Where spectrum interference problems have not been resolved amicably between the licensee and the other party or parties within a reasonable time and in any event no more than 15 days from the detection and notification of the interference to the other party or parties, either the licensee or the other party or parties may refer the matter to the Authority.

4.8 Without prejudice to section 72 of the Telecommunications Law, the Authority shall investigate the matter and issue a decision, determination or order with respect thereto.

4.9 The Authority may direct the licensee to take action as may be necessary to resolve interference as soon as possible.

5. INTEROPERABILITY AND TECHNICAL STANDARDS

5.1 The licensee shall comply with relevant regulations and technical specifications issued by the Regulator in order to ensure interoperability of the licensed services (as defined in the operating license) and its telecommunications facilities with telecommunications services and telecommunications networks provided by other licensees to the extent technically feasible.

6. RADIOCOMMUNICATIONS EQUIPMENT

6.1 The licensee shall ensure that the radiocommunications equipment comprised in any of its radiocommunications stations:

(a) at all times complies with all applicable emission standards and technical specifications or requirements specified by the Regulator, from time to time, in relation thereto; and

(b) is designed and constructed, used and maintained so as not to cause any undue interference even when in use in compliance with the Telecommunications Law and its regulations.

6.2 The licensee shall ensure that the operating licenses and the radiocommunications stations and equipment comprised therein that are operated within the Assigned Radio Frequency Spectrum are not used for unlawful purposes or misused in any way where the licensee has knowledge or should reasonably have knowledge of such use or misuse.

6.3 The licensee shall ensure that all persons using its radiocommunications equipment comprised in any of its radiocommunications stations are made aware of the relevant

terms of this frequency license together with any other relevant license and comply with such terms.

7. NO RADIO FREQUENCY SPECTRUM TRADING

7.1 The licensee shall not, except with the prior written approval of the Regulator, assign, transfer, trade, sell or otherwise dispose of the whole or any part of the rights, privileges, duties and/or obligations under this frequency license to any person or persons.

8. RADIO FREQUENCY SPECTRUM SHARING

8.1 The licensee shall not, except with the prior written approval of the Regulator or in accordance with section 3 of this license, authorize any person or persons to operate a radiocommunications station and/or telecommunications network within the Assigned Radio Frequency Spectrum.

9. ANTI-COMPETITIVE PRACTICES

9.1 Without derogating from section 65 of the Telecommunications Law, the licensee shall not, alone or together with others, engage in or continue or knowingly acquiesce in any anti-competitive practices and, in particular, the licensee shall:

- (a) not engage in anti-competitive cross-subsidization;
- (b) not abuse its dominant position;
- (c) not enter into exclusive arrangements with third parties for the location of its facilities that are required to provide any of the licensed services;
- (d) not enter into any agreements, arrangements or undertakings with any person, including any supplier of services that compete with any of the licensed services, which have as their objective or cause the fixing of prices or other restraint on competition;
- (e) not use information obtained from competitors if the objective or effect of such use is anti-competitive;

- (f) make available to other licensed operators on a timely basis technical information about essential facilities and other commercially relevant information that is necessary for them to provide telecommunications service; and
- (g) not (whether in respect of the tariffs or other terms applied or otherwise) show undue discrimination against particular persons or persons of any class or description as respects the provision of any licensed service.

10. REQUIREMENT TO PROVIDE INFORMATION AND INSPECTION

- 10.1 Without derogating from section 53 and 77 of the Telecommunications Law, the licensee is required to maintain such information as will enable the Regulator to carry out its functions under the Telecommunications Law in such manner as the Regulator may from time to time request. The Regulator shall have the right to request the licensee to submit periodic reports, statistics and other data as well as request additional information in order to effectively supervise and enforce the terms of this license, the provisions of the Telecommunications Law and the regulations issued thereunder.
- 10.2 Without derogating from section 77 of the Telecommunications Law, the licensee shall permit a person authorized by the Regulator to have access to any of its radiocommunications stations and to inspect or test its radiocommunications equipment at any reasonable time or whenever an emergency situation exists, at any time, for the purpose of verifying compliance with the terms of this frequency license, or investigating sources of harmful radiocommunications interference.

11. FREQUENCY LICENSE FEES

- 11.1 The fee for this frequency license from the Effective Date to, but not including, 1 January 2008 shall be BD 28000. The annual fee for this frequency license may be amended from year to year by the Ministry of Transportation or other authorized body.
- 11.2 The applicable frequency license fee shall be payable to the Regulator in Bahraini Dinars before issue of the license:

- a) for the period from the Effective Date until the end of the year in which this license is issued; and
- b) annually in advance no later than 31 January of each year thereafter.

12. DURATION AND RENEWAL

- 12.1 The effective date of this license is the effective date of the licensee's national fixed wireless license (the "**Effective Date**"). This license shall be valid for a term of fifteen (15) years.
- 12.2 The Regulator shall grant a new frequency license in the same terms as this license (as may be modified from time to time per section 13 of this license) upon request by the licensee for additional terms of ten (10) years upon expiration of the current license term, provided that:
 - (a) the licensee is not, and has not been, in material breach of the license, its national fixed wireless license, the Telecommunications Law, any regulations, resolutions, determinations, decisions or orders issued thereunder (in which case, the Regulator may determine not to grant a new frequency license in accordance with section 44 of the Telecommunications Law); and
 - (b) the national fixed wireless license is also renewed for corresponding additional terms.

13. MODIFICATION, REVOCATION AND TERMINATION

- 13.1 Without derogating from section 51 of the Telecommunications Law, this frequency license may be modified in any of the following ways at any time:
 - (a) written agreement between the Regulator and the licensee; or
 - (b) by the Regulator if the Regulator determines that such modification is necessary to make the conditions of the license consistent with conditions being imposed generally in respect of all licenses issued in the same category, for the purpose of ensuring fair competition between licensees in that category or to the extent necessitated by technological development or the policy for the

management of spectrum in the Kingdom of Bahrain as it may stand from time to time, provided that the Regulator shall have consulted with the licensee.

- 13.2 The Regulator may revoke this frequency license in accordance with section 51 of the Telecommunications Law or by an order of revocation if the licensee has made any material misstatement, or omitted to make a material statement, of fact or intention in the auction process prior to the grant of this license.
- 13.3 This frequency license shall terminate automatically if the Licensee is adjudged bankrupt by a competent court or ceases its commercial activity.
- 13.4 This frequency license shall terminate automatically upon the expiry of its term.
- 13.5 If for any reason the licensee's national fixed wireless license referred to in section 3.1 of this license expires, is terminated or is revoked then this frequency license shall also be deemed to have expired, be terminated or be revoked.

14. FORCE MAJEURE

- 14.1 If the licensee is prevented from performing any of its obligations under this license because of force majeure the licensee shall notify the Regulator of the obligations it is prevented from performing as soon as practicable after it becomes aware or reasonable should become aware of such force majeure.
- 14.2 The Regulator shall suspend those obligations referred to under section 14.1 and the licensee will not be liable to perform those obligations, for so long as the force majeure continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under the law or this license or other reasonable precautions and the inability cannot reasonably be circumvented by the licensee at its expense through the use of alternate sources, work-around plans or other means.

15. DISPUTE RESOLUTION

- 15.1 All disputes between the licensee and the Regulator arising out of this license shall be resolved in accordance with the provisions of Chapter 16 of the Telecommunications Law.

15.2 The courts of the Kingdom of Bahrain shall have jurisdiction over disputes between the licensee and other licensees in connection with telecommunications activities which they are licensed to conduct, provided, however, that a party to such dispute may require the dispute to be referred to arbitration, in which case, unless the parties agree otherwise and provided that such agreement is not contrary to Chapter 7 of the Civil and Commercial Procedural Law of 1971, the provisions of sections 67 to 71 of the Telecommunications Law shall apply *mutatis mutandis*.

16. NOTICES

16.1 All notices from the licensee to the Regulator and vice versa shall be in writing and sent by registered mail with acknowledgement of delivery to the following addresses:

- (a) If sent to the Regulator: PO Box 10353, Manama, Kingdom of Bahrain.
- (b) If sent to the licensee: PO Box XXXXX Manama, Kingdom of Bahrain.

16.2 Either party may change its above address by notifying the other party in writing at least fifteen (15) days before such change takes effect.

SCHEDULE A

ASSIGNMENT OF RADIO FREQUENCY SPECTRUM

The Assigned Radio Frequency Spectrum means, unless otherwise specified below, the radio frequency band(s) consisting of the range of radio frequencies between the upper and lower frequency limits of the radio frequency bands specified in the tables below:

Frequency

The limits on radio frequency emissions that will apply to equipment operated under this license are described in terms of maximum radiated power and maximum transmitter output power. The limits, derived from ECC Recommendation (04)05, "Guidelines for accommodation and assignment of multipoint fixed wireless systems in the frequency bands 3.4-3.6 GHz and 3.6-3.8 GHz", and from ITU RR S21.5, are tabulated below .

Exhibit 1: Limits on radiated power

	Maximum EIRP spectral density (dBW/MHz)
Central Station (CS) Repeater Station (RS) – down links.	+23
Terminal Station (TS) outdoor RS up links	+20
TS indoor	+12

The maximum power output from any transmitter into the antenna system shall never exceed +13 dBW.

To limit interference between frequency-adjacent blocks, licensees must adhere to the Block Edge Mask methodology detailed in annex 3 of ECC Recommendation (04)05.

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